

**TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY  
NEW JERSEY**

**FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY DATA  
AND INFORMATION**

**FOR THE YEARS ENDED  
DECEMBER 31, 2017 AND 2016**

***HODULIK & MORRISON, P.A.***

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS  
HIGHLAND PARK, N.J.

**TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY**

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**MIDDLESEX COUNTY, NEW JERSEY**

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**TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY**

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**PART I  
INDEPENDENT AUDITOR'S REPORT  
FINANCIAL STATEMENTS**

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REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Members  
of the Township Council  
Township of Piscataway  
Middlesex County, New Jersey

**Report on the Financial Statements**

We have audited the accompanying balance sheets - regulatory basis of the various funds and governmental fixed assets of the Township of Piscataway, County of Middlesex, New Jersey, as of and for the years ended December 31, 2017 and 2016, and the statements of operations and changes in fund balance - regulatory basis for the years then ended and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year ended December 31, 2017, and the related notes to the financial, which collectively comprise the basic financial statements of the Township, as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of 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 error or fraud.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and 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 opinion.

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

As described in Note 2, these financial statements were prepared in conformity with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, United States of America, that demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These prescribed principles 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. Accordingly, the accompanying financial statements - regulatory basis are not intended to present financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. The effect on the financial statements of the differences between these regulatory accounting practices 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 matters discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial positions of the Township of Piscataway, County of Middlesex, New Jersey, as of December 31, 2017, the changes in its financial position, and, where applicable, its cash flows for the year then ended.

#### Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements - regulatory basis referred to in the first paragraph present fairly, in all material respects, the financial position - regulatory basis of the various funds and governmental fixed assets of the Township of Piscataway, County of Middlesex, State of New Jersey as of December 31, 2017 and 2016 and the related statements of operations and changes in fund balance - regulatory basis for the years then ended and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year ended December 31, 2017, on the basis of accounting described in Note 2.

#### Other Matters

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that certain information, including the Notes thereto, (Required Supplementary Information – Part II), as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board and is prescribed by the Division of Local Government Services, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



### Other Information

Our audit was made for the purpose of forming an opinion on the financial statements of the Township of Piscataway, County of Middlesex, New Jersey. The information included in Part III - Supplementary Schedules and Part IV - Supplementary Data, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements of the Township of Piscataway, County of Middlesex, New Jersey. The information included in Part III - Supplementary Schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to 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 - regulatory basis taken as a whole.

The schedules and information contained in Part IV - Supplementary Data have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated June 26, 2018 on our consideration of the Township of Piscataway's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 Township of Piscataway's internal control over financial reporting and compliance.

*Hodulik & Morrison, P.A.*

HODULIK & MORRISON, P.A.  
Certified Public Accountants  
Registered Municipal Accountants  
Public School Accountants



Andrew G. Hodulik  
Registered Municipal Accountant  
No. 406  
Highland Park, New Jersey  
June 26, 2018

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Township Council  
Township of Piscataway  
Middlesex County, New Jersey

We have audited, in accordance with the 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 audit requirements as 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 Piscataway, County of Middlesex, New Jersey as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township of Piscataway's basic financial statements and have issued our report thereon date June 26, 2018. Our report was modified to reflect the departure from accounting principles generally accepted in the United States of America as disclosed in Note 2, that are embodied in the Other Comprehensive Basis of Accounting utilized for financial statement presentations, and was unqualified based upon that Other Comprehensive Basis of Accounting.

Internal Control Over Financial Reporting

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

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

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Piscataway's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Township in the General Comments section of the Report of Audit.

We also noted other matters involving compliance and internal control over financial reporting that we have reported to management of the Township of Piscataway in the General Comments section of the Report of Audit.

#### 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 in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HODULIK & MORRISON, PA.  
Certified Public Accountants  
Registered Municipal Accountants  
Public School Accountants

Highland Park, New Jersey  
June 26, 2018

## **FINANCIAL STATEMENTS**

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016

ASSETS		BALANCE DEC. 31, 2017	BALANCE DEC. 31, 2016	LIABILITIES, RESERVES AND FUND BALANCE	BALANCE DEC. 31, 2017	BALANCE DEC. 31, 2016
Cash and Investments - Treasurer	A-4	\$ 36,725,505.02	\$ 33,571,514.75	Liabilities:		
Cash - Change Fund	A	535.00	535.00	Appropriation Reserves	A-3, A-9 \$	5,284,915.57
Due from State of N.J. per Ch. 29, P.L. 1976	A-6	220,794.22	214,985.20	Reserve for Encumbrances	A-3, A-9	2,197,625.28
				Prepaid Taxes	A-7	896,508.69
				Various Payables	A-10	2,224,330.81
		36,946,834.24	33,787,034.95	Various Reserves	A-10	3,458,389.08
Receivables With Offsetting Reserves:						
Taxes Receivable	A-7	1,451,551.75	1,425,603.82			14,061,769.43
Tax Title Liens	A-7	676,158.81	646,530.20			
Property Acquired for Taxes (At Assessed Valuation)	A-7	2,592,900.00	2,592,900.00	Reserve for Receivables	Reserve	4,712,028.62
Revenue Accounts Receivable	A-8	49,370.77	46,994.60	Fund Balance	A-1	19,725,265.52
		4,769,981.33	4,712,028.62			
Total Regular Fund		41,716,815.57	38,499,063.57	Total Regular Fund		38,499,063.57
State and Federal Grant Fund:				State and Federal Grant Fund:		
Cash and Investments - Treasurer	A-4	422,965.17	140,030.93	Reserve for State and Federal Grants:		
Grants Receivable	A-15	721,477.00	689,781.11	Appropriated	A-17	765,896.98
				Reserve for Encumbrances	A-17	63,915.06
Total State and Federal Grant Fund		1,144,442.17	829,812.04	Total State and Federal Grant Fund		829,812.04
Grand Total		\$ 42,861,257.74	\$ 39,328,875.61		\$	\$ 39,328,875.61

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>REF.</u>	<u>CY 2017</u>	<u>CY 2016</u>
Fund Balance Utilized	A-1, A-2	\$ 10,359,046.09	\$ 9,265,682.60
Miscellaneous Revenues Anticipated	A-2	13,316,239.10	12,481,445.64
Receipts from Delinquent Taxes	A-2	1,443,008.18	1,762,696.42
Non-Budget Revenue	A-2	1,172,879.80	1,867,973.56
Receipts from Current Taxes	A-7	170,877,229.39	166,796,415.36
Other Credits to Income:			
Unexpended Balances of Approp. Reserves	A-9	4,177,661.18	4,216,486.75
Prior Year Revenue	A-4	5,617.68	74,037.90
Accounts Payable Cancelled	A-10	834,664.23	3,698,576.62
Various Reserves Cancelled	A-10	172,458.44	
Overpayments Cancelled	A-14	1,788,262.48	469,107.84
Prior Year Senior Citizen Deduction Allowed	A-6	10,247.92	14,096.53
Total Revenues		<u>204,157,314.49</u>	<u>200,646,519.22</u>
<u>EXPENDITURES AND OTHER CHARGES</u>			
Budget Appropriations and Emergency Appropriations			
Within "CAP"			
Operations:			
Salaries and Wages	A-3	19,873,212.43	20,788,824.00
Other Expenses	A-3	19,945,040.64	18,402,293.39
Deferred Charges and Statutory Expend.	A-3	4,851,260.00	4,709,315.16
Appropriations Excluded from "CAP"			
Operations:			
Salaries and Wages	A-3	1,058,673.58	1,088,325.35
Other Expenses	A-3	5,777,867.06	6,273,330.74
Capital Improvements	A-3	3,298,000.00	2,618,850.00
Municipal Debt Service	A-3	10,892,175.84	11,142,148.06
Deferred Charges and Statutory Expend.	A-3	1,341,437.00	1,936,022.74
Special District Taxes	A-13	3,895,824.00	3,823,380.00
County Tax	A-13	25,498,575.36	25,052,235.67
County Open Space Fund	A-13	2,072,228.24	2,076,120.55
Due County for Added Taxes	A-13	139,342.58	45,374.22
Local District School Taxes	A-13	92,593,095.00	90,934,806.00
Tax Overpayments			
Tax Appeals	A-7		548,441.60
Grant Canceled	A-12	60,222.23	44,487.84
Refund Current Years Revenue	A-4	24,503.20	2,846.50
Refund Prior Years Revenue	A-4	35,178.02	820.00
Total Expenditures		<u>191,356,635.18</u>	<u>189,487,621.82</u>
Statutory Excess to Fund Balance (brought forward)		12,800,679.31	11,158,897.40
<u>FUND BALANCE</u>			
Balance - January 1	A	<u>19,725,265.52</u>	<u>17,832,050.72</u>
		32,525,944.83	28,990,948.12
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>10,359,046.09</u>	<u>9,265,682.60</u>
Balance - December 31	A	<u>\$ 22,166,898.74</u>	<u>\$ 19,725,265.52</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

EXHIBIT A-2

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	REF.	ANTICIPATED CY 2017 BUDGET	APPROP. N.J.S.A. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	A-1	\$ 10,359,046.09	\$	\$ 10,359,046.09	\$
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-8	53,000.00		55,564.00	2,564.00
Other	A-8	85,000.00		123,349.00	38,349.00
Fees and Permits	A-8	480,000.00		674,738.09	194,738.09
Fines and Costs:					
Municipal Court	A-8	625,000.00		791,193.84	166,193.84
Interest and Costs on Taxes	A-5	370,000.00		409,981.22	39,981.22
Interest on Investments and Deposits	A-8	75,000.00		481,638.37	406,638.37
Reserve for PCTV	A-10	14,000.00		14,000.00	-
Hotel and Motel Tax	A-8	300,000.00		448,812.43	148,812.43
Cable Franchise Fees	A-8	185,000.00		188,641.86	3,641.86
Library Fines and Fees	A-8	36,000.00		36,000.00	-
Consolidated Municipal Property Tax Relief Aid	A-8	387,172.00		387,172.00	-
Energy Receipts Taxes	A-8	5,471,407.00		5,471,407.00	-
Dedicated Uniform Construction Code Fees offset with Appropriations (N.J.S.A. 40A:4-36 and N.J.A.C. 5:23-4.17):	A-8	750,000.00		3,010,188.36	2,260,188.36
Uniform Fire Safety Act	A-8	65,000.00		83,281.62	18,281.62
PILOT	A-8	-		302,260.56	302,260.56
Public and Private Revenues Offset with Approps.:					-
Alcohol Education Rehabilitation Fund	A-12		3,603.03	3,603.03	-
Body Armor Fund	A-12		7,409.68	7,409.68	-
Clean Communities Program	A-12	-	98,239.10	98,239.10	-
Community Development Block Grant	A-12		220,487.00	220,487.00	-
COPS in Shop Grant	A-12	2,800.00		2,800.00	-
Drive Sober Or Get Pulled Over	A-12		11,000.00	11,000.00	-
Federal Emergency Management Grant	A-12		-	-	-
Friends of The Library	A-12		-	-	-
Middlesex County Cultural and Heritage Library	A-12	597.00	199.00	796.00	-
Multi-Jurisdictional Gang, Gun & Narcotics Task Force	A-12		12,000.00	12,000.00	-
Municipal Alliance on Alcoholism and Drug Abuse	A-12		69,240.00	69,240.00	-
Recycling Tonnage Grant	A-12	33,573.38	56,862.56	90,435.94	-
Safe and Secure Communities Program	A-12		60,000.00	60,000.00	-
NJDOT Grant:	A-12		262,000.00	262,000.00	-
Total Miscellaneous Revenues	A-1	8,933,549.38	801,040.37	13,316,239.10	3,581,649.35
Receipts from Delinquent Taxes	A-1,A-7	1,500,000.00		1,443,008.18	(56,991.82)
Subtotal General Revenues		20,792,595.47	801,040.37	25,118,293.37	3,524,657.53
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-7	45,168,132.02		46,381,787.05	1,213,655.03
Minimum Library Tax	A-7	2,318,657.00		2,318,657.00	-
Total Amount to be Raised by Taxes for Support of Municipal Budget	A-2	47,486,789.02	-	48,700,444.05	1,213,655.03
Budget Totals		68,279,384.49	801,040.37	73,818,737.42	\$ 4,738,312.56
Non-Budget Revenues	A-1,A-8			1,172,879.80	
		\$ 68,279,384.49	\$ 801,040.37	\$ 74,991,617.22	
	Ref.	A-3	A-3		

( ) Denotes Deficit

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2017

	CY 2017 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE
				ENCUMBERED	RESERVED	CANCELLED
<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	
Township Council	80,000.00	71,272.20	71,272.20		-	
Salaries and Wages	24,000.00	12,000.00	6,653.06	1,384.00	3,962.94	
Other Expenses						
Township Clerk	225,125.00	225,125.00	213,144.12	-	11,980.88	
Salaries and Wages	60,000.00	60,000.00	19,820.00	3,299.65	36,880.35	
Other Expenses						
Elections						
Salaries and Wages	25,000.00	2,095.31	2,095.31	-	0.00	
Other Expenses	30,300.00	30,300.00	21,960.05	-	8,339.95	
<b>Administration:</b>			-			
Dept. of Administration			-			
Salaries and Wages	488,477.00	388,477.00	342,237.23	-	46,239.77	
Other Expenses	144,000.00	94,000.00	61,905.31	8,990.06	23,104.63	
Division of Personnel						
Salaries and Wages	121,375.00	121,375.00	119,981.28	-	1,393.72	
Other Expenses	15,000.00	15,000.00	14,179.20	368.01	452.79	
Computer Center						
Salaries and Wages	142,750.00	117,750.00	83,405.54	-	34,344.46	
Other Expenses	250,000.00	235,000.00	150,723.11	80,400.66	3,876.23	
Division of Purchasing						
Salaries and Wages	50,000.00	50,000.00	48,618.72	-	1,381.28	
Other Expenses:	85,000.00	85,000.00	60,985.38	5,175.49	18,839.13	
Postage ( All Depts.)	70,000.00	75,000.00	72,746.36	2,128.17	125.47	
Duplicating ( All Depts.)	10,000.00	10,000.00	10,000.00	-	-	
Municipal Land Use (N.J.S.A. 40:55 D-1):			-			
Planning Board			-			
Salaries and Wages	14,000.00	7,667.38	7,667.38	-	-	
Other Expenses	60,000.00	60,000.00	28,550.07	3,282.41	28,167.52	



TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2017

	CY 2017 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
<u>Administration (cont'd):</u>						
Zoning Board of Adjustment						
Salaries and Wages	\$ 14,000.00	\$ 7,396.42	\$ 7,396.42	\$ -	\$ -	-
Other Expenses	60,000.00	60,000.00	34,570.74	7,989.26	17,440.00	
Cable TV Studio						
Salaries and Wages	212,125.00	205,125.00	202,134.88	-	2,990.12	
Other Expenses	10,500.00	10,500.00	7,001.49	265.24	3,233.27	
Celebration of Public Events						
Other Expenses	20,000.00	4,000.00	4,000.00	-	-	-
<u>Finance and Revenue</u>						
Department of Finance						
Salaries and Wages	375,000.00	375,000.00	351,703.48	-	23,296.52	
Other Expenses	84,000.00	84,000.00	65,609.09	13,119.19	5,271.72	
Annual Audit	70,000.00	70,000.00	-	70,000.00	-	
Division of Assessment						
Salaries and Wages	220,750.00	220,750.00	205,804.01	-	14,945.99	
Other Expenses	305,000.00	305,000.00	223,855.67	67,279.62	13,864.71	
Division of Revenue						
Salaries and Wages	185,000.00	140,000.00	130,961.62	-	9,038.38	
Other Expenses	55,000.00	55,000.00	35,276.31	386.65	19,337.04	
Insurance						
Liability Insurance	1,600,000.00	1,290,000.00	1,274,887.81	3,899.20	11,212.99	
Worker's Compensation Insurance	5,000.00	5,000.00	-	-	5,000.00	
Health Insurance Waiver	125,000.00	125,000.00	84,025.00	3,000.00	37,975.00	
Employee Group Insurance	8,088,399.07	8,088,399.07	7,698,034.28	390,364.79	0.00	
Municipal Court						
Salaries and Wages	415,250.00	395,250.00	389,098.52	-	6,151.48	
Other Expenses	30,000.00	30,000.00	28,420.38	593.60	986.02	
Public Defender (P.L. 1997, Ch. 256)						
Other Expenses	30,000.00	10,000.00	5,000.00	-	5,000.00	

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2017

	CY 2017 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE
				ENCUMBERED	RESERVED	CANCELLED
<u>Law</u>						
Department of Law						
Other Expenses						
Municipal Prosecutor						
Salaries and Wages	20,000.00	-	-	-	-	-
Other Expenses	80,000.00	80,000.00	61,416.63	13,284.37	5,299.00	
	\$ 500,000.00	\$ 500,000.00	\$ 381,822.63	\$ 103,467.37	\$ 14,710.00	
	265,000.00	265,000.00	248,517.43	-	16,482.57	
	15,500.00	15,500.00	6,910.59	4,596.79	3,992.62	
Animal Control						
Salaries and Wages	20,000.00	20,000.00	1,478.19	-	18,521.81	
Other Expenses	18,000.00	18,000.00	(1,379.84)	1,969.00	17,410.84	
Division of Schools Crossing Guards						
Salaries and Wages	330,000.00	250,000.00	246,517.60	-	3,482.40	
Other Expenses	1,600.00	1,600.00	1,367.25	-	232.75	
Division of Police						
Salaries and Wages	11,913,733.00	11,913,733.00	11,136,771.07	-	776,961.93	
Other Expenses	453,680.00	453,680.00	307,891.29	68,869.62	76,919.09	
First Aid Organization - Contribution	100,000.00	100,000.00	45,258.00	1,781.50	52,960.50	
Office of Emergency Management						
Salaries and Wages	40,000.00	29,853.12	29,853.12	-	0.00	
Other Expenses	12,000.00	12,000.00	963.41	-	11,036.59	
	300,000.00	265,000.00	254,408.26	-	10,591.74	
	50,000.00	50,000.00	26,065.64	3,247.77	20,686.59	
Division of Engineering						
Salaries and Wages	548,300.00	453,300.00	419,800.90	-	33,499.10	
Other Expenses	50,000.00	50,000.00	24,736.84	9,108.86	16,154.30	

PUBLIC SAFETY:

Uniform Fire Safety Act (P.L. 1983 C. 383)

PUBLIC WORKS:

Department of Public Works

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2017

	CY 2017 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
<b>PUBLIC WORKS(CONT'D):</b>						
Division of Community Development and Planning						
Salaries and Wages	\$ 315,000.00	\$ 315,000.00	\$ 304,032.51	\$ -	\$ 10,967.49	
Other Expenses	65,000.00	65,000.00	17,761.05	15,011.43	32,227.52	
Zoning Enforcement						
Salaries and Wages	150,000.00	135,000.00	130,534.11	-	4,465.89	
Other Expenses	50,000.00	30,000.00	13,720.78	5,311.21	10,968.01	
Public Building and Grounds						
Salaries and Wages	185,266.00	185,266.00	175,879.35	-	9,386.65	
Other Expenses	350,000.00	350,000.00	208,503.84	137,543.39	3,952.77	
Division of Property Maintenance TRAFFIC						
Salaries and Wages	200,000.00	110,000.00	98,684.81	-	11,315.19	
Other Expenses	96,000.00	96,000.00	19,416.04	941.00	75,642.96	
Division of Property Maintenance FLEET						
Salaries and Wages	400,000.00	340,000.00	330,750.40	-	9,249.60	
Other Expenses	395,000.00	395,000.00	192,827.98	58,231.37	143,940.65	
Division of Streets and Road Maintenance						
Salaries and Wages	1,100,000.00	925,000.00	649,487.93	-	275,512.07	
Other Expenses	54,000.00	54,000.00	21,855.64	9,943.52	22,200.84	
Snow Removal						
Salaries and Wages	250,000.00	250,000.00	250,000.00	-	-	
Other Expenses	275,000.00	275,000.00	137,322.95	137,677.05	-	
All Utilities	1,800,000.00	1,800,000.00	962,560.01	790,204.66	47,235.33	
Division of Parks						
Salaries and Wages	665,000.00	495,000.00	459,150.74	-	35,849.26	
Other Expenses	285,000.00	285,000.00	259,271.85	17,716.41	8,011.74	
Division of Sanitation - Sewer System						
Shade Tree						
Other Expenses	1,350.00	1,350.00	-	-	1,350.00	
Storm Sewer System						
Other Expenses	30,000.00	30,000.00	-	50.65	29,949.35	
Solid Waste Collection						
Salaries and Wages	670,198.00	485,198.00	438,023.91	-	47,174.09	
Other Expenses	10,000.00	10,000.00	2,617.73	30.85	7,351.42	

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2017

	CY 2017 <u>BUDGET</u>	BUDGET AFTER <u>MODIFICATION</u>	PAID OR <u>CHARGED</u>	<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELLED</u>
				<u>ENCUMBERED</u>	<u>RESERVED</u>	
<b>\$</b>	<b>\$ 85,000.00</b>	<b>\$ 85,000.00</b>	<b>\$ 6,892.15</b>	<b>\$ 565.00</b>	<b>\$ 77,542.85</b>	
	115,000.00	115,000.00	-	-	115,000.00	
	1,000.00	1,000.00	1,000.00	-	-	
	400,000.00	400,000.00	362,873.98	-	37,126.02	
	90,000.00	90,000.00	61,938.55	17,829.54	10,231.91	
			-	-	-	
			-	-	-	
			-	-	-	
			-	-	-	
	188,950.00	203,950.00	192,307.91	-	11,642.09	
	240,000.00	195,000.00	141,079.77	7,675.56	46,244.67	
	35,000.00	809,711.57	809,711.57	-	-	
	15,000.00	-	-	-	-	
		-	-	-	-	
	3,000,000.00	3,000,000.00	3,000,000.00	-	-	
			-	-	-	

PUBLIC WORKS(CONTD):

Recycling Program  
Other Expenses  
Municipal Services Act

HEALTH AND WELFARE:

Division of Public Assistance  
Other Expenses  
Office on Aging  
Salaries and Wages  
Other Expenses

RECREATION AND EDUCATION

Department of Recreation  
Salaries and Wages  
Other Expenses  
Accumulated Leave Compensation  
Salary Adjustment  
Salaries and Wages

Reserve for Tax Appeals  
Other Expenses

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2017

	CY 2017 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
Uniform Construction Code						
Division of Inspections						
Salaries and Wages	\$ 610,625.00	\$ 610,625.00	\$ 532,413.27	\$ -	\$ 78,211.73	
Other Expenses	20,000.00	20,000.00	14,252.79	627.05	5,120.16	
Boards and Commissions						
Salaries and Wages	7,000.00	4,004.00	4,004.00	-	-	
Other Expenses	44,000.00	34,000.00	22,848.69	1,513.20	9,638.11	
Total Operations Within "CAPS"	40,716,253.07	39,818,253.07	35,097,847.34	2,069,123.17	2,651,282.56	
Contingent						
Total Operations Including Contingent Within "CAPS"	40,716,253.07	39,818,253.07	35,097,847.34	2,069,123.17	2,651,282.56	
DETAIL:						
Salaries and Wages	20,947,924.00	19,873,212.43	18,342,325.39	-	1,530,887.04	-
Other Expenses (Including Contingent)	19,768,329.07	19,945,040.64	16,755,521.95	2,069,123.17	1,120,395.52	-
STATUTORY EXPENDITURES:						
Contribution to:						
Social Security System (O.A.S.I.)	994,718.00	994,718.00	854,370.04	-	140,347.96	
Public Employees Retirement System	1,191,869.00	1,191,869.00	1,191,869.00	-	-	
Police and Firemen's Pension Fund	2,573,673.00	2,573,673.00	2,573,673.00	-	-	
State Unemployment Insurance	75,000.00	75,000.00	75,000.00	-	-	
Defined Contribution Retirement Program	16,000.00	16,000.00	13,310.41	-	2,689.59	
Total Deferred Charges and Statutory Expenditures						
Municipal Within "CAPS"	4,851,260.00	4,851,260.00	4,708,222.45	-	143,037.55	
Total General Appropriations for Municipal Purposes Within "CAPS"	45,567,513.07	44,669,513.07	39,806,069.79	2,069,123.17	2,794,320.11	

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2017

	CY 2017 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>						
911 Emergency Telecommunication Services	\$ 1,000,000.00	\$ 1,000,000.00	\$ 744,448.54	\$ -	\$ 255,551.46	
Salaries and Wages	520,000.00	520,000.00	398,396.41	69,467.83	52,135.76	
Other Expenses	2,670,000.00	2,670,000.00	2,518,593.92	104,238.44	47,167.64	
Maintenance of Free Public Library (NJSA 40:54-8)						
NJDES - Storm Water						
Other Expenses	60,000.00	60,000.00	38,669.50	3,749.08	17,581.42	
Supplemental Fire Services District Payment	18,425.00	18,425.00	18,425.00	-	-	
MCIA Recycling Program	600,000.00	600,000.00	368,577.20	117,422.80	114,000.00	
MCUA Solid Waste Agreement	400,000.00	400,000.00	148,952.56	19,112.44	231,935.00	
Edison Animal Control Contract	70,000.00	70,000.00	-	11,318.92	58,681.08	
UMDNJ Agreements	27,500.00	27,500.00	8,594.72	0.01	18,905.27	
Middlesex County Health Department	415,000.00	415,000.00	414,030.30	0.06	969.64	
Declared State of Emergency Cost of Snow Removal						
Salaries and Wages	58,673.58	58,673.58	58,673.58	-	-	
Other Expenses	108,931.31	108,931.31	108,931.31	-	-	
<b>PUBLIC AND PRIVATE PROGRAMS</b>						
<b>OFFSET BY REVENUES (Cont'd.)</b>						
Alcohol Education Rehab Program		3,603.03	3,603.03			
Body Armor Fund Grant		7,409.68	7,409.68			
Clean Communities Grant		98,239.10	98,239.10			
Cops In shop	2,800.00	2,800.00	2,800.00			
Community Development Block Grant-		220,487.00	220,487.00			
Drive Sober or Get Pulled Over		11,000.00	11,000.00			
Municipal Alliance on Alcoholism and Drug Abuse		69,240.00	69,240.00			
Grant		-	-			
Match		-	-			

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2017

	CY 2017 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
PUBLIC AND PRIVATE PROGRAMS						
OFFSET BY REVENUES (Cont'd.)						
Middlesex County Cultural & Heritage	\$ 597.00	\$ 796.00	\$ 796.00	\$ -	-	-
Multi-Jurisdictional Gang, Gun & Narcotic						
Task Force Program		12,000.00			-	-
Recycling Tonnage Grant	33,573.38	90,435.94			-	-
Safe and Secure Communities Program		60,000.00			-	-
NJDOT-Kossuth Street		262,000.00			-	-
Matching Funds	50,000.00	50,000.00	17,310.00		32,690.00	
Total Operations Excluded from "CAPS"	6,035,500.27	6,836,540.64	5,681,613.79	325,309.58	829,617.27	-
DETAIL:						
Salaries and Wages	1,058,673.58	1,058,673.58	803,122.12	-	255,551.46	-
Other Expenses	4,976,826.69	5,777,867.06	4,878,491.67	325,309.58	574,065.81	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Down Payment on Improvements	1,400,000.00	2,123,000.00	2,123,000.00	-	-	
HVAC Improvements	400,000.00	400,000.00	63,637.20	292,149.80	44,213.00	
Uniform Construction Code Computer System	-	175,000.00	150,000.00	25,000.00	-	
Land Acquisition	600,000.00	600,000.00	510,730.00	4,229.00	85,041.00	
Total Capital Improvements Excl. from "CAPS"	2,400,000.00	3,298,000.00	2,847,367.20	321,378.80	129,254.00	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Principal	9,460,000.00	9,460,000.00	9,460,000.00	-	-	-
Interest on Bonds	1,452,654.31	1,452,654.31	1,432,175.84	-	-	20,478.47
Total Municipal Debt Service - Excl. from "CAPS"	10,912,654.31	10,912,654.31	10,892,175.84	-	-	20,478.47
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"						
Deferred Charges						
Unfunded Ordinance 09-04	\$ 380,380.00	\$ 380,380.00	\$ 380,380.00	-	\$ -	-
Unfunded Ordinance 11-04	415,000.00	415,000.00	415,000.00	-	-	-
Unfunded Ordinance 12-30	400,000.00	400,000.00	400,000.00	-	-	-
Unfunded Ordinance 14-22	6,557.00	6,557.00	6,557.00	-	-	-

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2017

	CY 2017 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELLED
Unfunded Ordinance 16-09	\$ 139,500.00	\$ 139,500.00	\$ 139,500.00	\$ -	\$ -	\$ -
Total Deferred Charges - Municipal Excluded from "CAPS"	1,341,437.00	1,341,437.00	1,341,437.00			-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	20,689,591.58	22,388,631.95	20,762,593.83	646,688.38	958,871.27	20,478.47
Subtotal General Appropriations	66,257,104.65	67,058,145.02	60,568,663.62	2,715,811.55	3,753,191.38	20,478.47
Reserve for Uncollected Taxes	2,022,279.84	2,022,279.84	2,022,279.84			
Total General Appropriations	\$ 68,279,384.49	\$ 69,080,424.86	\$ 62,590,943.46	\$ 2,715,811.55	\$ 3,753,191.38	\$ 20,478.47
REF.			A-1	A,A-1	A,A-1	A-1
Adopted Budget	\$	68,279,384.49	0.00			
Approp. by N.J.S.A. 40A:4-87		801,040.37				
	\$	69,080,424.86				
Disbursed	A-4		\$ 56,391,993.87			
Reserve for Uncollected Taxes	A-7		2,022,279.84			
Reserve for Tax Appeals	A-10		3,000,000.00			
Reserve for Library	A-10		(29,260.00)			
Accounts Payable	A-10		(660,890.35)			
Due To Trust Fund	A-11		1,113,510.56			
Sewer Operating	A-11		177.95			
Due to Animal Control Fund	A-11		(11,096.83)			
Due Senior Housing Operating	A-11		6,745.68			
Due to State and Federal Grants Fund Refunds	A-12		(97,838.01)			
Due to State and Federal Grants Fund	A-12		855,320.75			
			\$ 62,590,943.46			

Note: See Notes to Financial Statements



TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016

ASSETS	REF.	BALANCE DEC. 31, 2017	BALANCE DEC. 31, 2016	LIABILITIES, RESERVES AND FUND BALANCE	REF.	BALANCE DEC. 31, 2017	BALANCE DEC. 31, 2016
Animal Control Fund:							
Cash and Investments - Treasurer	B-1	\$		Due to State of New Jersey	B-1	\$	187.80
Due from State of New Jersey	B-1		74,189.67	Reserve for Animal Control Expenditures	B-1	21,969.96	74,001.87
Total Animal Control Fund		21,980.16	74,189.67	Total Animal Control Fund		21,980.16	74,189.67
Other Trust Funds:							
Cash and Investments - Treasurer	B-1	25,846,000.46	18,521,273.66	Other Trust Funds:			
				Payroll Liabilities	B-1	243,992.73	141,820.90
				Unemployment Insurance Trust Fund	B-1	543,775.60	497,897.95
				Miscellaneous Deposits	B-1	9,007,262.40	8,638,179.16
				Affordable Housing	B-1	3,855,562.99	1,280,491.95
				Recreation Trust	B-1	3,261.47	58,665.99
				Schedule of Escrows	B-2	12,192,145.27	7,904,217.71
Total Other Trust Fund		25,846,000.46	18,521,273.66	Total Other Trust Fund		25,846,000.46	18,521,273.66
Public Assistance Fund:							
Cash and Investments - Treasurer	B-1	13,411.35	12,411.35	Public Assistance Fund:	B-1	13,411.35	12,411.35
Total Public Assistance Fund		13,411.35	12,411.35	Reserve for Public Assistance			
Grand Total		\$ 25,881,391.97	\$ 18,607,874.68	Total Public Assistance Fund		13,411.35	12,411.35
						\$ 25,881,391.97	\$ 18,607,874.68

Note: See Notes to Financial Statements.

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND  
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016

	REF.	BALANCE DEC. 31, 2017	BALANCE DEC. 31, 2016
<u>ASSETS</u>			
Cash, Cash Equivalents and Investments	C- 2	\$ 1,692,606.21	\$ 3,678,549.35
Federal and State Grants Receivable	C- 8	375,000.00	375,000.00
Deferred Charges to Future Taxation:			
Funded	C- 4	35,248,000.00	44,763,000.00
Unfunded	C- 5	58,053,971.08	45,540,057.00
Total Assets		<u>\$ 95,369,577.29</u>	<u>\$ 94,356,606.35</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-9	\$ 35,248,000.00	\$ 44,763,000.00
Bond Anticipation Notes	C-14	5,000,000.00	
Improvement Authorizations:			
Funded	C- 8	4,989,208.56	3,721,221.89
Unfunded	C- 8	36,878,770.24	30,964,418.72
Reserve for Encumbrances	C- 8	5,260,162.81	6,614,855.67
Capital Improvement Fund	C- 6	205,636.90	1,403,386.90
Contributions - Off-Site Improvements	C- 7	2,008,033.48	2,009,570.15
Reserve for Preliminary Expenses	C-11	473,160.49	475,251.49
Contributions - Tree Contributions	C-12	6,000.00	6,000.00
Reserve: Stelton Streetscape	C-13	20,250.00	20,250.00
Reserve: Community Center	C-14	4,498,536.00	3,684,893.00
Fund Balance	C- 1	781,818.81	693,758.53
Total Liabilities, Reserves and Fund Balance		<u>\$ 95,369,577.29</u>	<u>\$ 94,356,606.35</u>
Bonds & Notes Authorized but not Issued	C-15	<u>\$ 53,053,971.08</u>	<u>\$ 45,540,057.00</u>
Note: See Notes to Financial Statements			

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND  
 STATEMENT OF FUND BALANCE - REGULATORY BASIS  
FOR THE PERIOD ENDED DECEMBER 31, 2017

	<u>REF.</u>		
Balance - December 31, 2016	C	\$	693,758.53
Increased by:			
Premium on Sale of Serial Bonds	C-2	\$	70,222.35
Improvement Authorization Cancelled	C-8		<u>677,837.93</u>
			<u>748,060.28</u>
			1,441,818.81
Decreased by:			
Down payment on Improvement	C-8		<u>660,000.00</u>
Balance - December 31, 2017	C	\$	<u><u>781,818.81</u></u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - D

SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016

ASSETS	REF.	BALANCE DEC. 31, 2017	BALANCE DEC. 31, 2016	LIABILITIES, RESERVES AND FUND BALANCE	REF.	BALANCE DEC. 31, 2017	BALANCE DEC. 31, 2016
<b>Operating Fund:</b>							
Cash and Investments - Treasurer	D- 5	\$ 6,949,934.78	\$ 5,805,547.76	Operating Fund:			
Change Fund - Collector	D	100.00	100.00	Appropriation Reserves	D-4, D-1	\$ 1,234,169.88	\$ 1,769,263.80
				Reserve for Encumbrances	D-4, D-11	122,709.38	453,107.46
				Accrued Interest Payable	D-12	21,766.15	27,734.90
Receivables and Inventory With		6,950,034.78	5,805,647.76	Prepaid Sewer Charges	D-13	13,482.86	12,144.00
Offsetting Reserves:				Accounts Payable	D-15	365,709.75	572,378.15
Sewer Charges Receivable	D- 8	1,079,589.80	1,077,378.75			1,757,838.02	2,834,628.31
		1,079,589.80	1,077,378.75				
				Reserve for Receivables	Reserve	1,079,589.80	1,077,378.75
				Fund Balance	D-1	5,192,196.76	2,971,019.45
Total Operating Fund		8,029,624.58	6,883,026.51	Total Operating Fund		8,029,624.58	6,883,026.51
<b>Capital Fund:</b>							
Cash and Investments - Treasurer	D- 5	6,027,240.42	5,288,633.87	Capital Fund:			
Fixed Capital	D- 9	14,992,561.49	14,992,561.49	Serial Bonds Payable	D-24	2,520,000.00	2,805,000.00
Fixed Capital Authorized and Uncompt	D-10	14,325,000.00	12,325,000.00	Reserve for Encumbrances	D-16	547,756.85	1,507,868.56
				Improvement Authorizations:			
				Funded	D-16	5,478,793.60	3,780,075.34
				Reserve for Amortization	D-20	19,294,061.49	19,009,061.49
				Deferred Reserve for Amortizati	D-17	7,503,500.00	5,503,500.00
				Fund Balance	D- 2	689.97	689.97
Total Capital Fund		35,344,801.91	32,606,195.36	Total Capital Fund		35,344,801.91	32,606,195.36
Grand Total		\$ 43,374,426.49	\$ 39,489,221.87	Grand Total		\$ 43,374,426.49	\$ 39,489,221.87

There were no Bonds and Notes Authorized but Not Issued as of December 31, 2017

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - D-1

SEWER UTILITY OPERATING FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE - REGULATORY BASIS  
FOR THE CALENDAR YEARS ENDED DECEMBER 31, 2017 AND 2016

<u>REVENUE AND OTHER INCOME</u>		<u>CY 2017</u>	<u>CY 2016</u>
Fund Balance Utilized	D-1,D- 3 \$	1,943,050.00	\$ 2,992,709.84
Sewer Charges	D- 3	10,909,169.94	11,088,940.77
Connection Fees	D- 3	1,239,990.00	416,940.00
Interest on Investments	D- 3	8,141.59	3,317.58
Interest on Delinquent Accounts	D- 3	66,658.31	136,455.55
Other Credits to Income:			
Miscellaneous Revenue	D- 3	13,122.00	99,793.88
Unexpend. Balance of Appropriation Reserves			
Lapsed and Reserve for Encumb. Canceled	D-11	<u>1,997,176.72</u>	<u>1,721,063.27</u>
Total Revenues		<u>16,177,308.56</u>	<u>16,459,220.89</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operating	D- 4 \$	9,320,000.00	\$ 9,096,750.00
Capital Improvements	D- 4	2,000,000.00	825,000.00
Debt Service	D- 4	369,881.25	372,580.21
Deferred Charges and Statutory Expend.	D- 4	323,200.00	2,149,284.81
Capital Ordinance Funded			1,500,000.00
Refund of Revenue	D- 5	<u>                    </u>	<u>3,000.00</u>
Total Expenditures		<u>12,013,081.25</u>	<u>13,946,615.02</u>
Excess/(Deficit) in Revenues		4,164,227.31	2,512,605.87
<u>FUND BALANCE</u>			
Balance - January 1	D	<u>2,971,019.45</u>	<u>3,451,123.42</u>
		7,135,246.76	5,963,729.29
Decreased by:			
Utilized as Anticipated Revenue	D-1	<u>1,943,050.00</u>	<u>2,992,709.84</u>
Balance - December 31, 2017	D \$	<u><u>5,192,196.76</u></u>	<u><u>2,971,019.45</u></u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

Exhibit D-2

SEWER UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2017

	<u>REF</u>	
Balance December 31, 2016	D	\$ 689.97
Balance December 31, 2017	D	<u>\$ 689.97</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2017

	<u>REF.</u>	<u>CY 2017 BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance	D- 1	\$ 1,943,050.00	\$ 1,943,050.00	\$ -
Sewer Service Charges	D- 1,D-3	10,000,000.00	10,909,169.94	909,169.94
Sewer Connection Fees & Permits	D- 1,D-3	35,000.00	1,239,990.00	1,204,990.00
Miscellaneous	D- 1,D-3	1,000.00	8,141.59	7,141.59
Interest on Delinquencies	D- 1,D-3	<u>40,000.00</u>	<u>66,658.31</u>	<u>26,658.31</u>
Total		<u>\$ 12,019,050.00</u>	<u>\$ 14,167,009.84</u>	<u>\$ 2,147,959.84</u>

Ref. D-4

Analysis of Realized Revenues:

Sewer Service Charges:

Prepays Applied	D-13	\$ 12,144.00
Collected	D- 8	<u>10,897,025.94</u>
	D- 3	<u>\$ 10,909,169.94</u>

Connection Fees:

Received by Collector		\$ <u>1,239,990.00</u>
	D-3,D-6	<u>\$ 1,239,990.00</u>

Interest on Delinquent Accounts:

Collected		\$ <u>66,658.31</u>
	D-3,D-6	<u>\$ 66,658.31</u>

Interest on Investments:

Collected	D-5	\$ <u>8,141.59</u>
	D-3	<u>\$ 8,141.59</u>

Miscellaneous Revenue:

Received by Collector	D-6	\$ 360.00
Collected	D-5	<u>12,762.00</u>
	D-1	<u>\$ 13,122.00</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

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

	CY 2017 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			RESERVED	UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED			
Operating:							
Salaries and Wages	\$ 1,590,000.00	\$ 1,590,000.00	\$ 1,450,510.09	\$ 121,947.38		\$ 139,489.91	\$
Other Expenses	1,730,000.00	1,730,000.00	1,064,820.93			543,231.69	
Middlesex County Utilities Authority							
Service Charges - Contractual	6,000,000.00	6,000,000.00	5,447,789.72	762.00		551,448.28	
Capital Improvements:							
Down Payments on Improvements	500,000.00	500,000.00	500,000.00			-	
Capital Outlay	1,500,000.00	1,500,000.00	1,500,000.00			-	
Debt Service:							
Payment on Bond Principle	265,000.00	265,000.00	265,000.00				-
Interest on Bonds	110,850.00	110,850.00	104,881.25				5,968.75
Deferred Charges and Statutory Expenditures:							
Public Employees' Retirement System	193,200.00	193,200.00	193,200.00			-	
Social Security System (O.A.S.I.)	130,000.00	130,000.00	130,000.00			-	
Total Sewer Utility Appropriations	\$ 12,019,050.00	\$ 12,019,050.00	\$ 10,656,201.99	\$ 122,709.38	\$ 1,234,169.88	\$ 5,968.75	
Cash Disbursements			\$ 9,051,320.74				
Due to Sewer Capital			1,500,000.00				
Accrued Interest			104,881.25				
			\$ 10,656,201.99				

Note: See Notes to Financial Statements



## Exhibit - E

ASSETS

**Note: See Notes to Financial Statements**

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

Exhibit E-1

SENIOR CITIZEN HOUSING UTILITY OPERATING FUND  
STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

<u>REVENUE AND OTHER INCOME</u>		<u>CY 2017</u>	<u>CY 2016</u>
Fund Balance Utilized	E- 3	\$ 174,125.00	347,323.00
Rental Income	E- 3	1,398,220.80	1,504,017.99
Interest on Investments	E- 3	1,227.32	1,204.09
Other Credits to Income:			
Non-Budget Revenue	E- 3	13,603.03	11,376.53
Accounts Payable Canceled			
Unexpend. Balance of Appropriation			
Reserves Lapsed	E- 7	<u>426,363.34</u>	<u>299,350.66</u>
Total Revenues		<u>2,013,539.49</u>	<u>2,163,272.27</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operating	E- 4	\$ 1,154,309.00	1,288,700.00
Capital Improvements	E- 4	130,000.00	260,000.00
Debt Service	E- 4	337,531.25	299,302.08
Deferred Charges and Statutory Expended.	E- 4	5,271.00	4,873.00
Refund of Prior Year Revenue	E- 5	<u>2.00</u>	<u>3.38</u>
Total Expenditures		<u>1,627,113.25</u>	<u>1,852,878.46</u>
Excess/(Deficit) in Revenues		386,426.24	310,393.81
Statutory Excess to Fund Balance		386,426.24	310,393.81
<u>FUND BALANCE</u>			
Balance - January 1	E	<u>559,812.09</u>	<u>596,741.28</u>
		946,238.33	907,135.09
Decreased by:			
Utilized as Anticipated Revenue	E- 1	<u>174,125.00</u>	<u>347,323.00</u>
Balance - December 31	E	<u><u>\$ 772,113.33</u></u>	<u><u>559,812.09</u></u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>REF.</u>	
Balance - December 31, 2016	E	\$ 72,177.74
Balance - December 31, 2017	E	<u>\$ 72,177.74</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

SENIOR CITIZENS HOUSING UTILITY OPERATING FUND  
 STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>REF.</u>	<u>CY 2017 BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance	E-1	\$ 174,125.00	\$ 174,125.00	\$
Rental Income	E-1,E-3	1,459,580.00	1,398,220.80	(61,359.20)
Interest on Investments	E-1,E-3		1,227.32	1,227.32
		<u>1,633,705.00</u>	<u>1,573,573.12</u>	<u>(60,131.88)</u>
Non-Budget Revenues	E-1,E-3		13,603.03	13,603.03
		<u>\$ 1,633,705.00</u>	<u>\$ 1,587,176.15</u>	<u>\$ (46,528.85)</u>

Ref. E-4

Analysis of Realized Revenues:

Analysis of Rental Income:

Rental Income	\$ 1,390,741.80
Aircondition Surcharge	<u>7,479.00</u>
E-3,E-5	<u>\$ 1,398,220.80</u>

Analysis of Non-Budget Revenues:

Laundromat Income	\$ 6,937.40
Miscellaneous	1,295.00
Deposit Withheld	4,726.63
Late Fees	589.00
Replacement Key	<u>55.00</u>
E-3,E-5	<u>\$ 13,603.03</u>

Analysis of Interest on Investments:

Senior Citizen Capital Fund	E-17	\$ 1,222.69
Senior Citizen Operating Fund	E-5	<u>4.63</u>
E-3		<u>\$ 1,227.32</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - E-4

SENIOR CITIZENS HOUSING UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	CY 2017 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED		RESERVED	UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED		
Operating:						
Salaries and Wages	\$ 37,000.00	\$ 37,000.00	\$ 35,757.93	\$	\$ 1,242.07	\$
Other Expenses	1,117,309.00	1,117,309.00	820,305.61	169,818.84	127,184.55	
Debt Service:						
Payment on Bond Principle	285,000.00	285,000.00	285,000.00		-	
Interest on Bonds	59,125.00	59,125.00	52,531.25		-	6,593.75
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Social Security System (O.A.S.I.)	5,271.00	5,271.00	5,271.00		-	
Capital Improvements:						
Capital Improvement Fund	130,000.00	130,000.00			130,000.00	
Total Senior Citizen Housing Appropriations	\$ 1,633,705.00	\$ 1,633,705.00	\$ 1,198,865.79	\$ 169,818.84	\$ 258,426.62	\$ 6,593.75
Ref.	E- 3	E- 3	E-1	E,E-1	E,E-1	
Cash Disbursements	E- 5		\$ 1,146,334.54			
Accrued Interest on Bonds	E- 8		52,531.25			
			\$ 1,198,865.79			

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

STATEMENT OF GOVERNMENTAL FIXED ASSETS  
 REGULATORY BASIS  
DECEMBER 31, 2017

	BALANCE <u>DEC. 31, 2017</u>	BALANCE <u>DEC. 31, 2016</u>
Governmental Fixed Assets:		
Land	\$ 26,208,900.00	\$ 26,221,400.00
Buildings and Improvements	17,110,200.00	17,110,200.00
Machinery and Equipments	<u>27,598,123.00</u>	<u>22,676,121.00</u>
Total Governmental Fixed Assets	<u><u>70,917,223.00</u></u>	<u><u>66,007,721.00</u></u>
Investments in Governmental Fixed Assets	<u><u>70,917,223.00</u></u>	<u><u>66,007,721.00</u></u>

Notes: See Notes to Financial Statements

**TOWNSHIP OF PISCATAWAY**  
**MIDDLESEX COUNTY, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS**  
**THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

Note 1:     **FORM OF GOVERNMENT**

The Township is managed under a Mayor-Council form of government authorized under Plan F of the "Faulkner Act of 1950". This form of government adopted in 1967 by Township voters provides for the direct election of the Mayor and seven Council members for four-year terms. This form of government provides for the administrative function of government under the Mayor, supported by a Business Administrator and various department heads and for the legislative function under the Township Council.

Note 2:     **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A.     Reporting Entity

Except as noted below, the financial statements of the Township of Piscataway include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Piscataway, as required by the provisions of N.J.S.A. 40A: 5-5. Accordingly, the financial statements of the Township of Piscataway do not include the operations of the municipal library, first aid organizations, fire districts or local school district.

B.     Description of Funds

The accounting policies of the Township of Piscataway conform to the accounting principles applicable to municipalities, which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Piscataway accounts for its financial transactions through the following separate funds:

Current Fund - resources and expenditures for governmental operations of a general nature, including fiscal activity of Federal and State Grant Programs, except as otherwise noted.

Trust Fund - The records of receipts, custodianship and disbursement of monies in accordance with the purpose for which each reserve was created. Pursuant to the provisions of N.J.S.A. 40A: 4-39, the financial transactions of the following funds and accounts are also reported within the Trust Fund:

Animal Control Trust Fund  
Unemployment Compensation Insurance Trust Fund  
Dedicated Law Enforcement Trust Fund  
Workmen's Compensation Self-Insurance Fund  
Developer's Escrow Fund  
Disposal of Forfeited Property (P.L. 1985, Ch. 135)

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

B. Description of Funds (Cont'd.)

General Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

Sewer Utility Fund and Senior Citizens Housing Utility Fund - resources and expenditures for the operations and acquisition of capital facilities of the municipally owned Sewer Utility and Senior Citizens Housing Facility.

Governmental Fixed Assets - the Governmental Fixed Asset system is used to account for fixed assets used in governmental fund type operations for control purposes. Infrastructure assets such as roads, sidewalks, etc. are not capitalized. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available or any other reasonable basis, provided such basis is adequately disclosed in the financial statements. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on governmental fixed assets.

The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. GASB's Codification of Governmental Accounting and Financial Reporting Standards and subsequent GASB pronouncements are recognized as U.S. generally accepted accounting principles (GAAP) for state and local governments. GAAP provides for the issuance of entity-wide financial statements along with the presentation of separate fund financial statements that differ from the organization of funds prescribed under the regulatory basis of accounting utilized by the Township. The resultant presentation of financial position and results of operations in the form of financial statements is not intended to present the basic financial statement presentation.

C. Basis of Accounting and Measurement Focus

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



## Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

C. Basis of Accounting and Measurement Focus (Cont'd.)

Revenues - Revenues are recorded as received in cash except for statutory reimbursements and grant funds, which are due from other governmental units. State and Federal grants, entitlements and shared revenues received for operating purposes are realized as revenues when anticipated in the Township budget. Receivables for property taxes and sewer utility consumer charges are recorded with offsetting reserves within the Current Fund and Sewer Utility Fund, respectively. Except for rental income receivable in the Senior Citizen Housing Utility, which is not recognized in the financial statements, other amounts that are due to the Township which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable, with the exception of Sewer Utility consumer charges and Senior Citizen Housing Utility rent, which should be recognized in the period they are earned and become measurable.

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

For the purposes of calculating the results of Current Fund operations, the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories of overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the balance sheet of the affected Fund. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. The status of deferred charges at December 31, 2017 is set forth in Note 7.

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

C. Basis of Accounting and Measurement Focus (Cont'd.)

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

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation established by the last revaluation program in 1975 and is fully reserved. Additions since 1975 are recorded on the basis of the latest assessed value. GAAP requires such property to be recorded in the statement of governmental fixed assets at the lower of cost or fair market value.

Self-Insurance Reserves - Charges to self-insurance reserves are recorded when payments of claims and related expenses are made. Increases to self-insurance reserves are recorded from budgetary appropriations in the accounting period in which budgetary expenditures are recorded. Earnings on investments and miscellaneous reimbursements are credited to reserves when received in cash. GAAP requires that liabilities for incurred claims be recorded as determined actuarially, and that operating transfers to self-insurance funds not exceed the amount determined.

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

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. Although the expenditure method of accounting for purchases of supplies is in accordance with GAAP, the cost of inventory on hand at the close of the year should be reported on the balance sheet with an offsetting reserve for conformity with GAAP.

Sale of Municipal Assets - Cash proceeds from the sale of Township owned property may be realized as revenue or reserved until utilized as an item of revenue in a subsequent year budget. The Township has reserved amounts of proceeds from property sales totaling \$601,996.13 at December 31, 2017 and \$550,418.456 at December 31, 2016. GAAP requires that revenue be recognized in the accounting period that the terms of the sales contracts become legally enforceable.

Governmental Fixed Assets - Property and equipment purchased by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. Property and equipment purchased by the Sewer Utility Fund and the Senior Housing Utility are recorded in their respective capital accounts at cost and are adjusted for dispositions and abandonment. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for amortization accounts in the Utility Funds represent charges to operations for the costs of acquisitions of property, equipment and improvements, and costs funded from sources other than bonded debt of the utility.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

C. Basis of Accounting and Measurement Focus (Cont'd.)

The utility does not record depreciation on fixed assets. GAAP does not require the establishment of a reserve for amortization for utility fixed assets, but does require the recognition of depreciation of these assets as an operating expense of the utility.

Fixed Capital - Sewer Utility and Senior Citizens Housing Utility - Capital acquisitions, including utility infrastructure costs of the Utilities are recorded at cost upon purchase or project completion in the Fixed Capital Account of the Utilities. Fixed Capital accounts are adjusted for dispositions or abandonment. The accounts include Moveable Fixed Assets of the Utilities but are not specifically identified and are considered as duplicated in the Fixed Asset Group of Accounts. The condition is considered as insignificant on its effect on the financial statements taken as a whole. Utility improvements that may have been constructed by developers and transferred to the Township are not recorded as additions to Fixed Capital. Fixed Capital of the Utilities is offset by accumulations in Amortization Reserve Accounts. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utilities represent charges to operations for the costs of acquisitions of property, equipment and improvement and costs funded from sources other than bonded debt of the utilities.

The utilities do not record depreciation on fixed assets. GAAP does not require the establishment of a reserve for amortization for utility fixed assets, but does require the recognition of depreciation of these assets as an operating expense of the utility.

Disclosures About Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents and short-term investments - The carrying amount approximates fair value because of the short maturity of those investments.

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

Disclosures About Pension Liabilities - The Township has included information relating to its allocated shares of the net pension liabilities of the state sponsored, cost-sharing, multiple employer defined benefit pension plans in which it participates in Note 12 and the accompanying required supplementary information. As the Township does not present entity-wide financial statements, it does not present on the face of its financial statements its proportionate share of the net pension liability of the defined benefit plans in which its employees are enrolled. GAAP requires the recognition of the net pension liability and associated deferred inflows and deferred outflows of financial resources in the entity-wide financial statements.

## Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (CONT'D.)

C. Basis of Accounting and Measurement (Cont'd.)Recent Accounting Standards

GASB issued Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans” in June 2015. This Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

GASB issued Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” in June 2015. This Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

GASB issued Statement No. 76, “The hierarchy of generally accepted accounting principles for state and local governments”, in June 2015. This Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

GASB issued Statement No. 77, “Tax abatement disclosures” in August 2015. Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government’s current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government’s financial resources come from and how it uses them, and (4) a government’s financial position and economic condition and how they have changed over time.

GASB issued Statement No. 78, “Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans” in December 2015. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

## Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

C. Basis of Accounting and Measurement Focus (Cont'd.)

GASB issued Statement No. 79, "Certain External Investment Pools and Pool Participants" in December 2015. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant.

GASB issued Statement No. 80, "Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14" in January 2016. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, The Financial Reporting Entity, as amended.

GASB issued Statement No. 81, "Irrevocable Split-Interest Agreements" in March 2016. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

GASB issued Statement No. 82, "Pension Issues—an amendment of GASB Statements No. 67, No. 68 and No. 73" in March 2016. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.

GASB issued Statement No. 83, "Certain Asset Retirement Obligations" in November 2016. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset.

GASB issued Statement No. 84, "Fiduciary Activities" in January 2017. This Statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

GASB issued Statement No. 85 "Omnibus 2017" in March 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

## Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

C. Basis of Accounting and Measurement Focus (Cont'd.)

GASB issued Statement No. 86 "Certain Debt Extinguishment Issues" in May 2017. The objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt when resources other than the proceeds of refunding debt obligations are placed in an irrevocable trust for the sole purpose of extinguishing debt.

GASB issued Statement No. 87 "Leases" in June 2017. The objective of this statement is to better meet the information needs of financial statement users relating to the accounting and reporting of leases by governments by establishing a single model for lease accounting.

GASB issued Statement No. 88 "Certain Disclosures Related to Debt Including Direct Borrowings and Direct Placements" in April 2018. The objective of this statement is to improve note disclosures in government financial statements relating to debt.

The Township does not prepare its financial statements in accordance with generally accepted accounting principles. Unless these new standards are incorporated into the other comprehensive basis of accounting that is utilized by the Township through legislation or rulemaking they will not become part of the standards followed by the Township for financial reporting. The Division of Local Government Services has adopted rules which require full disclosure in the Notes to Financial Statements of OPEB related matters, as set forth in GASB Statement No. 45, based upon the GASB implementation schedule. See Note 17 for a description of matters relating to GASB 45.

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

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

Governmental Fixed Assets – N.J.A.C. 5:30-5.6 established a mandate for fixed asset accounting by municipalities, effective December 31, 1985. The Township has complied with the mandate, formerly known as Technical Accounting Directive No. 85-2. Fixed assets used in governmental operations are accounted for in the reporting of Governmental Fixed Assets. Public domain (infrastructure) governmental 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 is provided for in the financial statements. Expenditures for construction in progress are recorded in the Capital Funds until such time as construction is completed and put into operation. Fixed assets acquired through grants in aid or contributed capital is not accounted for separately.

## NOTES TO FINANCIAL STATEMENTS

## Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION - DECEMBER 31, 2017

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

A. SUMMARY OF MUNICIPAL DEBT - YEAR ENDED DECEMBER 31, 2017

	<u>CY 2017</u>	<u>CY 2016</u>
<u>Issued:</u>		
General:		
Bonds and Notes	\$ 40,248,000.00	\$ 44,763,000.00
Sewer Utility:		
Bonds and Notes	2,520,000.00	2,805,000.00
Senior Citizens Housing Utility:		
Bonds and Notes	<u>1,415,000.00</u>	<u>1,700,000.00</u>
Net Debt Issued	<u>\$ 44,183,000.00</u>	<u>\$ 49,268,000.00</u>
<u>Authorized But Not Issued:</u>		
General:		
Bonds and Notes	53,053,971.08	45,540,057.00
Sewer Utility:		
Bonds and Notes		
Senior Citizens Housing Utility:		
Bonds and Notes	<u></u>	<u></u>
Total Authorized But Not Issued	<u>53,053,971.08</u>	<u>45,540,057.00</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 97,236,971.08</u>	<u>\$ 94,808,057.00</u>

Summarized below are the Township's individual bond issues which are outstanding at December 31, 2017

	<u>CY 2017</u>	<u>CY 2016</u>
<u>General Debt:</u>		
\$15,500,000 General Obligation Refunding Bonds of 2007, due in annual installments of \$800,000 to \$1,600,000 through November 2019, interest at 3.500% to 6.000%.	\$ -	\$ 4,800,000.00
\$17,710,000 General Improvement Bonds of 2009, due in annual installments of \$1,000,000 to \$1,960,000 through March 2021, interest at 3.000% to 4.000%.	7,260,000.00	8,860,000.00
\$2,290,000 Tax Appeal Bonds of 2009, due in annual installments of \$325,000 to \$340,000 through March 2016, interest at 3.000% to 3.250%.		
\$4,564,000 General Improvement Bonds of 2011, due in annual installments of \$350,000 to \$564,000 through February 2021, interest at 2.000% to 4.000%.	2,089,000.00	2,564,000.00
\$2,610,000 Tax Appeal Refunding Bonds, Series A of 2011, due in annual installments of \$525,000 to \$510,000 through February 2016, interest at 2.000% to 4.000%.	-	-

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

	<u>CY 2017</u>	<u>CY 2016</u>
\$7,820,000 Tax Appeal Refunding Bonds, Series B of 2011, due in annual installments of \$1,100,000 to \$1,220,000 through February 2018, interest at 2.000% to 4.000%.	\$ 1,220,000.00	\$ 2,320,000.00
\$6,050,000 General Improvement Refunding Bonds of 2011, due in annual installments of \$545,000 to \$975,000 through February 2017, interest at 3.000% to 4.000%.	-	975,000.00
\$3,595,000 General Improvement Refunding Bonds of 2012, due in annual installments of \$860,000 to \$960,000 through March 2017, interest at 3.000% to 4.000%.	-	960,000.00
\$5,884,000 General Improvement Refunding Bonds of 2012, due in annual installments of \$600,000 to \$1,034,000 through December 2019, interest at 2.000% to 3.000%.	1,984,000.00	2,884,000.00
\$8,100,000 General Improvement Bonds of 2014, due in annual installments of \$500,000 to \$1,000,000 through December 2024, interest at 2.000% to 3.000%.	6,350,000.00	7,100,000.00
\$9,800,000 General Improvement Bonds of 2015, due in annual installments of \$700,000 to \$1,400,000 through December 2025, interest at 2.000% to 4.000%.	8,325,000.00	9,100,000.00
5,200,000 General Improvement Bonds of 2016, due in annual installments of \$325,000 to \$162,500 through December 207, interest at 3.000% to 4.000%.	4,875,000.00	5,200,000.00
3,145,000 General Improvement Refunding Bonds of 2017, due in annual installments of \$1,580,000 to \$1,565,000 through November 2019, interest at 3.000% to 4.000%.	3,145,000.00	
5,000,000 of Bond Anticipation Notes Issued December 27, 2017 due December 2, 2018 at interest of 3.000%	<u>5,000,000.00</u>	
Total General Capital Debt	<u>\$ 40,248,000.00</u>	<u>\$ 44,763,000.00</u>
<u>Senior Citizen Housing Utility Debt:</u>		
\$2,204,500 Senior Citizen Housing Refunding Bonds of 2001, due in annual installments of \$79,500 to \$180,000 through August 2019, interest at 3.5% to 5.0%.	\$ 340,000.00	\$ 500,000.00
\$8,100,000 General Improvement Bonds of 2014, due in annual installments of \$500,000 to \$1,000,000 through December 2024, interest at 2.000% to 3.000%.	<u>1,075,000.00</u>	<u>1,200,000.00</u>
Total Senior Housing Utility Debt	<u>\$ 1,415,000.00</u>	<u>\$ 1,700,000.00</u>



NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

Sewer Utility Debt:

\$380,000 Sewer Utility Bond Bonds of 2004, due in annual intallments of \$25,000 to \$40,000 through August 2017, interest at 3.125% to 3.750%.		\$ 40,000.00
\$2,146,000 Sewer Utility Bond Bonds of 2007, due in annual intallments of \$60,000 to \$120,000 through November 2033, interest at 3.500% to 6.000%.		1,560,000.00
\$1,200,000 Sewer Utility Bond Bonds of 2009, due in annual intallments of \$50,000 to \$100,000 through March 2025, interest at 3.000% to 4.500%.	710,000.00	780,000.00
\$700,000 Sewer Utility Bond Bonds of 2011, due in annual intallments of \$50,000 to \$100,000 through February 2021, interest at 2.000% to 4.000%.	350,000.00	425,000.00
1,460,000 SewerImprovement Refunding Bonds of 2017, due in annual installments of \$855,000 to \$110,0000 through November 2032, interest at 3.000% to 4.000%.	<u>1,460,000.00</u>	
Total Sewer Utility Debt	<u>\$ 2,520,000.00</u>	<u>\$ 2,805,000.00</u>
Total Debt	<u><u>\$ 44,183,000.00</u></u>	<u><u>\$ 49,268,000.00</u></u>

# NOTES TO THE FINANCIAL STATEMENTS

## Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTD)

### B. Summary of Statutory Debt Condition - Annual Debt Statement 2017

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:

<u>2017</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 16,490,000.00	\$ 16,490,000.00	-
Sewer Utility Debt	3,935,000.00	3,935,000.00	-
Senior Citizen Housing Utility Debt		-	-
General Debt	<u>93,301,971.08</u>		<u>93,301,971.08</u>
	<u>\$ 113,726,971.08</u>	<u>\$ 20,425,000.00</u>	<u>\$ 93,301,971.08</u>

Net Debt \$90,303,057.00 Divided By Average Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended 6,887,321,009.00 = 1.355%

#### Average Equalized Valuation Basis

2015 Equalized Value of Real Property	6,789,998,119.00
2016 Equalized Value of Real Property	6,932,378,235.00
2017 Equalized Value of Real Property	<u>6,939,586,673.00</u>
Average Equalized Valuation	<u>\$6,887,321,009.00</u>

<u>2016</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 19,365,000.00	\$ 19,365,000.00	-
Sewer Utility Debt	2,805,000.00	2,805,000.00	-
Senior Citizen Housing Utility Debt	1,700,000.00	1,700,000.00	-
General Debt	<u>90,303,057.00</u>		<u>90,303,057.00</u>
	<u>\$ 114,173,057.00</u>	<u>\$ 23,870,000.00</u>	<u>\$ 90,303,057.00</u>

Net Debt \$96,023,079.749.74 Divided By Average Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended 6,674,437,081.33 = 1.353%

#### Average Equalized Valuation Basis

2013 Equalized Value of Real Property	\$6,300,934,890.00
2014 Equalized Value of Real Property	6,789,998,119.00
2015 Equalized Value of Real Property	<u>6,932,378,235.00</u>
Average Equalized Valuation	<u>\$6,674,437,081.33</u>

## Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

## B. SUMMARY OF STATUTORY DEBT CONDITION

<u>ANNUAL DEBT STATEMENT (CONT'D.)</u>	<u>2017</u>	<u>2016</u>
<u>Borrowing Power Under N.J.S.A. 40A:2-6 As Amended</u>		
3 1/2% of Equalized Valuation Basis Municipal Net Debt	\$241,056,235.32 <u>93,301,971.08</u>	\$233,605,297.85 <u>90,303,057.00</u>
Remaining Borrowing Power	<u>\$147,754,264.24</u>	<u>\$143,302,240.85</u>
Calculation of "Self-Liquidating Purpose" <u>Sewer Utility Per N.J.S.A. 40A:2-45</u>		
Cash Receipts from Fees, Rents or Other Charges for Year	\$14,186,100.59	\$14,738,157.62
Deductions:		
Operating and Maintenance Cost	\$9,643,200.00	\$11,246,034.81
Debt Service per Sewer Account	<u>375,850.00</u>	<u>372,580.21</u>
Total Deductions	<u>10,019,050.00</u>	<u>11,618,615.02</u>
Excess/(Deficit) in Revenues	<u>\$4,167,050.59</u>	<u>\$3,119,542.60</u>
Deduction of Self-Liquidating Utility Debt for <u>Statutory Net Debt - Sewer Utility Per N.J.S.A. 40A:2-48</u>		
The difference between the excess/(deficit) in revenues for debt statement purposes and the excess/(deficit) in revenues on a cash basis for the Sewer Utility Fund is as follows:		
Excess/(Deficit) in Revenues - Cash Basis (D-1)	\$4,164,227.31	\$4,012,605.87
Add: Capital Improvements	2,000,000.00	825,000.00
Refund of Prior Year Revenue	<u>                    </u>	<u>3,000.00</u>
	\$6,164,227.31	\$4,840,605.87
Less: Reserves Lapsed	<u>1,997,176.72</u>	<u>1,721,063.27</u>
Excess/(Deficit) in Revenue per Debt Statement	<u>\$4,167,050.59</u>	<u>\$3,119,542.60</u>

## Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. SUMMARY OF STATUTORY DEBT CONDITION  
ANNUAL DEBT STATEMENT (CONT'D.)

	<u>2017</u>	<u>2016</u>
Calculation of "Self-Liquidating Purpose" <u>Senior Citizen Housing Utility Per N.J.S.A. 40A:2-45</u>		
Cash Receipts from Fees, Rents or Other Charges for Year	\$1,587,176.15	\$1,863,921.59
Deductions:		
Operating and Maintenance Cost	\$ 1,159,580.00	\$ 1,293,573.00
Debt Service per Housing Account	<u>337,531.25</u>	<u>299,302.06</u>
Total Deductions	<u>1,497,111.25</u>	<u>1,592,875.06</u>
Excess/(Deficit) in Revenues	<u>\$90,064.90</u>	<u>\$271,046.53</u>
Calculation of "Self-Liquidating Purpose" <u>Senior Citizen Housing Utility Per N.J.S.A. 40A:2-45 (Cont'd.)</u>		
The difference between the excess in revenues for debt statement purposes and the excess in revenues on a cash basis for the Senior Citizen Housing Utility Fund is as follows:		
Excess in Revenues - Cash Basis (E-1)	\$386,426.24	\$310,393.81
Add: Capital Improvement	130,000.00	260,000.00
Refund of Prior Year Revenue	<u>2.00</u>	<u>3.38</u>
	516,428.24	570,397.19
Less: Reserves Lapsed/Accounts Payable Canceled	<u>426,363.34</u>	<u>299,350.66</u>
Excess in Revenue per Debt Statement	<u>\$90,064.90</u>	<u>\$271,046.53</u>

## NOTES TO FINANCIAL STATEMENTS

### Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

#### C: General Obligation Refunding Bonds, Series 2017

The Township issued \$4,605,000 in General Obligation Refunding Bonds, Series 2017, dated May 2, 2017. Included in the \$4,605,000 aggregate principal amount is \$3,145,000 General Improvement Refunding Bonds, Series 2017 and \$1,460,000 Sewer Utility Refunding Bonds, Series 2017.

The total amount of the Refunded Bonds equals \$4,680,000 with maturities from 2018 through 2032. The interest rates range from 3.750% for the General Improvement Bonds Series 2007 and from 3.000% - 4.000%, for the Sewer Improvement Bonds Series 2007.

As a result, the Township will realize a total of \$241,684.72 in debt service savings through 2032. The debt service savings provided for net present value costs of 4.5999% of the refunded principal, with a net present value savings of \$215,277.26. The interest rates range from 3.000% to 4.000% for the General Obligation Refunding Bonds, Series 2017 from 2018 to maturity on November 1, 2019, and 3.000%-4.000% for the Sewer Utility Refunding Bonds, Series 2017 from 2018 to maturity on November 1, 2032.

The outstanding debt service with respect to the Township's 2017 General Obligation Refunding Bonds, Series 2017 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$1,665,000.00	\$ 154,375	\$ 1,819,375
2019	1,650,000.00	102,425	1,752,425
2020	85,000.00	36,425	121,425
2021	95,000.00	34,725	129,725
2022	95,000	32,588	127,588
2023	95,000	30,450	125,450
2024	100,000	28,550	128,550
2025	100,000	26,550	126,550
2026	100,000	24,300	124,300
2027	95,000	22,050	117,050
2028	105,000	19,556	124,556
2029	100,000	16,800	116,800
2030	100,000	12,800	112,800
2031	110,000	8,800	118,800
2032	110,000	4,400	114,400
	<u>\$ 4,605,000</u>	<u>\$ 554,794</u>	<u>\$ 5,159,794</u>

## Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

D.

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST  
FOR BONDED DEBT ISSUED AND OUTSTANDING

Year	General		Senior Housing		Sewer Utility		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2018	7,875,000.00	1,158,380.00	285,000.00	47,375.00	240,000.00	83,687.50	9,689,442.50
2019	6,849,000.00	907,830.00	330,000.00	35,250.00	240,000.00	74,537.50	8,436,617.50
2020	4,575,000.00	656,710.00	150,000.00	21,750.00	265,000.00	64,037.50	5,732,497.50
2021	4,949,000.00	495,230.00	150,000.00	17,250.00	285,000.00	54,937.50	5,951,417.50
2022	2,500,000.00	377,250.00	150,000.00	12,750.00	185,000.00	47,143.75	3,272,143.75
Subtotal	26,748,000.00	3,595,400.00	1,065,000.00	134,375.00	1,215,000.00	324,343.75	33,082,118.75
2023	2,600,000.00	287,250.00	175,000.00	7,875.00	185,000.00	41,237.50	3,296,362.50
2024	2,725,000.00	193,250.00	175,000.00	2,625.00	200,000.00	35,237.50	3,331,112.50
2025	1,950,000.00	109,250.00			200,000.00	28,800.00	2,288,050.00
2026	600,000.00	36,750.00			100,000.00	24,300.00	761,050.00
2027	625,000.00	18,750.00			95,000.00	22,050.00	760,800.00
Subtotal	8,500,000.00	645,250.00	350,000.00	10,500.00	780,000.00	151,625.00	10,437,375.00
2028					105,000.00	19,556.26	124,556.26
2029					100,000.00	16,800.00	116,800.00
2030					100,000.00	12,800.00	112,800.00
2031					110,000.00	8,800.00	118,800.00
2032					110,000.00	4,400.00	114,400.00
Subtotal	-	-	-	-	525,000.00	62,356.26	587,356.26
	<u>\$ 35,248,000.00</u>	<u>\$ 4,240,650.00</u>	<u>\$ 1,415,000.00</u>	<u>\$ 144,875.00</u>	<u>\$ 2,520,000.00</u>	<u>\$ 538,325.01</u>	<u>\$ 44,106,850.01</u>

## NOTES TO FINANCIAL STATEMENTS

### Note 4: GOVERNMENTAL FIXED ASSETS

The Township's governmental fixed assets are reported as follows:

	Balance <u>Dec. 31, 2016</u>	Increase (Decrease)	Balance <u>Dec. 31, 2017</u>
Governmental Fixed Assets			
Land	\$26,221,400	\$ (12,500)	\$26,208,900
Building and Improvements	17,110,200	-0-	17,110,200
Machinery and Equipment	<u>22,676,121</u>	<u>4,922,002</u>	<u>27,598,123</u>
Total Governmental Fixed Assets	<u>\$66,007,721</u>	<u>\$4,909,502</u>	<u>\$70,917,223</u>

### Note 5: DEFERRED COMPENSATION TRUST FUND

The Township of Piscataway, County of Middlesex Deferred Compensation Plan was established pursuant to section 457 of the Internal Revenue Code and P.L. 1977, C. 381; P.L. 1978, C. 39; P.L. 1980, C. 78; and P.L. 1997, C. 116 of the Statutes of New Jersey. The Plan is an arrangement whereby a public employer may establish a plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations. The Township of Piscataway, County of Middlesex has engaged a private contractor to administer the plan.

### Note 6: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the Township Tax Assessor as of October 1, in each year and filed with the County Board of Taxation by January 10th of the following year. Upon the filing of certified adopted budgets by the Township, Local School District, County and Fire Districts, the tax rate is struck by the board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector on or before May 13th.

Tax bills are prepared and mailed by the Collector of Taxes of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The NJ Statutes allow a grace period of 10 days for each payment period and the Township granted this option to taxpayers.

Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amounts delinquent, and if a delinquency (including interest) is in excess of \$10,000.00 and remains in arrears after December 31, an additional flat penalty of 6% shall be charged against the delinquency. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

## NOTES TO FINANCIAL STATEMENTS

### Note 7: FUND BALANCE APPROPRIATED

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

	<u>FUND BALANCE</u> <u>DECEMBER 31, 2017</u>	<u>UTILIZED IN</u> <u>SUCCEEDING</u> <u>BUDGET</u>
Current Fund	\$22,166,898.74	\$10,000,000.00
Sewer Utility Fund	5,192,196.76	1,000,000.00
Senior Citizens Utility Fund	772,113.33	190,000.00

	<u>FUND BALANCE</u> <u>DECEMBER 31, 2016</u>	<u>UTILIZED IN</u> <u>SUCCEEDING</u> <u>BUDGET</u>
Current Fund	\$19,725,265.52	\$10,359,046.09
Sewer Utility Fund	2,971,019.45	1,943,050.00
Senior Citizens Utility Fund	559,812.09	174,125.00

### Note 8: LEASES

The Township did not enter into operating lease agreements providing for facilities and equipment during CY 2017, and accordingly no future minimum annual rental payments disclosed.

### Note 9: INTERFUNDS

The Township had no outstanding interfund balances on the balance sheet at December 31, 2017.

### Note 10: DEPOSITS AND INVESTMENTS

State statutes set forth deposit requirements and investments that may be purchased by local units and the Township deposits and invests its funds pursuant to its policies and an adopted cash management plan.

#### Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits to protect deposits from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.



Note 10: DEPOSITS AND INVESTMENTS (CONT'D.)

Deposits (Cont'd.)

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five (5) percent of the average daily balance of collected public funds; or if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent, to secure the deposits of governmental units.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

The cash and cash equivalents and investments of the Township on deposit and on-hand consisted of the following at December 31, 2017 and December 31, 2016:

	<u>2017</u>	<u>2016</u>
Cash (Demand Accts.)	\$78,986,444.69	\$70,927,821.94
NJ Cash Management Fund	761,843.21	755,425.27
Change Funds (On-Hand)	<u>635.00</u>	<u>635.00</u>
Total	<u>\$79,748,922.90</u>	<u>\$71,683,882.21</u>

Based upon GASB criteria, the Township considers change funds, cash in banks, investments in certificates of deposit and State of New Jersey Cash Management Fund as cash and cash equivalents. At year-end for 2017, the carrying amount of the Township's deposits was \$79,719,943.73 and the bank balance was \$ 79,748,287.90. Of the bank balance, \$750,304.63 was covered by Federal depository insurance and \$78,236,140.06 was covered under the provisions of NJGUDPA.

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. The government does not have a specific deposit policy for custodial risk other than those policies that adhere to the requirements of statute. As of December 31, 2017, based upon the insured balances provided by the FDIC and NJGUDPA coverage, no amount of the Township's bank balance was considered exposed to custodial risk.

Investments

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;

2. Government money market mutual funds;

Note 10: DEPOSITS AND INVESTMENTS (CONT'D.)

Investments (Cont'd.)

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided such obligation bear a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Township or bonds or other obligations of school districts of which the Township is a part and within which the school district is located;
5. Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the Division of Investment of the Department of Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, c. 281 (C.52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities, if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3);
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is more than 30 days; and
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.19:9-41) and for which a master repurchase agreement providing for the custody and security of the collateral is executed.

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other Than State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of December 31, 2017, the Township had \$761,843.21 on deposit with the New Jersey Cash Management Fund. Based upon the existing deposit and investment practices, the Township is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risks for its deposits and investments.

Note 11: PENSION PLANS

Description of Plans - The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan's designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a projection period.

The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions), or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

A. Public Employees' Retirement System (PERS) - The Public Employee Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

*Plan Membership and Contributing Employers*- Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2017:

Inactive plan members or beneficiaries currently receiving benefits	170,124
Inactive plan members entitled to but not yet receiving benefits	650
Active plan members	<u>254,685</u>
Total	<u>425,459</u>

Contributing Employers – 1,705

## Note 11. PENSION PLANS (CONT'D.)

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

*Significant Legislation* – Chapter 19, P.L. 2009, effective March 17, 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 an employer 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 PERS, 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.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

*Payrolls and Covered Wages:*

For the year ended December 31, 2017 the Township's total payroll for all employees was \$13,237,585.44. Total PERS covered payroll was \$10,246,034.00. Covered payroll refers to all compensation paid by the Township to active employees covered by the Plan.

*Specific Contribution Requirements and benefit provisions* – The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.92% in State fiscal year 2015 and increased to 7.06% for State fiscal year 2016, commencing July 1, 2015. The phase-in of the additional incremental member contribution rate will take place in July of each subsequent State fiscal year. Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The Township's cash basis contributions to the Plan for the years ended December 31, 2017 and 2016 were \$1,385,069 and \$1,310,106, respectively. Township Contributions are due and payable on April 1<sup>st</sup> in the calendar year subsequent to the plan year for which the contribution requirements were calculated. Township payments to PERS for the years ending December 31, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Normal Cost	\$206,212	\$ 211,502
Amortization of Accrued Liability	<u>1,049,436</u>	<u>974,313</u>
Total Pension	1,255,648	1,185,815
NCGI Premiums	<u>62,667</u>	<u>63,490</u>
Total Regular Billing	1318,315	1,249,305
Additional Billings:		
Chapter 19	<u>61,472</u>	<u>60,801</u>
Total PERS Payment	<u>\$1,385,069</u>	<u>\$ 1,310,106</u>

The Township recognizes liabilities to PERS and records expenditures for same in the fiscal period that bills become due.

Note 11. PENSION PLANS (CONT'D.)

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

Where applicable, Ch. 19, P.L. 2009 billings reflect the recoupment of the 50% deferral of normal and accrued liability costs due on April 1, 2009. The law set a fifteen-year repayment schedule for the deferred amount, with additional annual adjustments to reflect the return on investment of actuarial net assets of the plan on deferred principal balances. The Township is a participant in the Ch. 19, P.L. 2009 program.

The vesting and benefit provisions are set by N.J.S.A. 43:15. 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 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

A service retirement benefit of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, to tier 3 and 4 members before age 62 and tier 5 members 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 retirement age of his/her respective tier. 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.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – The regulatory basis of accounting which is basis for the preparation of the Township's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Township does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2017, the PERS reported a net pension liability of \$34,657,482 for its Local Employer Member Group. The Township's proportionate share of the net pension liability for the Local Employer Member Group that was attributable to the Township was \$23,278,401,588 or 0.148883%. At June 30, 2016, the PERS reported a net pension liability of \$29,617,131,759 for its Local (Non-State) Employer Member Group. The Township's proportionate share of the net pension liability for the Local Employer Member Group that is attributable to the Township was \$43,950,176 or 0.1483945%.

## Note 11. PENSION PLANS (CONT'D.)

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

Inflation	2.25%
Salary Increases Through 2026	1.65-4.15% Based on age
Thereafter	2.65-5.15% Based on age
Investment rate of return	7.00%

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experiences 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.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2017 are summarized in the following table:

# NOTES TO FINANCIAL STATEMENTS

## Note 11: PENSION PLANS (CONT'D.)

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

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

*Discount Rate* – The discount rate used to measure the pension liabilities of PERS was 5.00%.

*Sensitivity of Net Pension Liability* – the following presents the net pension liability of PERS participating employers as of June 30, 2017, calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	<u>At 1% Decrease (4.00%)</u>	<u>At current discount rate (5.00%)</u>	<u>At 1% increase (6.00%)</u>
State	\$29,818,581,732	\$25,645,622,797	\$22,179,578,513
Local	<u>28,878,437,027</u>	<u>23,278,401,588</u>	<u>18,612,878,069</u>
PERS Plan Total	<u>\$58,697,018,759</u>	<u>\$48,924,024,385</u>	<u>\$40,792,456,582</u>
Township's proportionate share of			
The net pension liability	<u>\$42,994,959</u>	<u>\$34,657,482</u>	<u>\$27,711,331</u>

*Components of Net Pension Liability* – The components of the net pension liability for PERS, including the State of New Jersey, at June 30, 2017 is as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$32,535,896,852	\$44,852,367,051	\$77,388,263,903
Plan Fiduciary Net Position	<u>6,890,274,055</u>	<u>21,573,965,463</u>	<u>28,464,239,518</u>
Net Pension Liability	<u>\$25,645,622,797</u>	<u>\$23,278,401,588</u>	<u>\$48,924,024,385</u>

## Note 11: PENSION PLANS (CONT'D.)

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

*Collective Deferred Outflows of Resources and Deferred Inflows of Resources* – Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense as follows:

<u>Year ending</u>	<u>Amount</u>
2018	\$3,066,028
2019	3,066,028
2020	3,443,006
2021	2,900,849
2022	<u>880,320</u>
Total	<u>\$13,356,231</u>

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

B. Police and Firemen's Retirement System (PFRS) - The Police and Firemen's Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PFRS Plan are as follows:

*Plan Membership and Contributing Employers*- Substantially all full-time county and municipal police or firemen and state firemen or officer employees with police powers appointed after June 30, 1944 are enrolled in PFRS. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2017:

Inactive plan members or beneficiaries currently receiving benefits	43,011
Inactive plan members entitled to but not yet receiving benefits	47
Active plan members	<u>40,789</u>
Total	<u>83,847</u>

Contributing Employers – 586.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PFRS.

For the year ended December 31, 2017 the Township's total payroll for all employees was 13,237,585.44. Total PFRS covered payroll was \$9,496,635.00. Covered payroll refers to all compensation paid by the Township to active employees covered by the Plan.



## Note 11: PENSION PLANS (CONT'D.)

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

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate increased from 8.5% of annual compensation to 10.0% in October 2011. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The Township's cash basis contributions to the Plan for the years ended December 31, 2017 and 2016 were \$2,573,673 and \$2,623,624, respectively. Township Contributions are due and payable on April 1<sup>st</sup> in the calendar year subsequent to the plan year for which the contribution requirements were calculated. Township payments to PFRS for the years ending December 31, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Normal Cost	\$830,868	\$ 865,556
Amortization of Accrued Liability	<u>1,504,049</u>	<u>1,545,607</u>
Total Pension	2,334,917	2,381,163
NCGI Premiums	<u>106,119</u>	<u>111,102</u>
Total Regular Billing	2,441,036	2,492,265
Additional Billings:		
Chapter 19	<u>132,637</u>	<u>131,359</u>
Total PFRS Payment	<u>\$2,573,673</u>	<u>\$ 2,623,624</u>

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.

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 of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Note 11: PENSION PLANS (CONT'D.)

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

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – The regulatory basis of accounting which is basis for the preparation of the Township's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Township does not recognize pension liabilities for any current or prior period until fiscal period in which such payments will become due and payable.

At June 30, 2017, the PFRS reported a net pension liability of \$50,249,734 for its Non-State, Non-Special Funding Situation Employer Member Group. The Township's proportionate of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$50,249,734 or .292707%. At June 30, 2016, the PFRS reported a net pension liability of \$19,102,557,969 for its Non-State, Non-Special Funding Situation Employer Member Group. The Township's proportionate of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$61,993,476 or 0.299389%.

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

Inflation	2.25%
Salary Increases Through 2026	2.10-8.98% Based on age
Thereafter	3.10-9.98% Based on age
Investment rate of return	7.00%

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

Disability mortality rates were based on special mortality tables used for the period after disability retirement.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

## Note 11: PENSION PLANS (CONT'D.)

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

The long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the PFRS's target asset allocation as of June 30, 2017 are summarized in the following table:

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

*Discount Rate* – The discount rate used to measure the pension liabilities of PFRS was 6.14%. as of June 30, 2017.

## Note 11: PENSION PLANS (CONT'D.)

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

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

	At 1% Decrease (5.14%)	At current discount rate (6.14%)*	At 1% increase (7.14%)
State	\$ 5,202,348,756	\$ 4,935,743,141	\$ 3,734,560,750
Local	<u>22,619,279,081</u>	<u>17,167,260,198</u>	<u>12,687,806,745</u>
PFRS Plan Total	<u>\$27,821,279,081</u>	<u>\$21,563,003,339</u>	<u>\$16,422,367,495</u>

\*- Local Share includes \$1,604,141,087 of Special Funding Situation allocated to the State of NJ as a non-employer.

*Components of Net Pension Liability* – The components of the net pension liability for PFRS, including the State of New Jersey, at June 30, 2017 is as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 5,939,531,281	\$41,471,190,457	\$47,410,721,738
Plan Fiduciary Net Position	<u>1,543,788,140</u>	<u>24,303,930,259</u>	<u>25,847,718,399</u>
Net Pension Liability	<u>\$ 4,395,743,141</u>	<u>\$17,167,260,198</u>	<u>\$21,563,003,339</u>

*Collective Deferred Outflows of Resources and Deferred Inflows of Resources* – Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense as follows:

<u>Year ending</u>	<u>Amount</u>
2018	\$3,370,080
2019	3,370,080
2020	4,307,478
2021	2,275,677
2022	<u>(33,800)</u>
Total	<u>\$13,289,515</u>

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

## Note 11: PENSION PLANS (CONT'D.)

C. Defined Contribution Retirement System (DCRP)

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the DCRP are as follows:

*Plan Membership and Contributing Employers-* Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually. At June 30, 2016, the membership in the DCRP, based on the information within the Division's database, was 46,557.

*Contribution Requirement and Benefit Provisions -* State and local government employers contribute 3% of the employees base salary. Active members contribute 5.5% of base salary.

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

For the year ended December 31, 2017 the Township's total payroll for all employees was \$13,237,585.44. Total DCRP covered payroll was \$412,737.77. Covered payroll refers to all compensation paid by the Township to active employees covered by the Plan. Township and employee contributions to the DCRP for the year ended December 31, 2017 were \$24,424.12 and \$13,325.59, respectively.

D. Cumulative PERS and PFRS Deferred Outflows of Resources and Deferred Inflows of Resources

	Net Pension Liability	Deferred Outflows	Deferred Inflows	Total Pension Expense
PERS	\$34,657,482	\$9,444,362	\$6,968,166	\$1,385,069
PFRS	<u>50,249,734</u>	<u>8,524,245</u>	<u>9,151,115</u>	<u>2,573,673</u>
Total	<u>\$84,907,216</u>	<u>\$17,968,607</u>	<u>\$16,119,281</u>	<u>\$3,958,742</u>

## NOTES TO FINANCIAL STATEMENTS

### Note 12: POST EMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS & POST RETIREMENT HEALTH CARE BENEFITS

The Township of Piscataway provides its retirees with health benefits, which are fully funded by the Township. These benefits are negotiated for through each bargaining unit's contract. In order to receive fully paid health benefits, retirees must have been enrolled in the Public Employees Retirement Fund for 25 years. Retirees receive the same type of health insurance coverage that they were receiving prior to retirement. There are approximately 194 retirees enrolled in health benefits programs, which are fully funded by the Township. The annual costs are determined by the provider, per approved schedules in accordance with the insured individual's age and plan status. This represents billings to the Township on an experience basis. The amount paid by the Township for retirees' health benefits was \$4,636,608 and \$3,110,000 for CY 2017 and CY 2016 respectively.

The Township's annual postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Township's annual OPEB cost for the year, any amounts contributed to the plan and the Township's net OPEB obligation. For 2017, the Township's annual OPEB cost (expense) of \$7,349,800 was greater than the ARC of \$7,340,100.

	<u>2017 Total</u>	<u>2016 Total</u>
Net OPEB obligation – beginning of year	\$37,646,000	\$32,378,600
Annual required contribution (ARC)	7,340,100	8,369,000
Interest on Net OPEB Obligation (NOO)	1,505,800	1,295,100
Amortization on the NOO	<u>(1,496,100)</u>	<u>(1,286,700)</u>
Annual OPEB Cost (AOC)	7,349,800	8,377,400
Less: Contributions	<u>2,969,700</u>	<u>3,110,000</u>
Net OPEB obligation – end of year	<u>\$42,026,100</u>	<u>\$37,646,000</u>

The funded status of the plan for the Township as of January 1, 2017, is as follows:

	<u>2017 Total</u>
Actuarial accrued liability (AAL)	\$99,693,600
Actuarial value of plan assets	<u>-0-</u>
Unfunded actuarial accrued liability (UAAL)	
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$17,487,500
UAAL as a percentage of covered payroll	592%

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health-care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

## NOTES TO FINANCIAL STATEMENTS

### Note 12: POST EMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS & POST RETIREMENT HEALTH CARE BENEFITS (CONT'D.)

The schedule of funding progress presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2017 actuarial valuation, the projected unit credit method was used. A rate of 4.00% was utilized as the discount rate and the amount of increase in the normal cost amount. The unfunded accrued liability is being amortized as a level dollar amount using an open period of thirty (30) years.

### Note 13: RISK MANAGEMENT

The Township, together with other governmental units, is a member of the Central Jersey Joint Insurance Fund (the Fund). The Fund, which is organized and operated pursuant to the regulatory authority of the Departments of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles. The Fund's governing board based upon actuarial and budgetary requirements calculates payments to the Fund. Each participant in the Fund is jointly and severally obligated for any deficiency in the amount available to pay all claims. The Joint Insurance fund insures against property damage, general liability, auto liability, equipment liability, public official liability, and law enforcement liability and workers compensation. While additional assessments or premiums can be levied by the Fund to assure payment of the Fund's obligations, no such additional premiums have been necessary as of December 31, 2017. The Fund will be self-sustaining through member premiums, reported as an expenditure in the Township's financial statements. The Fund contracts for excess liability insurance for property damage, general liability, auto liability, equipment liability, public official liability, law enforcement liability and workers' compensation. The Township continues to carry commercial insurance for other risks of loss, principally employee health insurance.

At December 31, 2017, the Fund reported for all years combined, total assets of \$22,320,903.42 liabilities and reserves of \$11,314,200.37 which includes case reserves of \$7,152,032.37 and IBNR of \$4,162,168.00 and a fund balance for all years of \$10,451,344.35 and at December 31, 2016, the Fund reported for all years combined, total assets of 19,940,289.81, liabilities and reserves of \$12,596,085.69, which includes case reserves of \$6,824,820.19 and IBNR of \$5,351,003.00 and a fund balance for all years of \$7,344,204.12

#### Self-Insurance – Worker's Compensation

The Township maintains a self-insurance risk management program for claims relating to Worker's Compensation for program periods beginning in 1985 and terminating with the state fiscal year ended June 30, 1998. The Township continued to engage an outside claims service bureau to serve as Fund Administrator. The Administrator for estimated benefits and expenses for reported claims establish reserves. The status of the Township's self-insurance cash reserves, as compared to the reserve requirements established by the Fund Administrator for claims reported at the close of the year, is zero.

## Note 13: RISK MANAGEMENT (CONT'D.)

New Jersey Unemployment Compensation Insurance – The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. Following is a summary of Township appropriations, interest earning and remittances to the State for the current and prior year:

<u>Year</u>	<u>Township Appropriation</u>	<u>Employee Contribution</u>	<u>Overpayment Refund</u>	<u>Interest Earnings</u>	<u>Amounts Reimbursed</u>	<u>Ending Balance</u>
CY 2017	\$624,606.00	\$-0-	\$-0-	-0-	\$578,728.35	\$
CY 2016	\$75,000.00	\$-0-	\$-0-	-0-	\$66,576.93	\$497,897.95
CY 2015	\$100,000.00	\$-0-	\$-0-	-0-	\$48,046.75	\$489,474.88

## Note 14: CONTINGENT LIABILITIES

## A. Supplemental and Retrospective Insurance Assessments

As a constituent member of the Central Jersey Joint Insurance Fund (the “CJJIF”), the Township of Piscataway, together with the other Members of the CJJIF, is jointly and severally responsible for the timely payment of Supplemental Assessments levied with the approval of the CJJIF Commissioners. At December 31, 2017, the CJJIF had outstanding Supplemental and Retrospective Assessments receivable in the amount of \$3,195,629, which were levied in Fund Years 2010, 2011, 2013, 2014 and 2015, and are due in ten equal annual installments consisting of:

<u>Supplemental Assessments</u>			
<u>Year Levied</u>	<u>Original Levy</u>	<u>December 31, 2017 Balance</u>	<u>Final Installment</u>
2010	\$3,769,587	\$1,502,002	2021
2011	952,802	410,922	2022
2014	1,349,762	725,927	2023
2015	824,241	556,778	2024
Totals	<u>\$6,896,392</u>	<u>3,195,629</u>	
<u>Retrospective Assessments</u>			
<u>Year Levied</u>	<u>Original Levy</u>	<u>December 31, 2017 Balance</u>	
2015	1,626,407	646,029	

The Supplemental Assessments were established as receivables from the constituent members in the same proportion as the original assessments for each Loss Year were levied. At December 31, 2017, it is estimated that Piscataway Township will be required to make additional payments to the CJJIF or forego dividend payments (if any should be declared) from 2016 through 2024 in the total amount of \$375,922 for its allocated share of the Supplemental Assessments.



Note 14: CONTINGENT LIABILITIES (CONT'D.)

The Retrospective Assessments were established as receivables from the constituent members based upon actuarial calculations, if projected actual claim losses exceed the amounts upon which annual assessments were based. At December 31, 2017, it was determined that Piscataway's actual claim loss exceeded the amounts upon which annual assessments were based for Fund Year 2015 and 2016 in an aggregate amount of \$130,284.

B. Litigation Pending or Threatened

At December 31, 2017, the Township had litigation pending. The majority of this litigation involves claims against the Township relating to matters that traditionally would be covered through the procurement of workers' compensation and liability insurance policy coverages. As more fully described in Note 11, the Township has participated in a joint insurance fund since June 1998.

In regard to State Court Tax Appeals, those matters, as with all matters, are being vigorously defended and settled when prudent. The Township has addressed, in its Budget, and has implemented procedures in accordance with the applicable State finance and budget statutes and regulations to satisfy refunds and/or credits required by settlements and/or judgments for State Court Tax Appeals. It is expected that the settlements and/or judgments for these matters in the aggregate will result in significant reductions to assessed values and require refunds and/or credits that would be material to the Township's financial position.

Note 15: ACCRUED SICK AND VACATION BENEFITS

The Township has permitted employees to accrue unused sick pay, which may be taken as time off when sick or paid at retirement. Accumulated unused sick days may be used at the time of retirement as salary extension for a time equal to the number of days of retirement, or the employee involved may request a cash payment from the Township for the accumulated days, at the employee's sole discretion. There is a limit of 240 days with some minor adjustments. Current Township policy and provisions of collective bargaining agreements generally limit accumulations to 5 days per calendar year. As of December 31, 2017, and December 31, 2016 it is estimated that the current cost of such unpaid sick pay would approximate \$5,696,355 and \$6,209,878.00. These amounts represent the current value of all accumulations, and are not intended to portray amounts that would be recorded under GAAP. The Township has set aside reserves within the Trust Fund to pay for these costs in the amount of \$5,044,191.54 and \$4,051,723.53 for 2017 and 2016 respectively.

The Township has not discounted the total based upon a study of utilization by employees separating from service. Neither has it excluded the accumulations of any employees based upon the likelihood that the right to receive termination payments for such accumulations will vest with the employees. The amount that the valuation reported above would be reduced under either of the methodologies permitted under GAAP has not been determined.

The estimated value of accumulated unused vacation pay has not been calculated. Township policies generally require employees to utilize accrued vacation pay during the calendar year it accrues. With the written approval of the Business Administrator and Department Head, unused vacation benefits may be carried only until March 31st of the succeeding year.

Note 17: COMMITMENTS AND CONTINGENCIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2017, the Township does not believe that any material liabilities will result from such audits.

As at December 31, 2017 and through the date of this report, the Township had litigation pending, including property tax appeals and other matters. The Township estimates that potential claims against the Township not covered by insurance resulting from such litigation would not materially affect the financial statements of the Township.

Note 18: LONG TERM TAX EXEMPTIONS

The Township provides for long-term tax exemptions, as authorized and permitted by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. Taxes abated include municipal, local school and county taxes. The Township is required to remit five percent (5.00%) to the County for any payments received in lieu of taxes (PILOT payments). The Township PILOT billings in 2017 were \$423,703.41 and taxes in 2017 that otherwise would have been due on these long-term tax exemptions amounted to \$550,056.36, based upon the assessed valuations of the long-term tax exemptions properties.

Note 19: SUBSEQUENT EVENTS

During the period subsequent to the balance sheet date, through the date of the auditor's report, the Township has authorized capital improvement projects, which provide for the issuance of bonds and notes to finance the costs thereof, as follows:

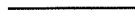
The following Programs/Projects for CY 2018 have been authorized:

<u>Project</u>	<u>Total</u>	<u>Bond/Notes Authorized</u>
Improvements to Zirkel Ave	\$3,400,000	\$3,230,000

On March 27, 2018, the Governing Body adopted the FY2018 Municipal Budget in the aggregate of \$68,831,268.96.

On June 27, 2018, the Township issued \$2,500,000 in Bond Anticipation Notes at interest rates ranging from 1.95%, maturing on December 14, 2018.

**TOWNSHIP OF PISCATAWAY**  
**MIDDLESEX COUNTY, NEW JERSEY**



**PART II**  
**REQUIRED SUPPELEMENTARY INFORMATION**

TOWNSHIP OF PISCATAWAY  
 SCHEDULE OF THE TOWNSHIP'S SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM (Local Group)

Last 10 Fiscal Years\*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Township's Proportion Share of the Net Pension Liability	0.148883%	0.148394%	0.145313%	0.135145%
Township's Proportion Share of the Net Pension Liability	\$34,657,482	\$43,950,176	\$32,619,933	\$25,302,865
Township's Covered-Employee Payroll	\$ 10,246,034	\$ 10,248,387	\$ 10,085,179	\$ 9,839,286
Township's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll	338.25%	428.85%	323.44%	257.16%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	36.78%	31.20%	38.21%	42.74%

\* Amounts presented for each fiscal year were determined as of June 30.

TOWNSHIP OF PISCATAWAY  
 SCHEDULE OF THE TOWNSHIP'S CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM (Local Group)

Last 10 Fiscal Years\*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,385,069	\$ 1,310,106	\$ 1,174,543	\$ 1,078,553
Contribution in Relation to Contractually Required Contribution	<u>\$ (1,385,069)</u>	<u>\$ (1,310,106)</u>	<u>\$ (1,174,543)</u>	<u>\$ (1,078,553)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Township's Proportionate Share of the Payroll	\$ 10,246,034	\$ 10,248,387	\$ 10,085,179	\$ 9,839,286
Contributions as a percentage of Covered Employee Payroll	13.52%	12.78%	11.65%	10.96%

\* Amounts presented for each fiscal year were determined as of June 30.

TOWNSHIP OF PISCATAWAY  
 SCHEDULE OF THE TOWNSHIP'S SHARE OF THE NET PENSION LIABILITY  
 POLICE AND FIREMEN RETIREMENT SYSTEM  
 (Non-State, Non-Special Funding Situation Employer Member Group)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the Non-State, Non-Special Funding Situation Employer Group Net Pension Liability attributable to the Township	0.292707%	0.299389%	0.306608%	0.292104%
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State, Non-Special Funding Situation Employer Group	\$50,249,734	\$61,993,476	\$51,070,190	\$36,743,917
Township's Covered-Employee Payroll	\$ 9,496,635	\$9,549,916	\$9,856,374	\$9,478,902
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State, Non-Special Funding Situation Employer Group as a percentage of the Township's Covered-Employee Payroll	529.13%	649.15%	518.14%	387.64%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability (See Note Below)	54.52%	48.55%	52.84%	58.86%

\* Amounts presented for each fiscal year were determined as of June 30.

Note: Percentages shown are Plan-wide, and include NPL and PFNP data that include employees of the State of New Jersey.

TOWNSHIP OF PISCATAWAY  
 SCHEDULE OF THE TOWNSHIP'S CONTRIBUTIONS  
 POLICE AND FIREMEN RETIREMENT SYSTEM  
 (Non-State, Non-Special Funding Situation Employer Member Group)

	<u>Last 10 Fiscal Years*</u>			
	<u>2016</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 2,573,673	\$ 2,623,624	\$ 2,117,848	\$ 2,374,527
Contribution in Relation to Contractually Required Contribution	<u>\$ (2,573,673)</u>	<u>\$ (2,623,624)</u>	<u>\$ (2,117,848)</u>	<u>\$ (2,374,527)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Township's Proportionate Share of the Payroll	\$ 9,496,635	\$ 9,549,916	\$ 9,856,374	\$ 9,478,902
Contributions as a percentage of Covered Employee Payroll	27.10%	27.47%	21.49%	25.05%

\* Amounts presented for each fiscal year were determined as of June 30.

**TOWNSHIP OF PISCATAWAY**  
**COUNTY OF MIDDLESEX, NEW JERSEY**

**NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION**  
**DECEMBER 31, 2017**

**NOTE 1. CHANGES IN ASSUMPTIONS**

The following information is as abstracted from the State of New Jersey, Division of Pension and Benefits, Financial Statements and Supplementary Schedules report as of June 30, 2017, dated March 14, 2017. This information pertains to the RSI schedules of changes in net pension liability contained in that report.

**PERS**

*Changes in benefit terms - None*

*Changes in assumptions –*

For 2017, the discount rate changed to 5.00% and the long-term expected rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65%. Demographic assumptions were revised in accordance with the results of the July 1, 2011 – June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. In addition, the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually, For 2014, the discount rate was 5.39%.

**PFRS**

*Changes in benefit terms – None*

*Changes in assumptions –*

For 2017, the discount rate changed to 6.14% and the long-term expected rate of return changed to 7.00% For 2016, the discount rate change to 5.55%, the long-term expected rate of return changed to 7.65% and the mortality improvement scale incorporated the plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 5.79% and demographic assumptions were revised in accordance with the results of the July 1, 2010 – June 30, 2013 experience study. For 2014, the discount rate was 6.32%.



TOWNSHIP OF PISCATAWAY  
COUNTY OF MIDDLESEX, NEW JERSEY

REQUIRED SUPPLEMENTARY INFORMATION  
POSTEMPLOYMENT HEALTH BENEFITS  
SCHEDULE OF FUNDING PROGRESS

<u>Year</u>	Actuarial Value of <u>Assets</u>	Actuarial Accrued <u>Liability (AAL)</u>	Unfunded AAL ( <u>UAAL</u> )	Funded <u>Ratio</u>	Covered <u>Payroll</u>	UAAL as a Percentage of <u>Covered Payroll</u>
01/01/11	\$ -	\$ 78,625,900.00	\$ 78,625,900.00	0.00%	\$ 17,506,964.00	449.11%
01/01/13	-	85,931,300	85,931,300	0.00%	16,873,000	509.28%
01/01/15	-	106,905,000	106,905,000	0.00%	18,069,200	591.64%
01/01/17	-	99,693,600	99,693,600	0.00%	17,487,500	570.08%

**TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY**

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**PART III  
SUPPLEMENTARY SCHEDULES**

**Current Fund**

SCHEDULE OF CASH

		<u>CURRENT FUND</u>	<u>GRANT FUND</u>
	<u>Ref.</u>		
Cash Balance Dec 31, 2016.....	A	\$ 33,571,514.75	\$ 140,030.93
Increased by Cash Receipts			
Collector	A-5	176,483,216.64	
Due from State of NJ - Ch. 20	A-6	244,799.99	
Revenue Accounts Receivable	A-8	12,043,153.75	
Miscell. Revenue Not Anticipated	A-8	1,075,874.87	
Homestead Rebate - State of NJ	A-7	1,470,309.87	
Various Payables	A-10	268,827.00	
Various Reserves	A-10	2,336,962.01	
Interfunds Receivable	A-11	78,912,383.94	
Operations	A-1	5,617.68	
Interfunds Payable	A-12/A-16	306,636.35	77,310.00
Federal and State Grants Receivable	A-15		703,618.52
Total Cash Receipts.....		273,147,782.10	780,928.52
Decreased by Disbursements			
Refund of Prior Year Revenue	A-1	35,178.02	
Refund of Current Year Revenue	A-1	24,503.20	
CY 2017 Appropriations	A-3	56,391,993.87	
CY 2018 Approp. Reserves	A-9	2,484,456.96	
Various Payables	A-10	894,101.43	
Various Reserves	A-10	3,944,348.54	
Interfunds Receivable	A-11	81,603,796.04	
Interfunds Payable	A-12	326,942.13	
County Tax	A-13	27,710,146.18	
Fire District Tax	A-13	3,895,824.00	
Local School District Tax	A-13	92,593,095.00	
Tax Overpayments	A-14	89,406.46	
Interfunds Returned	A-16		122,005.35
Federal and State Grants Appropriated	A-17		375,988.93
Total Cash Disbursements.....		269,993,791.83	497,994.28
Cash Balance December 31, 2017.....	A	\$ 36,725,505.02	\$ 422,965.17

SCHEDULE OF COLLECTORS CASH  
CURRENT FUND

Ref.

Increased by Receipts:

Interest and Cost on Taxes	A-2	409,981.22
Taxes Receivable - Current Year	A-7	167,947,202.66
Taxes Receivable - Delinquent	A-7	1,445,173.87
Taxes Receivable - Arrears	A-7	5,941.92
Taxes Receivable -Prepaid Taxes	A-7	5,030,696.48
Tax Title Liens Receivable	A-7	2,140.31
Non-Budget Revenue	A-8	92,500.93
Trust Fund: Premium	A-11	1,540,739.25
Miscellaneous Revenue	A-8	<u>8,840.00</u>

\$ 176,483,216.64

Decreased by:

Deposited to Treasurer                      A-4

\$ 176,483,216.64

SCHEDULE OF DUE FROM STATE OF NEW JERSEY -  
FOR ALLOWABLE DEDUCTIONS PER CHAPTER 20, P.L. 1976  
CURRENT FUND

	<u>REF.</u>		
Balance - December 31, 2016	A		\$ 214,985.20
Increased by:			
Allowable Deductions per			
Tax Billings	A- 6	\$ 263,500.00	
2017 Sr. Citizens and Vet.			
Ded. Allowed by Collector	A- 6	1,250.00	
2012-2016 Sr. Citizens and Vet.			
Ded. Allowed by Collector	A- 6	<u>250.00</u>	
			<u>265,000.00</u>
			479,985.20
Decreased by:			
Collected	A- 4	244,799.99	
2017 Sr. Citizens and Vet.			
Ded. Disallowed by Collector	A- 6	3,893.07	
2012-2016 Sr. Citizens and Vet.			
Ded. Disallowed by Collector	A- 6	<u>10,497.92</u>	
Collected			<u>259,190.98</u>
Balance - December 31, 2017	A		<u><u>\$ 220,794.22</u></u>
Analysis of Sr. Citizens & Veterans			
<u>Deductions Allowed - 2017 Taxes</u>			
Per Tax Billings	A- 6	\$ 263,500.00	
Allowed (Disallowed) by Tax Collector Current Year	A- 6	(2,643.07)	
Allowed (Disallowed) by Tax Collector Prior Year	A- 6, A-1	<u>(10,247.92)</u>	
Total	A-7		<u><u>\$ 250,609.01</u></u>

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FY 16 Collections	\$	1,445,173.87	
Sr. Citizens Vets		(10,247.92)	
Arrears Collections		5,941.92	
Tax Liens Collected		<u>2,140.31</u>	
	\$		<u>172,489,370.80</u>

CURRENT FUND  
SCHEDULE OF NONBUDGET REVENUES & VARIOUS ACCOUNTS RECEIVABLES

	December 31, 2016	Accrued/ Adjustments	Cash Receipts	December 31, 2017
<b>Revenue Accounts Receivable:</b>				
Licenses - Other	\$ -	\$ 123,349.00	\$ (123,349.00)	\$ -
Alcoholic Beverage License		55,564.00	(55,564.00)	-
Fees and Permits		674,738.09	(674,738.09)	-
Fines and Costs - Municipal Court	46,994.60	791,193.84	(791,817.67)	46,370.77
Construction Code Fees		3,010,188.36	(3,010,188.36)	-
Interest on Investments and Deposits		481,638.37	(481,638.37)	-
Cable Franchise Fees		188,641.86	(188,641.86)	-
Hotel and Motel Tax		448,812.43	(448,812.43)	-
Library Fines		36,000.00	(33,000.00)	3,000.00
PILOT		302,260.56	(302,260.56)	-
State Aid: Energy Receipts Tax		5,471,407.00	(5,471,407.00)	-
State Aid: Consolidated Municipal Property Tax Relief Aid		387,172.00	(387,172.00)	-
Uniform Fire Safety Act		83,281.62	(83,281.62)	-
A-2	46,994.60	12,054,247.13	(12,051,870.96)	49,370.77
<b>Non - Budget Revenue:</b>				
Administrative Fees Outside Jobs		432,496.00	(432,496.00)	
Abandoned Vehicles		10.00	(10.00)	-
Bid Specifications		399.33	(399.33)	
Budget Refunds		2,155.15	(2,155.15)	
Citizens' & Veterans 2% Admin Fees		4,396.00	(4,396.00)	
Cost of Tax Sale		12,071.93	(12,071.93)	-
Credit Card Convenience Fees		34,047.42	(34,047.42)	-
Cultural Arts		485.00	(485.00)	-
Delinquent Fees		4,440.00	(4,440.00)	-
DMV Inspection Fees		3,712.56	(3,712.56)	-
FEMA Reimbursements: Hurricane Sandy		343,021.79	(343,021.79)	
Fire Report		65.00	(65.00)	-
Fire Penalty		1,000.00	(1,000.00)	-
Homeowner Mail Reimbursement		1,869.60	(1,869.60)	-
ID Card Replacement Fee		78.00	(78.00)	-
July 4th Fireworks		4,700.00	(4,700.00)	-
Insurance Claims		32,840.95	(32,840.95)	-
Interpretation - Planning		1,050.00	(1,050.00)	-
Maintenance Liens		79,649.00	(79,649.00)	-
Medical Appointments		2,880.00	(2,880.00)	-
Miscellaneous		3,299.00	(3,299.00)	-
Central Jersey JIF Awards		8,450.00	(8,450.00)	-
Payment In Lieu of Taxes - Contributions		33,000.00	(33,000.00)	
PCTV Control Room		1,296.00	(1,296.00)	



CURRENT FUND  
SCHEDULE OF NONBUDGET REVENUES & VARIOUS ACCOUNTS RECEIVABLES

		December 31, 2016	Accrued/ Adjustments	Cash Receipts	December 31, 2017
Photo Copies		\$ -	\$ 6,098.61	\$ (6,098.61)	\$ -
Police Report			1,499.30	(1,499.30)	-
Recycling Batteries			663.00	(663.00)	-
Recycling Bins			1,691.50	(1,691.50)	-
Recycling Electronic Waste			714.65	(714.65)	-
Rent Land			6,501.00	(6,501.00)	-
Recycle: Pallets			121.50	(121.50)	-
Returned Check Fees			1,060.00	(1,060.00)	-
Rent: Senior Center			6,700.00	(6,700.00)	-
Restitution			144.00	(144.00)	-
Right Of Way Easements			5,432.51	(5,432.51)	-
Scrap Metal			10,074.85	(10,074.85)	-
SREC: Solar Energy			57,190.00	(57,190.00)	-
Visitor's Fee			6.00	(6.00)	-
Violations - Code			56,131.00	(56,131.00)	-
Worker's Compensation Refund			11,439.15	(11,439.15)	-
	A-1, A-2	-	1,172,879.80	(1,172,879.80)	-
Total.....		\$ 46,994.60	\$13,227,126.93	\$(13,224,750.76)	\$ 49,370.77
	Ref.	A	Reserve		A
<u>Analysis of Miscellaneous Revenues:</u>					
Account Receivable Collections	A-4			\$ 12,043,153.75	
Interest on Investments	A-11			(122.79)	
Grass Coupons: A/c Receivables Collections	A-5			8,840.00	
Subtotal				<u>12,051,870.96</u>	
Non-Budget Revenue	A-4			1,075,874.87	
Cost of Tax Sale	A-5			12,071.93	
Return Check Fee	A-5			780.00	
Tax Search	A-5			0.00	
Maintenance Lien	A-5			75,078.45	
Interest of Maintenance Lien	A-5			4,570.55	
Trust Fund	A-11			4,504.00	
Subtotal				<u>1,172,879.80</u>	
Total.....				<u>\$ 13,224,750.76</u>	

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - A-9  
Page 1 of 9

CURRENT FUND  
STATEMENT OF APPROPRIATION RESERVES - CY 2016  
FOR THE YEAR ENDED DECEMBER 31, 2017

	BALANCE DEC 31, 2016	ENCUMBERED DEC 31, 2016	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE <u>LAPSED</u>
Operations Within "CAPS"					
<u>General Government</u>					
Township Council					
Salaries and Wages	\$ 5,727.80	\$ -	\$ -	\$ -	\$ -
Other Expenses	835.96	362.50	1,198.46	407.50	790.96
Township Clerk					
Salaries and Wages	2,634.94		-	-	-
Other Expenses	18,318.03	10,769.81	29,087.84	9,465.18	19,622.66
Elections					
Other Expenses	300.00		20,300.00	19,992.13	307.87
<u>Administration</u>					
Department of Administration					
Salaries and Wages	25,085.26		-	-	-
Other Expenses	57,142.92	2,585.36	59,728.28	5,089.59	54,638.69
Division of Personnel					
Salaries and Wages	135.16		-	-	-
Other Expenses	1,267.23	3,555.00	4,822.23	555.00	4,267.23
Computer Center					
Salaries and Wages	70.76		70.76	-	70.76
Other Expenses	5,403.16	4,239.29	9,642.45	1,383.09	8,259.36

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - A-9  
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CURRENT FUND  
STATEMENT OF APPROPRIATION RESERVES - CY-2016  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2017

	BALANCE DEC 31, 2016	ENCUMBERED DEC 31, 2016	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Within "CAPS" (Cont'd)					
Division of Purchasing					
Salaries and Wages	\$ 23.16	\$	23.16	-	\$ 23.16
Other Expenses:	13,852.49	12,599.89	26,452.38	1,881.62	24,570.76
Postage (All Departments)	1,183.49	16,980.62	18,164.11	322.37	17,841.74
Duplicating (All Departments)	6,900.04		6,900.04	-	6,900.04
Miscellaneous Other Expenses				-	-
Municipal Land Use (N.J.S.A. 40:55 D-1):					
Planning Board					
Salaries and Wages	4,935.96		-	-	-
Other Expenses	28,279.16	4,560.60	32,839.76	3,305.44	29,534.32
Zoning Board					
Salaries and Wages	4,936.92		1.00	-	1.00
Other Expenses	21,562.00	6,114.91	27,676.91	4,584.43	23,092.48
Celebration of Public Events					
Other Expenses		4,000.00	4,000.00	-	-
Cable TV Studio					
Salaries and Wages	4,550.78		4,550.78	38.85	4,511.93
Other Expenses	531.23	84.42	615.65	45.30	570.35
<u>Finance and Revenue</u>					
Department of Finance					
Salaries and Wages	21,004.63		4,004.63	-	4,004.63
Other Expenses	17,854.96	7,543.29	25,398.25	4,316.21	21,082.04
Annual Audit	11,550.00	58,450.00	70,000.00	58,611.00	11,389.00

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - A-9  
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CURRENT FUND  
STATEMENT OF APPROPRIATION RESERVES - CY-2016  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2017

	BALANCE DEC 31, 2016	ENCUMBERED DEC 31, 2016	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Within "CAPS" (Cont'd)					
Division of Assessment					
Salaries and Wages	\$ 6,529.79	\$	6,529.79	-	\$ 6,529.79
Other Expenses	20,332.60	83,177.94	103,510.54	99,585.23	3,925.31
Division of Revenue					
Salaries and Wages	17,630.33		5,630.33	-	5,630.33
Other Expenses	28,991.49	2,409.36	31,400.85	9,601.30	21,799.55
Insurance					
Liability Insurance	174,540.90	130,543.89	305,084.79	57,145.20	247,939.59
Health Insurance Waiver	28,171.00	900.00	29,071.00	660.00	28,411.00
Employee Group Insurance	-	682,517.70	682,517.70	682,152.70	365.00
Municipal Court					
Salaries and Wages	61,782.41		61,782.41	-	61,782.41
Other Expenses	15,692.47	115.50	15,807.97	300.00	15,507.97
Public Defender (P.L. 1997, Ch. 256)					
Other Expenses	-		-	-	-
<u>Law</u>					
Department of Law					
Other Expenses	242,402.45	74,530.52	316,932.97	250,767.65	66,165.32
Municipal Prosecutor					
Other Expenses	2,000.00	4,975.11	6,975.11	3,208.33	3,766.78

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - A-9  
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CURRENT FUND  
STATEMENT OF APPROPRIATION RESERVES - CY-2016  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2017

	BALANCE DEC 31, 2016	ENCUMBERED DEC 31, 2016	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Within "CAPS" (Cont'd)					
<u>Public Safety</u>					
Uniform Fire Safety Act					
Salaries and Wages	\$ 2,990.25	\$	2,990.25	\$ -	2,990.25
Other Expenses	1,905.37	2,984.80	4,890.17	2,947.22	1,942.95
Animal Control					
Salaries and Wages	2,801.39		-	-	-
Other Expenses	5,022.12	7,194.88	12,217.00	-	12,217.00
Division of Schools Crossing Guards					
Salaries and Wages	77,362.63		-	-	-
Other Expenses	32.00	1,050.00	1,082.00	1,050.00	32.00
Division of Police					
Salaries and Wages	881,434.04		381,434.04	192,443.76	188,990.28
Other Expenses	71,823.27	32,636.91	104,460.18	45,248.51	59,211.67
First Aid Organization - Contribution	3,913.00	34,429.00	38,342.00	33,558.00	4,784.00
Division of Emergency Management Services					
Salaries and Wages	15,905.26		15,905.26	-	15,905.26
Other Expenses	13,838.30	-	13,838.30	-	13,838.30
<u>Public Works</u>					
Department of Public Works					
Salaries and Wages	72,581.03		72,581.03	-	72,581.03
Other Expenses	4,430.60	7,063.36	11,493.96	2,130.32	9,363.64

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY  
CURRENT FUND  
STATEMENT OF APPROPRIATION RESERVES - CY-2016  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2017

	BALANCE DEC 31, 2016	ENCUMBERED DEC 31, 2016	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Within "CAPS" (Cont'd)					
Division of Engineering					
Salaries and Wages	\$ 98,860.01	\$	40,860.01	-	\$ 40,860.01
Other Expenses	29,355.74	6,443.39	35,799.13	6,270.11	29,529.02
Division of Community Development and Planning					
Salaries and Wages	10,318.25		5,318.25	-	5,318.25
Other Expenses	3,202.08	27,570.12	30,772.20	28,000.80	2,771.40
Division of Zoning Enforcement					
Salaries and Wages	3,098.36		3,098.36	-	3,098.36
Other Expenses	53,592.08	584.20	54,176.28	311.61	53,864.67
Public Buildings and Grounds					
Salaries and Wages	16,696.21		16,696.21	-	16,696.21
Other Expenses	69,450.31	95,594.16	165,044.47	39,447.48	125,596.99
Division of Property Maintenance: Traffic					
Salaries and Wages	60,497.29		60,497.29	-	60,497.29
Other Expenses	52,162.20	6,608.35	58,770.55	-	58,770.55
Division of Fleet Maintenance: Fleet					
Salaries and Wages	104,563.70		104,563.70	-	104,563.70
Other Expenses	17,198.35	114,691.02	131,889.37	29,300.22	102,589.15
Division of Streets					
Salaries and Wages	134,304.45		134,304.45	-	134,304.45
Other Expenses	12,279.95	15,423.26	27,703.21	254.05	27,449.16
Snow Removal					
Other Expenses	4,500.00	41,535.50	46,035.50	46,035.50	-
All Utilities	721,192.46	313,458.96	1,034,651.42	122,361.96	912,289.46

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

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CURRENT FUND

STATEMENT OF APPROPRIATION RESERVES - CY-2016  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2017

	BALANCE DEC 31, 2016	ENCUMBERED DEC 31, 2016	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Within "CAPS" (Cont'd)					
Division of Parks					
Salaries and Wages	\$ 127,131.07	\$	127,131.07	-	\$ 127,131.07
Other Expenses	34,686.63	40,281.57	74,968.20	35,653.00	39,315.20
Shade Trees					
Other Expenses	919.51		919.51	-	919.51
Division of Sanitation - Sewer System					
Other Expenses	32,500.00		32,500.00	-	32,500.00
Solid Waste Collection					
Salaries and Wages	177,984.96		157,558.09	-	157,558.09
Other Expenses	5,942.25	69.25	6,011.50	-	6,011.50
Recycling Program					
Other Expenses	67,900.00	2,798.52	70,698.52	389.50	70,309.02
Municipal Services Act	115,000.00		115,000.00	44,012.55	70,987.45
Health and Welfare					
Office on Aging					
Salaries and Wages	35,752.82		5,752.82	3,133.46	2,619.36
Other Expenses	12,579.63	15,152.90	27,732.53	4,763.47	22,969.06
Recreation and Education					
Department of Recreation					
Salaries and Wages	83,399.46		83,057.07	271.47	82,785.60
Other Expenses	37,763.04	29,473.21	47,236.25	2,474.10	44,762.15

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF APPROPRIATION RESERVES - CY-2016  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2017

	BALANCE DEC 31, 2016	ENCUMBERED DEC 31, 2016	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Within "CAPS" (Cont'd)					
<u>Unifrom Construction Code</u>					
Division of Inspections					
Salaries and Wages	\$ 53,764.33	\$	43,764.33	-	\$ 43,764.33
Other Expenses	4,414.93	1,814.99	6,229.92	1,917.99	4,311.93
Boards and Commissions					
Salaries and Wages	380.66		-	-	-
Other Expenses	18,957.22	2,210.00	21,167.22	2,200.00	18,967.22
Severance Liability			831,768.98	831,768.98	-
Total Operations Within "CAPS"	4,206,546.69	1,910,084.06	6,171,630.75	2,689,362.18	3,482,268.57
Total Operation Including Contingent	4,206,546.69	1,910,084.06	6,171,630.75	2,689,362.18	3,482,268.57
Deferred Charges and Statutory Expenditures - <u>Municipal Within "CAPS"</u>					
STATUTORY EXPENDITURES:					
Contribution to:					
Social Security System	145,048.16		90,048.16	-	90,048.16
Defined Contribution Retirement Program	1,923.82		1,923.82	-	1,923.82
Total Deferred Charges and Statutory Expenditures Within "CAPS"	146,971.98	-	91,971.98	-	91,971.98
Total General Appropriations Within "CAPS"	4,353,518.67	1,910,084.06	6,263,602.73	2,689,362.18	3,574,240.55



TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

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CURRENT FUND  
STATEMENT OF APPROPRIATION RESERVES - CY-2016  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2017

	BALANCE DEC 31, 2016	ENCUMBERED DEC 31, 2016	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Maintenance of Free Public Library	\$ 4,661.66	\$ 111,479.65	\$ 116,141.31	102,207.41	\$ 13,933.90
9-1-1 Emergency Telecommunications Services				-	
Salaries and Wages	149,751.63		149,751.63	5,054.64	144,696.99
Other Expenses	30,337.19	9,507.67	39,844.86	1,753.06	38,091.80
NJDES - Storm Water				-	
Other Expenses	240.00	12,992.78	13,232.78	6,080.00	7,152.78
MCIA Recycling Program	48,000.00	97,074.53	145,074.53	50,049.59	95,024.94
MCUA Solid Waste Agreement	208,000.00	46,423.00	254,423.00	8,459.20	245,963.80
Edison Animal Control Contract	-	10,063.59	10,063.59	10,063.59	-
UMDNJ Agreements	19,073.48		19,073.48	-	19,073.48
Middlesex County Health Department	4,087.94		4,087.94	-	4,087.94
Public and Private Programs Offset by Revenues				-	
Matching Fund for Grants	35,395.00		35,395.00	-	35,395.00
Total Operations - Excluded from "CAPS"	499,546.90	287,541.22	787,088.12	183,667.49	603,420.63
<u>Capital Improvements - Excluded from "CAPS"</u>					
Land Acquisition	431,850.00	-	431,850.00	431,850.00	-
Equipment PCTV	-	-	-	-	-
Uniform Code Enforcement Trucks	-	-	-	-	-
Total Capital Improvements - Excluded from Ca	431,850.00	-	431,850.00	431,850.00	-

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

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CURRENT FUND  
STATEMENT OF APPROPRIATION RESERVES - CY-2016  
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2017

	BALANCE DEC 31, 2016	ENCUMBERED DEC 31, 2016	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	931,396.90	287,541.22	1,218,938.12	615,517.49	603,420.63
Total General Appropriations	\$ 5,284,915.57	\$ 2,197,625.28	\$ 7,482,540.85	\$ 3,304,879.67	\$ 4,177,661.18

REF

A-1

Cash Disbursed	A-4	\$ 2,484,456.96
Transfer to Accounts Payable	A-10	774,706.01
Interfund Trust: Snow Reserves	A-11	28,920.70
Interfund Unemployment Fund	A-11	16,796.00
		<u>—</u>
		\$ 3,304,879.67

CURRENT FUND  
SCHEDULE OF CHANGES IN VARIOUS ACCOUNTS PAYABLES & RESERVES

	Dec. 31, 2016	Transfer from/(to) Budget	Cash Receipts	Cash Disbursements	Adjustments	Dec. 31, 2017
<b>Accounts Payable:</b>						
Vendor Accounts Payable.....	\$ 2,202,811.81			\$ (660,060.43)	\$ (717,749.88)	\$ 825,001.50
State of New Jersey 3rd Party Fees						-
State Training Fees	18,369.00		261,072.00	(225,811.00)		53,630.00
Marriage License Fee	2,925.00		7,750.00	(8,225.00)		2,450.00
Domestic Partnership Fee	225.00					225.00
Burial Permit Fee	-		5.00	(5.00)		-
Subtotal	2,224,330.81	-	268,827.00	(894,101.43)	(717,749.88)	881,306.50
<b>Reserve for:</b>						
Library State Aid	29,260.00		29,156.00		(29,260.00)	29,156.00
Lien Redemption & Premium	-		2,016,043.69	(2,016,043.69)		-
PCTV	54,631.05		13,554.00		(14,000.00)	54,185.05
Sale of Municipal Assets	550,418.45		51,577.68			601,996.13
Tax Appeals Pending	2,392,993.77	3,000,000.00		(1,749,961.70)	(2,233,255.83)	1,409,776.24
Hurricane Sandy Expenses	204,883.28			(29,326.15)	(175,557.13)	-
Third Party Inspections	-					-
Electrical	20,150.31		-	(20,150.31)		-
Elevator	37,535.76		34,720.86	(25,000.00)		47,256.62
Certificate of Occupancy	132,052.80		12,124.78			144,177.58
Certificate of Continued Occupancy	23,113.00		4,705.00			27,818.00
Fire	13,350.66		175,080.00	(103,866.69)		84,563.97
Subtotal	3,458,389.08	3,000,000.00	2,336,962.01	(3,944,348.54)	(2,452,072.96)	2,398,929.59
Total.....	\$ 5,682,719.89	\$ 3,000,000.00	\$ 2,605,789.01	\$ (4,838,449.97)	\$ (3,169,822.84)	\$ 3,280,236.09
	Ref.	A	A-3	A-4	A-4	A
Account Payable Cancelled	A-1					
Taxes Receivable	A-7				(834,664.23)	
Appropriation	A-3				(2,233,255.83)	
Operations:	A-1				(29,260.00)	
Appropriation	A-3				(172,458.44)	
Appropriation Reserves	A-9				(660,890.35)	
					774,706.01	
					<u>\$ (3,169,822.84)</u>	

CURRENT FUND  
STATEMENT OF INTERFUNDS RECEIVABLE

	Cash Receipts	Collector Receipts	Cash Disbursements	Revenue Receivables	Appropriation Reserve	Budget Appropriation December 31 2017
<b>Interfunds</b>						
Due from Sewer Capital Fund	4,200,000.00		(4,200,000.00)			
Sewer Operating Fund:.....	10,900,000.00		(10,900,177.95)			177.95
Due from Senior Housing Capital Fund	600,000.00		(600,000.00)			
Due from Senior Housing Utility Fund	1,100,000.00		(1,106,745.68)			6,745.68
General Capital	47,652,000.00		(47,652,000.00)			
Due from/(to) Other Trust Fund:.....	10,134,287.11	1,540,739.25	(12,855,266.41)	(4,381.21)	28,920.70	1,155,700.56
Recreation Trust	55,000.00					(55,000.00)
Unemployment Trust Fund:.....	520,000.00		(549,606.00)		16,796.00	12,810.00
Trust Fund: Animal Trust:.....	11,096.83					(11,096.83)
Payroll Fund:.....	190,000.00		(190,000.00)			
Affordable Housing Trust Fund:.....	3,550,000.00		(3,550,000.00)			
Total.....	\$78,912,383.94	\$ 1,540,739.25	\$ (81,603,796.04)	\$ (4,381.21)	\$ 45,716.70	\$ 1,109,337.36
	Ref. A-4	A-5	A-4	A-8	A-9	A-3

CURRENT FUND  
STATEMENT OF INTERFUNDS PAYABLE

Interfunds	Cash Receipts	Cash Disbursements	Reserves Revenues	Grants Cancelled	Budget Appropriations
	-	+			
Due (to)/from Grant Fund	\$ (306,636.35)	\$ 326,942.13	\$ (838,010.75)	\$60,222.23	\$ 757,482.74
Total.....	<u>\$ (306,636.35)</u>	<u>\$ 326,942.13</u>	<u>\$ (838,010.75)</u>	<u>\$60,222.23</u>	<u>\$ 757,482.74</u>
<u>Ref.</u>	A-4	A-4	A-2	A-1	A-3,A-10

CURRENT FUND  
SCHEDULE OF TAXES PAYABLE

	Taxes Levied	Cash Disbursements
County - General.....	\$ 25,498,575.36	\$ (25,498,575.36)
County - Open Space.....	2,072,228.24	(2,072,228.24)
County - Added & Omitted.....	139,342.58	(139,342.58)
Local School District Taxes.....	92,593,095.00	(92,593,095.00)
Fire District Taxes.....	3,895,824.00	(3,895,824.00)
Total.....	<u>\$ 124,199,065.18</u>	<u>\$ (124,199,065.18)</u>
<u>Ref.</u>	A-1,A-7	A-4

CURRENT FUND  
SCHEDULE OF PROPERTY TAX OVERPAYMENTS

		Total
	<u>Ref.</u>	
Balance - 12/31/2016.....	A	\$ -
Applied to Taxes Receivable.....	A-7	289,952.79
Cash Payments - Refunds.....	A-4	(89,406.46)
Overpayments Cancelled.....	A-1	(1,788,262.48)
Overpayment Received.....	A-7	1,554,855.49
Balances Adjustments:.....		<u>32,860.66</u>
Balance - 12/31/2017.....	A	<u><u>\$ (0.00)</u></u>

**SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE**  
**GRANT FUND**

<b>BUDGET YEAR</b>	<b>GRANTS</b>	<b>BALANCE DEC. 2016</b>	<b>CY 2017 BUDGET REVENUE REALIZED</b>	<b>COLLECTED</b>	<b>CANCELLED</b>	<b>BALANCE DEC. 31, 2017</b>
<b>SFY 2002</b>						
	NJ DOT - William Street	\$ 60,000.00	-	\$	\$ 60,000.00	\$ -
	NJ DOT - Operation Safe Children and Roadways	30,000.00	-		30,000.00	-
<b>CY-2011</b>						
	Historic Preservation Trust: Metlar, Knapp Bodine Grant	150,000.00	-	150,000.00		-
<b>CY-2015</b>						
	Drunk Driving Enforcement Grant	12,274.11	-		12,274.11	-
	EMPG-EMAA	2,000.00	-	2,000.00		-
<b>CY-2016</b>						
	Multi-Jurisdictional Task Force	6,000.00	-	6,000.00		-
	Municipal Alliance on Alcoholism	39,620.00	-	39,397.77	222.23	0.00
	Safe and Secure Grant	60,000.00	-	60,000.00		-
	Community Development Block Grant	220,487.00	-	220,487.00		-
	NJDOT: School Street	100,000.00	-			100,000.00
	EMPG-EMAA	9,400.00	-	5,000.00		4,400.00
<b>CY-2017</b>						
	Middlesex County Cultural & Heritage	-	796.00	796.00		-
	Multi-Jurisdictional Task Force		12,000.00	12,000.00		-
	Body Armor Grant		7,409.68	7,409.68		-
	Clean Communities Grant		98,239.10	98,239.10		-
	Alcohol Education Rehab Program		3,603.03	3,603.03		-
	Recycling Tonnage Grant		90,435.94	90,435.94		-
	Cops-In Shop Grant		2,800.00	2,600.00	200.00	-
	Drive Sober or Get Pulled Over Grant		11,000.00	5,500.00		5,500.00
	NJ DOT: Kossuth Street & Terrace Court		262,000.00			262,000.00
	Municipal Alliance on Alcoholism		69,240.00	150.00		69,090.00
	Safe and Secure Grant		60,000.00			60,000.00
	Community Development Block Grant		220,487.00			220,487.00
			-			-
<b>Totals</b>		<b>\$ \$689,781.11</b>	<b>\$838,010.75</b>	<b>\$ \$703,618.52</b>	<b>\$ \$102,696.34</b>	<b>\$ \$721,477.00</b>
	<b>Ref.</b>	<b>A</b>	<b>A-16</b>	<b>A-4</b>	<b>A-16</b>	<b>A</b>



GRANT FUND  
STATEMENT OF INTERFUNDS RECEIVABLE/ PAYABLE

	Dec. 31, 2016	Cash Receipts	Cash Disbursements	Budget Revenues	Budget Appropriations	Adjustments	Dec. 31, 2017
Interfunds							
Other Trust Fund	\$ -	\$ -	\$ 969.73	\$ -	\$ -	\$ (969.73)	\$ -
General Capital Fund Due (to)	\$ -	\$ -	\$ 121,035.62	\$ -	\$ -	\$ (121,035.62)	\$ -
Current Fund Due (to)/from		(77,310.00)	(838,010.75)	855,320.75	60,000.00		-
Total.....	\$ -	\$ (77,310.00)	\$ 122,005.35	\$ (838,010.75)	\$ 855,320.75	\$ (62,005.35)	\$ -
Ref.	A	A-4	A-4	A-15			A
2017 Budget Appropriation	A-17				36,970.38		
Approp. by N.J.S.A. 40A:4-87	A-17				<u>818,350.37</u>		
					<u>855,320.75</u>		
					\$ -		
Grant Appropriation - Cancellation	A-17				(42,696.34)		
Grant Appropriation - Trust	A-17				(969.73)		
Grant Appropriation - Capital Fund	A-17				<u>(121,035.62)</u>		
					\$ (62,005.35)		

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**Trust Fund**

TRUST FUNDS  
SCHEDULE OF CASH AND RESERVE ACTIVITY

	Balance Dec. 31, 2016	Cash Receipts	Disbursements	Adjustments	Balance Dec. 31, 2017
<b>Animal Control:</b>					
Due NJ - State License Fees.....	\$ 187.80	\$ 2,217.00	\$ (2,216.40)	\$ (178.20)	\$ 10.20
Animal Control Reserves.....	74,001.87	23,659.20	(75,869.31)	178.20	21,969.96
<b>Total</b>	<b>74,189.67</b>	<b>25,876.20</b>	<b>(78,085.71)</b>	<b>-</b>	<b>21,980.16</b>
<b>Other Trust Funds:</b>					
State and Federal Grants Receivable.....	-	-	-	-	-
Due to/(from) Current Fund.....	-	-	-	-	-
Due to/Senior Housing Capital Fund.....	-	-	-	-	-
Due to/from Capital Fund.....	-	-	-	-	-
Due to Sewer Utility Operating Fund.....	-	-	-	-	-
Payroll Liabilities.....	141,820.90	44,364,735.51	(44,262,563.68)	-	243,992.73
Prepaid Payroll Expenditures.....	-	-	-	-	-
Unemployment Trust Fund.....	497,897.95	624,606.00	(578,728.35)	-	543,775.60
Reserve for CDBG.....	-	-	-	-	-
Reserve for Affordable Housing.....	1,280,491.95	6,230,169.77	(3,655,098.73)	-	3,855,562.99
Miscellaneous Deposits.....	8,638,179.16	5,875,059.43	(5,505,976.19)	-	9,007,262.40
Recreation Trust.....	58,665.99	9,705.00	(65,109.52)	-	3,261.47
Schedule of Escrows.....	7,904,217.71	6,391,106.49	(2,103,178.93)	-	12,192,145.27
<b>Total</b>	<b>18,521,273.66</b>	<b>63,495,382.20</b>	<b>(56,170,655.40)</b>	<b>-</b>	<b>25,846,000.46</b>
<b>Public Assistance Trust Fund:</b>					
Reserve for Public Assistance.....	12,411.35	1,000.00	-	-	13,411.35
<b>Total</b>	<b>12,411.35</b>	<b>1,000.00</b>	<b>-</b>	<b>-</b>	<b>13,411.35</b>
<b>Total</b>	<b>\$ 18,607,874.68</b>	<b>\$ 63,522,258.40</b>	<b>\$ (56,248,741.11)</b>	<b>\$ -</b>	<b>\$ 25,881,391.97</b>

<u>Ref.</u>	B	B
Reserve for Animal Control		
<u>License Fees Collected:</u>		
<u>Year</u>		
CY 2016	\$ 21,151.00	
CY 2015	21,065.80	
	<u>\$ 42,216.80</u>	

Note: R.S. 4:19.11

" . . . . . there shall be transferred from such special account to the general funds of the municipality any amount then in such special account which is in excess of the total amount paid into such special account during the last two fiscal years next preceding."

SCHEDULE OF ESCROW FUND DEPOSITS AND RESERVES  
TRUST OTHER FUNDS

Purpose	Balance		Increases	Decreases	Balance	
	Dec. 31, 2016				Dec. 31, 2017	
1. CB Engineering & Inspections Fees (over \$5,000)	\$ 1,531,174.39	\$	528,395.47	\$ 149,190.72	\$	1,910,379.14
2. CB Engineering & Inspections Fees (under \$5,000)	177,931.50		20,725.22	11,843.66		186,813.06
3. Performance Bonds (over \$10,000)	982,992.23					982,992.23
4. CB Planning Board (Under \$5,000)	359,067.26		233,306.14	181,968.97		410,404.43
5. CB Planning Board (Over \$5,000)	360,175.26		100,365.43	118,608.75		341,931.94
6. CB Developers Interest	6,798.84		11,746.82			18,545.66
7. CB Performance (under \$5,000)	231,049.32		33,829.70	23,570.00		241,309.02
8. CB Operations	-		1,286,102.14	1,286,102.14		-
9. CB Developers	4,052,941.62		4,176,195.85	329,993.35		7,899,144.12
10. CB Developers Fiber Optics	1,901.34			1,901.34		-
11. CB Developers Tree Bond	200,185.95		439.72			200,625.67
Total	\$ 7,904,217.71	\$	6,391,106.49	\$ 2,103,178.93	\$	12,192,145.27
Ref.	B		B-1	B-1		B

SCHEDULE OF MISCELLANEOUS DEPOSITS  
TRUST - OTHER FUND

Purpose	Balance		Increases	Decreases	Balance	
	Dec. 31, 2016				Dec. 31, 2017	
1. DARE Program						
2. Dep. For Redemp. Of Tax Sale Certif.	7,194.05		15,250.00	11,252.36	\$ 3,997.64	
3. Donations: Emergency Management	31,130.89				7,194.05	
4. Escrow/Bond: Appraisal	950.00		12,865.00	12,514.78	31,481.11	
5. Escrow/Bond: Curb Repair	43,423.85				950.00	
6. Federal Forfeiture Funds	95.06		975.08		43,423.85	
7. Forfeiture Funds	44,394.06		3,812.69		1,070.14	
8. Future Improvement Deposits	226,786.52			24,607.00	23,599.75	
9. Grading Bonds	11,000.00				226,786.52	
10. Landscape Bonds	163,261.25		8,000.00	7,000.00	11,000.00	
11. Local Seized Funds	3,851.01		896.99	4,748.00	164,261.25	
12. Municipal Court - POAA	4,808.45		520.00		-	
13. Municipal Court - Bail	3,066.00				5,328.45	
14. Prem. Received at Tax Sale	1,730,300.00		646,500.00	1,122,500.00	3,066.00	
15. Public Defender Fees	14,515.23		22,831.76	35,553.33	1,254,300.00	
16. Public Relations Beautification Fund	24,749.54		3,260.00	320.00	1,793.66	
17. Recapture Fees- Sale of Afford. Hsg.	3,000.00				27,689.54	
18. Reserve for Domestic Violence	32,588.81				3,000.00	
19. Reserve for Police Off-Duty Pay	-		1,991,811.14	1,991,811.14	32,588.81	
20. Reserve for Recycling Project	9,733.13				-	
21. Senior Citizens Trips	9,202.06		12,138.85	14,155.54	9,733.13	
22. Seized Funds	-				7,185.37	
23. Sick and Vacation Accrual	4,051,723.53		1,799,345.97	1,214,633.35	-	
24. Snow Removal	1,364,800.99		399,012.70	165,837.00	4,636,436.15	
25. Street Opening Bonds	300,507.94		63,600.00	7,500.00	1,597,976.69	
26. Tax Lien Redemption	556,056.79		894,239.25	893,543.69	356,607.94	
27. Youth Center Donations	1,040.00				556,752.35	
					1,040.00	
Total	\$ 8,638,179.16		\$ 5,875,059.43	\$ 5,505,976.19	\$ 9,007,262.40	
Ref.	B	B-1	B-1	B		

**General Capital Fund**

SCHEDULE OF CASH AND INVESTMENTS - TREASURER  
GENERAL CAPITAL FUND

	<u>REF.</u>		
Balance - December 31, 2016	C		\$ 3,678,549.35
Increased by Receipts:			
Premium on Sale of Bonds & Notes	C- 1	70,222.35	
Capital Improvement Fund	C- 6	1,323,000.00	
Contributions - Off-Site Improvements	C- 7	7,130.00	
Bond Anticipation Notes	C-11	5,000,000.00	
Reserve for Community Center	C-14	813,643.00	
Interfund: Receipts	C-10	9,431,329.00	
Deffered Unfunded from Current	C-5	<u>1,341,437.00</u>	
			<u>17,986,761.35</u>
			21,665,310.70
Decreased by Disbursements:			
Improvement Authorizations	C-8	11,209,582.20	
Interfund: Payments	C-10	8,752,364.62	
Preliminary Expenses	C-11	2,091.00	
Contributions - Off-Site Improvements	C- 7	<u>8,666.67</u>	
			<u>19,972,704.49</u>
Balance - December 31, 2017	C		<u>\$ 1,692,606.21</u>



ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS  
GENERAL CAPITAL FUND

	BALANCE DEC. 31, <u>2016</u>	BALANCE DEC. 31, <u>2017</u>
Fund Balance	\$ 693,758.53	\$ 781,818.81
Capital Improvement Fund	1,403,386.90	205,636.90
Contributions - Off-Site Improvements	2,009,570.15	2,008,033.48
Contributions - Tree Contributions	6,000.00	6,000.00
Federal & State Grants Receivable	(375,000.00)	(375,000.00)
Reserve for Preliminary Expenses	475,251.49	473,160.49
Reserve for Stelton Streetscape	20,250.00	20,250.00
Reserve for Encumbrances	6,614,855.67	5,260,162.81
Improvement Authorizations - Funded	3,721,221.89	4,989,208.56
Improvement Authorizations - Unfunded	<u>(14,575,638.28)</u>	<u>(16,175,200.84)</u>
Total	<u>\$ 3,678,549.35</u>	<u>\$ 1,692,606.21</u>
	<u>Ref.</u> C	C

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>REF.</u>	
Balance - December 31, 2016	C	\$ 44,763,000.00
Increased by:		
Serial Bonds	C-9	<u>3,145,000.00</u>
		47,908,000.00
Decreased by:		
2017 Refunding Bonds	C-9	\$3,200,000.00
2017 Budget Approp. to Pay Bonds	C-9	<u>9,460,000.00</u>
		<u>12,660,000.00</u>
Balance - December 31, 2017	C	<u><u>\$ 35,248,000.00</u></u>

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

ORD NUMBER	IMPROVEMENT DESCRIPTION	ANALYSIS OF BALANCE							
		BALANCE DEC. 31, 2016	2017 AUTHORIZATION	FUNDED BY BUDGET APPROPR	CANCELED IMPROVE MENTS	BALANCE DEC. 31, 2017	BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
06-36	Various Capital Improvements	\$ -	\$ -	-	-	\$ -	-	\$ -	-
06-48	Various Capital Improvements	-	-	-	-	-	-	-	-
07-33	Various Capital Improvements	-	-	-	-	-	-	-	-
09-04	Various Capital Improvements	953,200.00	-	380,380.00	-	572,820.00	-	3,661.33	569,158.67
09-40	Various Capital Improvements	1,281,050.00	-	-	-	1,281,050.00	-	913,275.76	367,774.24
10-01	Various Improvements	5,357,500.00	-	-	-	5,357,500.00	-	3,572,780.36	1,784,719.64
11-04	Various Improvements	415,000.00	-	-	-	-	-	-	-
11-08	Various Improvements	850,000.00	-	-	544,735.44	305,264.56	-	305,264.56	-
11-21	Various Improvements	2,450,000.00	-	-	52,621.27	2,397,378.73	-	2,397,378.73	-
12-02	Various Road Improvements	-	-	-	1,251,632.91	695,867.09	-	695,867.09	-
12-04	Various Road & Engineering Projects	1,947,500.00	-	-	-	-	-	-	-
12-28	Various Capital Improvements	-	-	-	-	-	-	-	-
12-30	Various Road Rehabilitation	400,000.00	-	400,000.00	-	-	-	-	-
13-06	Various Capital Improvements	2,018,750.00	-	-	-	2,018,750.00	-	1,198,678.01	820,071.99
13-07	Various Capital Improvements (See 12-19)	3,040,000.00	-	-	-	3,040,000.00	-	1,678,102.25	1,361,897.75
13-26,15-32	Rehab of Various Road	6,175,000.00	-	-	-	6,175,000.00	-	2,051,082.96	4,123,917.04
13-27	Various Capital Improvements	1,947,500.00	-	-	-	1,947,500.00	-	376,640.04	1,570,859.96
14-01	Various Capital Improvements	1,140,000.00	-	-	49,909.30	1,090,090.70	-	1,080,401.10	9,689.60
14-20	Annual Road Improvements	1,425,000.00	-	-	-	1,425,000.00	1,425,000.00	-	-
14-21, 15-13,16-36	Road Rehab & Improvements	5,425,000.00	-	-	-	5,425,000.00	-	120,228.45	5,304,771.55
14-22	Various Park Improvements	6,557.00	-	6,557.00	-	-	-	-	-
15-34, 16-36	Various Roads, Curbs, & Parking Lot Impr	2,987,500.00	-	-	-	2,987,500.00	670,000.00	2,121.50	2,315,378.50
15-39	Various Park Improvements	-	-	-	-	-	-	-	-
16-09	Various Park Improvements	139,500.00	-	139,500.00	-	-	-	-	-
16-39	Various Park Improvements	1,900,000.00	-	-	-	1,900,000.00	1,520,000.00	3,874.20	376,125.80
17-05	Various Road Improvements	4,000,000.00	4,000,000.00	-	-	4,000,000.00	1,385,000.00	-	2,615,000.00
17-06	Various Capital Projects	-	-	-	-	-	-	-	-
17-24	Special Assessment: Backeland Avenue	3,000,000.00	-	-	-	3,000,000.00	-	-	3,000,000.00
17-29	Various Capital Improvements	1,615,000.00	-	-	-	1,615,000.00	-	1,615,000.00	-
17-33	Various Capital Improvements	7,139,250.00	7,139,250.00	-	-	7,139,250.00	-	-	7,139,250.00
Total		\$ 45,540,057.00	\$ 15,754,250.00	\$ 1,341,437.00	\$ 1,898,898.92	\$ 58,053,971.08	\$ 5,000,000.00	\$ 16,175,200.84	\$ 36,878,770.24
Ref		C	C- 8	C- 2	C- 8	C			

Ref.

C

C-8

C-2

C-8

C

SCHEDULE OF CAPITAL IMPROVEMENT FUND  
GENERAL CAPITAL FUND

	<u>REF.</u>		
Balance - December 31, 2016	C	\$	1,403,386.90
Increased by:			
Interfund Current	C-10	\$	800,000.00
Cash Received	C-2	<u>1,323,000.00</u>	
			<u>2,123,000.00</u>
			3,526,386.90
Decreased by:			
Appropriation to Finance Improvement			
Authorizations	C- 8	<u>3,320,750.00</u>	
Balance - December 31, 2017	C	<u>\$</u>	<u>205,636.90</u>

SCHEDULE OF CONTRIBUTIONS - OFF-SITE IMPROVEMENTS

	<u>REF.</u>		
Balance - December 31, 2016	C	\$	2,009,570.15
Increased by:			
Cash Receipts	C- 2	<u>7,130.00</u>	
			2,016,700.15
Decreased by:			
Cash Disbursements	C- 2	<u>8,666.67</u>	
Balance - December 31, 2017	C	<u>\$</u>	<u>2,008,033.48</u>

ORD. NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		Balance December 31, 2016		AUTH. ORIZATIONS	PAYABLE DEC. 31, 2016	PAYABLE DEC. 31, 2017	CANCELED	PAID OR CHARGED	Balance December 31, 2017		
		DATE	AMOUNT	FUNDED	UNFUNDED						FUNDED	UNFUNDED	
01-01	Various Improvements (\$250,000 NJ	01/23/01	\$ 3,191,800.00	\$ -	\$ -						\$ -	\$ -	
02-25/03-23	(\$225,000 NJ DOT)	12/03/02	1,250,000.00	90,027.53	-				90,027.53		-	-	
03-10/04-29	Acquisition of Land	03/04/03	275,000.00	-	-		7,500.00	-			7,500.00	-	
03-39	Various Capital Improvements	11/06/03	4,325,000.00	-	-						-	-	
04-05	Various Capital Improvements	01/06/04	2,494,000.00	-	-						-	-	
05-11	Midex County Economic Dev. \$75,000 - Smart Growth, \$200,000 -	03/15/05	1,218,000.00	344,284.31					344,284.31		-	-	
05-13	Various Capital Projects	03/15/05	2,786,000.00	10,620.49					10,620.49		-	-	
05-41, 06-14,	Various Capital Improvements (\$50,000 - Homeland Security, \$50,000 - Local	3/17/2006,											
06-17	Domestic Preparedness, \$330,000 - NJ	11/29/05	11,240,500.00	7,844.00			157,678.00	162,278.00			3,244.00		
06-26	Acquisition of Land	07/25/06	320,000.00	-							-	-	
06-36	Various Capital Improvements	11/28/06	8,520,000.00	11,853.93			176,455.79	80,957.08		104,816.48	2,536.16		
06-48	Various Capital Improvements	12/19/06	2,260,000.00	211,344.61			153,793.42	126,018.64		187,479.78	51,639.61		
07-02	Various Capital Improvements	03/06/07	2,500,000.00	3,211.54			4,102.06	4,102.06		3,211.54	0.00		
07-33	Various Capital Improvements	12/18/07	5,650,000.00	0.00			11,956.83	-		11,956.83	0.00		
08-10	Acquisition of Land on Highland	04/08/08	24,150.00	24,189.81							24,189.81		
09-04	Various Capital Improvements	07/28/09	4,056,000.00	-			83,068.04	83,068.04		3,661.13	-	569,158.67	
09-20	Digital Tax Maps	09-20	200,000.00	49,296.20					49,296.20		-	-	
09-40	Various Capital Improvements	11/24/09	4,555,000.00	-			3,957.54	3,957.54		18,360.00	-	-	
10-01	Various Improvements	01/26/10	7,850,000.00	-			1,006,495.25	852,395.25		1,117,600.00	-	-	
11-01	Various Improvements	03/15/11	1,500,000.00	204.50			400,000.00	51,784.50		348,420.00	-	-	
11-04	Various Improvements	03/29/11	1,500,000.00	0.00			-	-		0.00	-	-	
11-08	Various Improvements	04/19/11	3,300,000.00	-			4,755.52	-	544,735.44		-	-	
11-13	Various Improvements	08/16/11	6,193,700.00	45,570.72			1,000.00	1,039.55		39,904.17	5,627.00	-	
11-21	Various Improvements	12/06/11	3,200,000.00	-			21,480.00	-	52,621.27		-	-	
12-02	Various Roads	01/24/12	1,850,000.00	-			4,083.76	4,083.76		346,663.16	-	-	
12-04/13-02	Various Twp Roads (13-02, 1/22/2013)	02/21/12	3,050,000.00	1,510,279.00			183,698.82	134,029.44	1,251,632.91	173,841.09	-	-	
12-28	Various Capital Improvements	12/04/12	3,200,000.00	486,664.46			1,498.38	-	128,162.84		-	360,000.00	
13-06	Various Capital Improvements	02/28/13	2,012,000.00	-			13,397.70	13,397.70		-	-	820,071.99	
13-07	Various Capital Improvements (See 12-	03/05/13	6,250,000.00	-			357,684.10	247,038.00		152,355.14	-	1,361,897.75	
13-26, 15-32	Rehab of Various Road (Ord 15-32,	11/26/13	5,000,000.00	0.00			709,313.83	751,015.76		1,401,373.03	-	4,123,917.04	
13-27	Various Capital Improvements	12/03/13	2,050,000.00	-			12,807.00	478.40		2,521.60	-	1,570,859.96	
14-01	Various Capital Improvements	01/28/14	(1,440,000.00)	-			-	-	49,909.30	22,700.00	-	9,689.60	
14-20	Annual Road Improvements	11/25/14	1,500,000.00	0.00			45,150.54	31,793.45		95,837.69	0.00	-	
14-21, 15-33,	Road Rehab & Improvements (Ord 15-												
16-36	33, 11/29/2015)	11/25/14	4,000,000.00	45,743.88			519,576.44	289,587.75		395,961.02	0.00	5,304,771.55	
14-22	Various Park Improvements	12/02/14	1,600,000.00	0.00			90,537.55	0.40		90,537.15	0.00	-	
14-29	Acquisition of Various Equipments &	12/16/14	846,800.00	440,549.20			14,935.59		40,278.19	202,946.49	212,260.11	-	
15-19	Backland Avenue Road Improvements	07/21/15	5,000,000.00	-			222,491.45	133,514.38		114,107.07	-	4,589,155.50	
15-34	Various Roads, Curbs, & Parking Lot												
12/01/15	Imp'r (Ord 16-36, 12/6/2016)		5,250,000.00	-			1,741,458.44	431,269.80		1,692,320.47	-	2,315,378.50	
03/01/16	Various Park Improvements		1,410,000.00	-			102,719.62	6,750.00		142,863.90	25,910.59	-	
03/01/16	Acquisition of Various Equipments &		1,288,000.00	-			563,260.00	84,794.00		827,197.51	105,422.04	-	
16-10	Various Roads, Curbs, Sidewalk	12/06/16	980,000.00	454,153.55							49,000.00	931,000.00	
16-37	Various Park Improvements	12/13/16	2,000,000.00	100,000.00				262,261.18		1,336,641.20	24,971.82	376,125.80	
16-39	Various Park Improvement, Vehicles & Systems	12/20/16	1,000,000.00	1,000,000.00				280,810.05		179,464.44	539,725.51	2,615,000.00	
16-43	Various Road Improvements	03/28/17	5,200,000.00	1,000,000.00				304,866.13		2,232,249.72	47,884.15		
17-05	Various Capital Projects	03/28/17	1,160,000.00	1,160,000.00				351,644.73		486,825.45	321,529.82		
17-06	Various Capital Projects	03/28/17	1,160,000.00	1,160,000.00							-	3,000,000.00	
11/09/17	Special Assessment: Backland Avenue		3,000,000.00										
17-24	Various Capital Improvements	11/28/17	1,700,000.00	1,700,000.00				567,227.22			1,700,000.00		
17-29	Various Capital Improvements	12/05/17	1,160,000.00								592,772.78		
17-31	Various Capital Improvements		1,160,000.00								375,750.00		
17-33	Various Capital Improvements	12/12/17	7,515,000.00									7,139,250.00	
Total			\$ 3,721,221.89	C	\$ 30,964,418.72	C	\$ 6,614,855.67	\$ 5,260,162.81	\$ 2,576,736.85	\$ 11,330,617.82	C	\$ 4,989,208.56	\$ 36,878,770.24
										C-2			C
	Deferred Charges to Future Taxation - Capital Surplus								\$ 1,898,898.92				
	Interfund Grant								\$ 677,837.93			\$ 121,035.62	
	Cash Disbursements											\$ 11,209,582.20	
									\$ 2,576,736.85			\$ 11,330,617.82	

SCHEDULE OF GENERAL SERIAL BONDS  
GENERAL CAPITAL FUND

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DEC. 31, 2016	INCREASED	DECREASED	BALANCE DEC. 31, 2017
			DEC. 31, 2017	DEC. 31, 2017					
General Improvement Bonds	11/01/07	\$ 15,500,000.00	11/01/18	1,600,000.00	3.750%	\$ 4,800,000.00	\$ 4,800,000.00		\$ -
			11/01/19	1,600,000.00	3.750%				
General Improvement Bonds	03/15/09	17,710,000.00	03/15/18	1,700,000.00	4.000%	8,860,000.00	1,600,000.00		7,260,000.00
			03/15/19	1,700,000.00	5.000%				
			03/15/20	1,900,000.00	4.000%				
			03/15/21	1,960,000.00	4.000%				
General Improvement Bonds	1/27/11	4,564,000.00	2/1/18/8-1-18	500,000.00	4.000%	2,564,000.00	475,000.00		2,089,000.00
			2/1/19/8-1-19	500,000.00	4.000%				
			2/1/20/8-1-20	525,000.00	4.000%				
			2/1/21/8-1-21	564,000.00	4.000%				
Tax Appeals Refunding Bonds-Series A	1/27/11	2,610,000.00				-	-		
Tax Appeals Refunding Bonds-Series B	1/27/11	7,820,000.00	2/1/18/8-1-18	1,220,000.00	4.000%	2,320,000.00	1,100,000.00		1,220,000.00
General Improvement Refunding Bonds	3/24/11	6,050,000.00				975,000.00	975,000.00		
General Improvement Refunding Bonds	11/28/12	3,595,000.00				960,000.00	960,000.00		-
General Improvement Bonds	12/28/12	5,884,000.00	12/15/18	950,000.00	3.000%	2,884,000.00	900,000.00		1,984,000.00

SCHEDULE OF GENERAL SERIAL BONDS  
GENERAL CAPITAL FUND

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DEC. 31, 2016	INCREASED	DECREASED	BALANCE DEC. 31, 2017
			DEC. 31, 2017	DEC. 31, 2017					
General Improvement Bonds	1/15/14	\$ 8,100,000.00	01/15/18	750,000.00	3.000%	\$ 7,100,000.00	\$ 750,000.00		\$ 6,350,000.00
			01/15/19	800,000.00	3.000%				
			01/15/20	800,000.00	3.000%				
			01/15/21	1,000,000.00	3.000%				
			01/15/22	1,000,000.00	3.000%				
			01/15/23	1,000,000.00	3.000%				
General Improvement Bonds	12/16/15	9,800,000.00	12/15/18	825,000.00	2.000%	9,100,000.00	775,000.00		8,325,000.00
			12/15/19	875,000.00	2.000%				
			12/15/20	925,000.00	2.000%				
			12/15/21	975,000.00	2.000%				
			12/15/22	1,025,000.00	4.000%				
			12/15/23	1,100,000.00	4.000%				
General Improvement Bonds	11/10/16	5,200,000.00	11/30/16	5,200,000.00		5,200,000.00	325,000.00		4,875,000.00
General Obligation Refunding	5/2/17	3,145,000.00	11/01/19	3,145,000.00			3,145,000.00		3,145,000.00
Total						\$ 44,763,000.00	\$ 3,145,000.00	\$ 12,660,000.00	\$ 35,248,000.00
						C	C-1	C-4	C
						REFUNDING BONDS	C-4	\$ 3,200,000.00	
						REDEMPTIONS	C-4	9,460,000.00	
								\$ 12,660,000.00	

SCHEDULE OF INTERFUNDS PAYABLE

REF.	Total	Due to Current Fund	Due from Grant Fund	Due to Sewer Utility Operating Fund	Due from Sewer Utility Capital Fund
C	\$ -	\$			\$ -
Balance - December 31, 2016					
Increased by:					
C-2	9,431,329.00	8,052,000.00		129,329.00	1,250,000.00
C-9	121,035.62		121,035.62		
	9,552,364.62	8,052,000.00	121,035.62	129,329.00	1,250,000.00
Decreased by:					
C-2	8,752,364.62	7,252,000.00	121,035.62	129,329.00	1,250,000.00
C-6	800,000.00	800,000.00			
C	\$ -	\$	\$	\$	\$
Balance - December 31, 2017					



SCHEDULE OF PRELIMINARY EXPENSES  
GENERAL CAPITAL FUND

	<u>REF.</u>	
Balance December 31, 2016	C	\$ 475,251.49
Cash Disbursed	C- 2	<u>2,091.00</u>
Balance December 31, 2017	C	<u>\$ 473,160.49</u>

SCHEDULE OF RESERVES DEVELOPER'S TREE CONTRIBUTIONS

	<u>REF.</u>	
Balance December 31, 2016	C	\$ 6,000.00
Balance December 31, 2017	C	<u>\$ 6,000.00</u>

SCHEDULE OF STELTON STREETSSCAPE

	<u>REF.</u>	
Balance December 31, 2016	C	\$ 20,250.00
Balance December 31, 2017	C	<u>\$ 20,250.00</u>

SCHEDULE OF RESERVES COMMUNITY CENTER

	<u>REF.</u>	
Balance December 31, 2016	C	\$ 3,684,893.00
Increased by:		
Cash Received	C-2	<u>813,643.00</u>
Balance December 31, 2017	C	<u>\$ 4,498,536.00</u>

SCHEDULE OF BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Increased By</u>	<u>Balance December 31, 2017</u>
14-20	Annual Road Improvements	12/27/17	12/27/17	12/26/18	3.00%	\$ 1,425,000.00	1,425,000.00
15-34	Various Roads, Curb, & Parking Lot Improvements	12/27/17	12/27/17	12/26/18	3.00%	670,000.00	\$ 670,000.00
16-39	Various Park Improvements	12/27/17	12/27/17	12/26/18	3.00%	1,520,000.00	1,520,000.00
17-05	Various Road Improvements	12/27/17	12/27/17	12/26/18	3.00%	1,385,000.00	1,385,000.00
<u>REF.</u>							
						<u>\$ 5,000,000.00</u>	<u>\$ 5,000,000.00</u>
						C-2	C

SCHEDULE OF BONDS AND NOTES  
AUTHORIZED BUT NOT ISSUED  
GENERAL CAPITAL FUND

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2016	2017 AUTHORIZATIONS	NOTES ISSUED	Budget Cash Refund	CANCEL IMPROVE.	BALANCE DEC. 31, 2017
	<u>General Improvements</u>						
04-52,05-40	Various Capital Improvements	\$	\$	\$	\$	\$	\$
06-36	Various Capital Improvements						
06-48	Various Capital Improvements						
07-33	Various Capital Improvements						
09-04	Various Capital Improvements	953,200.00			380,380.00		572,820.00
09-40	Various Capital Improvements	1,281,050.00					1,281,050.00
10-01	Various Capital Improvements	5,357,500.00					5,357,500.00
11-04	Various Improvements	415,000.00			415,000.00		
11-08	Various Improvements	850,000.00				544,735.44	305,264.56
11-21	Various Improvements	2,450,000.00				52,621.27	2,397,378.73
12-02	Various Roads	-					
12-04	Various Twp Roads	1,947,500.00				1,251,632.91	695,867.09
12-28	Various Capital Improvements	-					
12-30	Various Road Rehabilitation & Improvement	400,000.00			400,000.00		
13-06	Various Capital Improvements	2,018,750.00					2,018,750.00
13-07	Various Capital Improvements (See 12-19)	3,040,000.00					3,040,000.00
13-26,15-32	Rehab of Various Road	6,175,000.00					6,175,000.00
13-27	Various Capital Improvements	1,947,500.00					1,947,500.00
14-01	Various Capital Improvements	1,140,000.00				49,909.30	1,090,090.70
14-20	Annual Road Improvements	1,425,000.00		1,425,000.00			
14-21,15-33	Road Rehab & Improvements	5,425,000.00					5,425,000.00
15-19	Baekeland Avenue Road Improvements	4,750,000.00					4,750,000.00
15-34	Various Roads, Curbs, & Parking Lot Impr	2,987,500.00		670,000.00			2,317,500.00
15-39	Various Park Improvements						
16-37	Various Roads, Curbs, & Parking Lot Impr	931,000.00					931,000.00
16-39	Various Park Improvements	1,900,000.00		1,520,000.00			380,000.00
17-05	Various Road Improvements		4,000,000.00	1,385,000.00			2,615,000.00
17-24	Special Assessment: Baekeland Avenue		3,000,000.00				3,000,000.00
17-29	Various Capital Improvements		1,615,000.00				1,615,000.00
17-33	Various Capital Improvements		7,139,250.00				7,139,250.00
	Total	\$ 45,540,057.00	\$ 15,754,250.00	\$ 5,000,000.00	\$ 1,341,437.00	\$ 1,898,898.92	\$ 53,053,971.08

Ref.

C

**Sewer Utility Fund**

SCHEDULE OF SEWER UTILITY CASH AND INVESTMENTS  
TREASURER

REF.	OPERATING FUND	CAPITAL FUND
Balance - December 31, 2016	\$ 5,805,547.76	\$ 5,288,633.87
Fund Balance		
Interest on Investments	8,141.59	
Miscellaneous Revenues	12,762.00	
Collector	12,221,489.29	
Due from Current Fund	11,000,000.00	
Capital Improvement Fund		500,000.00
Due from Capital	100,000.00	
Due from Sewer Operating Fund		1,600,000.00
	<u>23,342,392.88</u>	<u>2,100,000.00</u>
	29,147,940.64	7,388,633.87
Decreased by Disbursements:		
FY 2016 Budget	D-4 9,051,320.74	
Appropriation Reserves	D-11 133,816.04	
Accrued Interest	D-12 110,850.00	
Sewer Overpayment	D-14 3,972.18	
Improvement Authorizations	D-16	
Due from Current Fund	D-18 11,000,000.00	1,261,393.45
Accounts Payable	D-15 298,046.90	
Due to Sewer Capital Fund	D-22 1,600,000.00	
Due from Sewer Operating Fund	D-24	100,000.00
	<u>22,198,005.86</u>	<u>1,361,393.45</u>
Balance - December 31, 2017	\$ <u>6,949,934.78</u>	\$ <u>6,027,240.42</u>

SCHEDULE OF CASH - COLLECTOR  
SEWER UTILITY FUND

	<u>REF</u>	
Increased by:		
Sewer Service Charges	D- 8	\$ 10,900,998.12
Interest on Delinquent Accounts	D- 3	66,658.31
Miscellaneous Revenue	D- 3	360.00
Connection Fees	D- 3	1,239,990.00
Prepaid Sewer Charges	D-13	<u>13,482.86</u>
		<u>\$ 12,221,489.29</u>
Decreased by:		
Payments to Treasurer	D- 5	<u><u>\$ 12,221,489.29</u></u>

ANALYSIS OF SEWER UTILITY CAPITAL  
CASH AND INVESTMENTS

	BALANCE DEC. 31, 2016	BALANCE DEC. 31, 2017
Fund Balance	\$ 689.97	\$ 689.97
Capital Improvement Fund	-	-
Due (from)/to Sewer Operating Fund	-	-
Reserve for Encumbrances	1,507,868.56	547,756.85
Improvement Authorizations Funded	3,780,075.34	5,478,793.60
Total	<u>\$ 5,288,633.87</u>	<u>\$ 6,027,240.42</u>

Ref.

D

D



SCHEDULE OF SEWER CHARGES & SEWER LIEN RECEIVABLE  
SEWER UTILITY OPERATING FUND

	<u>Ref.</u>	<u>SEWER CHARGES</u>	<u>SEWER LIENS</u>
Balance - December 31, 2016	D	\$ 1,077,378.75	\$ -
Increased by:			
Transfer from Liens	D-8	277.28	277.28
Sewer Overpayments	D-14	3,972.18	
Sewer Charges Levied	Reserve	<u>10,911,380.99</u>	
Sub Total		11,993,009.20	277.28
Decreased by:			
Collection	D-3,D-6	\$ 10,900,998.12	
Sewer Charges Levied	Reserve		277.28
Prepays Applied	D-13	12,144.00	
Transfer Sewer Lien	D-8	<u>277.28</u>	
Sub Total		<u>10,913,419.40</u>	<u>277.28</u>
Balance - December 31, 2017	D	<u><u>\$ 1,079,589.80</u></u>	<u><u>\$ -</u></u>

SCHEDULE OF FIXED CAPITAL  
SEWER UTILITY CAPITAL FUND

ORD NO.		BALANCE DEC. 31 2016	BALANCE DEC. 31 2017
	Arbor-New Market Sewers	\$ 4,600,000.00	\$ 4,600,000.00
63-1	Oakdale Pumping Station	29,302.00	29,302.00
64-1	Knollwood Area Sewers	160,240.00	160,240.00
64-2	Randolphville Road Sewer	8,353.00	8,353.00
65-1	Ambrose Brook Trunk Sewer	2,093,430.00	2,093,430.00
67-1	River Road Sewers	178,793.00	178,793.00
69-1	River Road Sewers	40,000.00	40,000.00
70-1	Sewer System Improvements	349,925.00	349,925.00
70-20	Purchase of Equipment	18,696.00	18,696.00
70-21	Sewer System Improvements	315,276.00	315,276.00
71-1	Park Avenue Sewer	25,000.00	25,000.00
73-1	Purchase of Equipment	32,384.00	32,384.00
72-1	Sewer System Improvements	1,443,500.00	1,443,500.00
77-2	Extension of Sewer System	100,000.00	100,000.00
77-58	Sanitary Sewer - Orris-Dunbar	10,000.00	10,000.00
76-20	Sanitary Sewer - Buena Vista Avenue	2,325.00	2,325.00
75-29	Sanitary Sewer - Stelton Road	88,180.00	88,180.00
77-18	Sanitary Sewer - River Road Area	172,150.00	172,150.00
77-64 &		-	-
80-48	Sanitary Sewer - Overbrook Road Area	508,506.00	508,506.00
78-17	Public Works Center	274,639.00	274,639.00
78-22	Public Works Equipment	20,000.00	20,000.00
80-40	Public Works Equipment	52,677.06	52,677.06
78-19	San. Sewer - Blue Ridge/Gates Avenue	-	-
	South Randolphville Road Area	199,398.16	199,398.16
76-63 &		-	-
81-33	Sanitary Sewer - Hillside Ave.	106,853.00	106,853.00
82-20	Sanitary Sewer - Sunset Lane & River	-	-
	Road and Fisher and Ludlow Avenues	232,825.00	232,825.00
82-48	Public Works Equipment	58,981.00	58,981.00
84-43	Public Works Equipment	33,000.00	33,000.00
84-11	Ethel Road Sanitary Sewer	227,656.22	227,656.22
90-26	Public Works Equipment	192,472.05	192,472.05
94-17	Sewer Utility Equipment	38,000.00	38,000.00
89-25 &	Gramercy Drive and River		
89-52	Road Sanitary Sewer	600,000.00	600,000.00
98-21	Reduction of I & I	230,000.00	230,000.00
03-40	Various Sewer Improvements	400,000.00	400,000.00
04-10	Various Sewer Projects	495,000.00	495,000.00
05-10	Various Sewer Projects	460,000.00	460,000.00
07-34	Acquisition of Various Equipment	770,000.00	770,000.00
10-13	Acquisition of Various Vehicles	425,000.00	425,000.00
	Total	<u>\$ 14,992,561.49</u>	<u>\$ 14,992,561.49</u>

REF.

D

D

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
SEWER UTILITY CAPITAL FUND

ORD. NO.	IMPROVEMENT DESCRIPTION	DATE	AMOUNT	BALANCE DEC. 31, 2016	CY2017 AUTHORIZATIONS	BALANCE DEC. 31, 2017
05-42	Freedom Avenue Improvements	01/03/06	1,100,000.00	1,100,000.00		1,100,000.00
06-05	Various Sewer Projects	12/19/06	1,400,000.00	1,400,000.00		1,400,000.00
06-49	Various Sewer Improvements	12/22/07	1,700,000.00	1,700,000.00		1,700,000.00
09-05	Various Sewer Improvements	04/27/10	425,000.00	945,000.00		945,000.00
11-23	Constructio & Rehad Sewer Facilities	01/29/13	2,000,000.00	2,000,000.00		2,000,000.00
13-04	Sewer Garbage Building	01/28/14	1,400,000.00	2,000,000.00		2,000,000.00
14-02	Various Sewer Improvements	12/02/14	1,500,000.00	1,400,000.00		1,400,000.00
14-23	Various Sewer Improvements Utility	12/02/14	1,500,000.00	1,500,000.00		1,500,000.00
16-14	Various Sewer Vehicles & Equipment	12/20/16	280,000.00	280,000.00		280,000.00
17-30	Various Sewer Improvements	12/05/17	2,000,000.00		2,000,000.00	2,000,000.00
Total				<u>\$ 12,325,000.00</u>	<u>\$ 2,000,000.00</u>	<u>\$ 14,325,000.00</u>

Ref.

D

D-16

D

SCHEDULE OF CY 2016 APPROPRIATION RESERVES  
SEWER UTILITY OPERATING FUND

	BALANCE DECEMBER 31, 2016		BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCED LAPSED
	APPROPRIATION RESERVES	RESERVE FOR ENCUMBRANCES			
Operations:					
Salaries and Wages	\$ 353,395.60	\$	\$ 353,395.60	\$ 69,464.92	\$ 283,930.68
Other Expenses	586,691.79	97,471.71	684,163.50	63,027.62	621,135.88
Capital Outlay	-	355,635.75	355,635.75	92,702.00	262,933.75
Middlesex County Utilities Authority			-		-
Service Charges - Contractual	152,938.81		152,938.81		152,938.81
Capital Improvements:					
Capital Outlay	676,237.60		676,237.60		676,237.60
Total Operations	<u>\$ 1,769,263.80</u>	<u>\$ 453,107.46</u>	<u>\$ 2,222,371.26</u>	<u>\$ 225,194.54</u>	<u>\$ 1,997,176.72</u>
REF.	D	D			D-1
Disbursed		2,222,371.26			
Transfer to Accounts Payable	D-5			\$ 133,816.04	
	D-16			<u>91,378.50</u>	
				<u>\$ 225,194.54</u>	

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES  
SEWER UTILITY OPERATING FUND

	<u>REF.</u>	
Balance - December 31, 2016	D	\$27,734.90
Increased by:		
Accrued Interest Charged to:		
CY 2017 Budget Appropriations	D-4	<u>104,881.25</u>
		132,616.15
Decreased by:		
Payment	D-5	<u>110,850.00</u>
Balance - December 31, 2017	D	<u><u>\$21,766.15</u></u>

Analysis of Balance - December 31, 2017:

Principal Outstanding <u>12/31/17</u>	Interest Rate	From	To	Period	Amount
85,000.00	3.000%	10/31/17	12/30/17	2 mos	425.00
85,000.00	4.000%	10/31/17	12/30/17	2 mos	566.67
85,000.00	2.000%	10/31/17	12/30/17	2 mos	283.33
95,000.00	2.250%	10/31/17	12/30/17	2 mos	356.25
95,000.00	2.250%	10/31/17	12/30/17	2 mos	356.25
95,000.00	2.000%	10/31/17	12/30/17	2 mos	316.67
100,000.00	2.000%	10/31/17	12/30/17	2 mos	333.33
100,000.00	2.250%	10/31/17	12/30/17	2 mos	375.00
100,000.00	2.250%	10/31/17	12/30/17	2 mos	375.00
95,000.00	2.625%	10/31/17	12/30/17	2 mos	415.63
105,000.00	2.625%	10/31/17	12/30/17	2 mos	459.38
100,000.00	4.000%	10/31/17	12/30/17	2 mos	666.67
100,000.00	4.000%	10/31/17	12/30/17	2 mos	666.67
110,000.00	4.000%	10/31/17	12/30/17	2 mos	733.33
<u>110,000.00</u>	4.000%	10/31/17	12/30/17	2 mos	<u>733.33</u>
1,460,000.00					7,062.50

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES  
SEWER UTILITY OPERATING FUND

Analysis of Balance - December 31, 2017:

Principal Outstanding <u>12/31/17</u>	Interest Rate	From	To	Period	Amount
80,000.00	4.000%	09/16/17	12/31/17	3.5 mos	933.33
80,000.00	5.000%	09/16/17	12/31/17	3.5 mos	1,166.67
80,000.00	4.000%	09/16/17	12/31/17	3.5 mos	933.33
90,000.00	4.000%	09/16/17	12/31/17	3.5 mos	1,050.00
90,000.00	4.125%	09/16/17	12/31/17	3.5 mos	1,082.81
90,000.00	4.250%	09/16/17	12/31/17	3.5 mos	1,115.63
100,000.00	4.375%	09/16/17	12/31/17	3.5 mos	1,276.04
<u>100,000.00</u>	4.500%	09/16/17	12/31/17	3.5 mos	<u>1,312.50</u>
710,000.00					8,870.31
75,000.00	4.000%	08/01/17	12/31/17	5 mos	1,250.00
75,000.00	4.000%	08/01/17	12/31/17	5 mos	1,250.00
100,000.00	4.000%	08/01/17	12/31/17	5 mos	1,666.67
<u>100,000.00</u>	4.000%	08/01/17	12/31/17	5 mos	<u>1,666.67</u>
<u>350,000.00</u>					<u>5,833.33</u>
<u>\$ 3,580,000.00</u>					<u>\$21,766.15</u>

Exhibit D-13

SCHEDULE OF PREPAID SEWER CHARGES  
SEWER UTILITY OPERATING FUND

	<u>Ref.</u>	
Balance - December 31, 2016	D	\$ 12,144.00
Increased by:		
	D- 6	<u>13,482.86</u>
		25,626.86
Decreased by:		
Prepays Applied	D-3,D-8	<u>12,144.00</u>
Balance - December 31, 2017	D	<u><u>\$ 13,482.86</u></u>

Exhibit D-14

SCHEDULE OF SEWER OVERPAYMENTS  
SEWER UTILITY OPERATING FUND

	<u>Ref.</u>	
Increased by:		
Applied to Sewer Charges Receivable	D-3,D-8	3,972.18
Decreased by:		
Cash Payments	D-5	<u><u>3,972.18</u></u>

Exhibit D-15

SCHEDULE OF ACCOUNTS PAYABLE  
SEWER UTILITY OPERATING FUND

	<u>Ref.</u>	
Balance - December 31, 2016	D	\$ 572,378.15
Increased by:		
Transferred from Appropriation Reserves	D-11	<u>91,378.50</u>
		663,756.65
Decreased by:		
Cash Payments	D- 5	<u>298,046.90</u>
Balance - December 31, 2017	D	<u><u>\$ 365,709.75</u></u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
SEWER UTILITY CAPITAL FUND

Exhibit D-16

ORD. NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE -		CY 2017 AUTHORIZATIONS		PAID OR CHARGED	ENCUM- BRANCES PAYABLE DEC. 31, 2016	ENCUM- BRANCES PAYABLE DEC. 31, 2017	BALANCE DEC. 31, 2017
				DEC 31, 2016	FUNDED	CAPITAL IMPROV.	2017 Budget OTHER				
98-21	Reduction of I & I	12/15/98	\$ 230,000.00								\$ -
05-42	Freedom Avenue Improvements	11/29/05	1,100,000.00	118,734.72					5,312.20	5,312.20	118,734.72
06-05	Various Sewer Projects	01/03/06	1,400,000.00	44,372.70					14,049.79	62,857.01	44,372.70
06-49	Various Sewer Improvements	12/19/06	1,700,000.00	947,634.26				80,658.08	69,853.87	818,168.96	
09-05	Various Sewer Improvements	02/17/09	945,000.00	285,115.74					1,064,550.70	285,115.74	
11-23	Construction & Rehab Sewer Fac	12/20/11	2,000,000.00	379,904.09				846,728.28	307,504.42	307,504.42	290,222.09
13-04	Sewer Garage Building	01/29/13	2,000,000.00	13,492.39					2,484.25	13,492.39	
14-02	Various Sewer Improvements	01/28/14	1,400,000.00	839,385.19				15,001.84	44,096.00	41,376.00	827,103.35
14-23	Various Improvements Sewer Utility	12/02/14	1,500,000.00	1,140,478.25				46,508.25	38,479.75	58,369.10	1,074,080.65
16-42	Various Sewer Vehicles & Equipment	12/20/16	280,000.00	10,958.00				272,497.00	269,042.00		7,503.00
17-30	Various Sewer Capital	12/05/17	2,000,000.00			\$ 500,000.00	1,500,000.00				2,000,000.00
Total				\$ 3,780,075.34		\$ 500,000.00	\$ 1,500,000.00	\$ 1,261,393.45	\$ 1,507,868.56	\$ 547,756.85	\$ 5,478,793.60

Exhibit D-17

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

ORD. NUMBER	IMPROVEMENT DESCRIPTION	DATE	BALANCE		CY 2017 AUTHORIZATIONS		BALANCE	
			DEC. 31, 2016				DEC. 31, 2017	
98-21	Reduction of I & I	12/15/98	\$ 11,000.00			\$ 11,000.00		
05-10	Var. Sewer Projects	04/05/05	80,500.00			80,500.00		
05-42	Freedom Avenue Improvements	11/29/05	55,000.00			55,000.00		
06-05	Various Sewer Projects	01/03/06	70,000.00			70,000.00		
07-34	Acquisition of Various Equipment	12/18/07	38,500.00			38,500.00		
09-05	Various Sewer Improvements	02/17/09	47,250.00			47,250.00		
10-13	Acquisition of Various Vehicles	04/27/10	21,250.00			21,250.00		
13-04	Sewer Garbage Building	01/29/13	2,000,000.00			2,000,000.00		
14-02	Various Sewer Improvements	01/28/14	1,400,000.00			1,400,000.00		
14-23	Various Sewer Improvements	12/02/14	1,500,000.00			1,500,000.00		
16-42	Sewer Garbage Building	12/20/16	280,000.00			280,000.00		
17-30	Various Sewer Capital	12/05/17			2,000,000.00		2,000,000.00	
Total			\$ 5,503,500.00		\$ 2,000,000.00		\$ 7,503,500.00	

Ref. D D-16 D

SCHEDULE OF DUE FROM CURRENT FUND  
SEWER UTILITY OPERATING FUND

REF.

Increased by:		
Cash Disbursed	D- 5	<u>\$ 11,000,000.00</u>
Decreased by:		
Cash Received	D- 5	<u>\$ 11,000,000.00</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND  
SEWER UTILITY CAPITAL FUND

REF.

Increased by:		
CY 2017 Budget Appropriation	D- 5	<u>500,000.00</u>
Decreased by:		
Approp. to Finance Improvement Authorizat	D-16	<u>500,000.00</u>



SCHEDULE OF RESERVE FOR AMORTIZATION  
SEWER UTILITY CAPITAL FUND

	<u>REF.</u>	
Balance - December 31, 2016	D	\$ 19,009,061.49
Increased by:		
Serial Bonds	D- 24	1,745,000.00
		<hr/>
		20,754,061.49
Decreased by:		
Serial Bonds	D- 22	<u>1,460,000.00</u>
Balance - December 31, 2017	D	<u><u>\$ 19,294,061.49</u></u>

SCHEDULE OF DUE FROM/TO SEWER CAPITAL  
SEWER UTILITY OPERATING FUND

REF.

Increased by:

Interfunds Returned	D- 5		\$ <u>1,600,000.00</u>
---------------------	------	--	------------------------

Decreased by:

CY 2017 Budget Appropriation	D- 4	1,500,000.00	
Interfunds Received	D- 5	<u>100,000.00</u>	

\$ 1,600,000.00

SCHEDULE OF DUE TO SEWER UTILITY OPERATING FUND  
SEWER UTILITY CAPITAL FUND

REF.

Increased by:

Interfunds Returned	D- 5		\$ 1,600,000.00
---------------------	------	--	-----------------

Decreased by:

Cash Disbursements	D- 5	100,000.00	
CY 2017 Budget Appropriation - Capital Improvement Fund	D-22	<u>1,500,000.00</u>	

\$ 1,600,000.00

SCHEDULE OF GENERAL SERIAL BONDS

ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS		INTEREST RATE	BALANCE DEC. 31, 2016	INCREASE	DECREASE	BALANCE DEC. 31, 2017
			OUTSTANDING - DEC. 31, 2017	AMOUNT					
			DATE						
Sewer Improvements	03/01/04	\$ 380,000.00				\$ 40,000.00		\$ 40,000.00	\$ -
Sewer Improvements Refunding Bonds	05/01/17	1,460,000.00							
			11/01/18	85,000.00	3.000%				
			11/01/19	85,000.00	4.000%				
			11/01/20	85,000.00	2.000%				
			11/01/21	95,000.00	2.250%				
			11/01/22	95,000.00	2.250%				
			11/01/23	95,000.00	2.000%				
			11/01/24	100,000.00	2.000%				
			11/01/25	100,000.00	2.250%				
			11/01/26	100,000.00	2.250%				
			11/01/27	95,000.00	2.625%				
			11/01/28	105,000.00	2.625%				
			11/01/29	100,000.00	4.000%				
			11/01/30	100,000.00	4.000%				
			11/01/31	110,000.00	4.000%				
			11/01/32	110,000.00	4.000%		\$ 1,460,000.00		1,460,000.00
Sewer Improvements	11/01/07	2,146,000.00							
			11/01/20	80,000.00	4.000%				
			11/1/2021-2023	90,000.00	4.000%				
			11/1/2024-2026	100,000.00	4.000%				
			11/01/27	100,000.00	4.125%				
			11/1/2028-2030	110,000.00	4.125%				
			11/01/31	120,000.00	4.125%				
			11/01/32	120,000.00	4.250%				
						1,560,000.00		1,560,000.00	-

ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS		INTEREST RATE	BALANCE DEC. 31, 2016	INCREASE	DECREASE	BALANCE DEC. 31, 2017
			DATE	AMOUNT					
Sewer Improvements	03/15/09	1,200,000.00	03/15/18	80,000.00	4.000%				
			03/15/19	80,000.00	5.000%				
			03/15/20	80,000.00	4.000%				
			03/15/21	90,000.00	4.000%				
			03/15/22	90,000.00	4.125%				
			03/15/23	90,000.00	4.250%				
Sewer Improvements	02/01/11	700,000.00	03/15/24	100,000.00	4.375%	780,000.00		70,000.00	710,000.00
			03/15/25	100,000.00	4.500%				
			2/1/18	75,000	4.000%				
			2/1/19	75,000	4.000%				
			2/1/20	100,000	4.000%				
			2/1/21	100,000	4.000%				
						425,000.00		75,000.00	350,000.00
						\$ 2,805,000.00	\$ 1,460,000.00	\$ 1,745,000.00	\$ 2,520,000.00
			Ref.			D	D-20	D-20	D

**Senior Citizens Housing Utility Fund**

SCHEDULE OF CASH AND INVESTMENTS  
SENIOR CITIZEN HOUSING FUND

	REF.	OPERATING FUND	CAPITAL FUND
Balance - December 31, 2016	E	\$ 1,247,933.80	\$ 628,765.82
Increased by Receipts:			
Rental Income	E- 3	1,398,220.80	
Interest on Investments	E- 3	4.63	
Miscellaneous Revenues	E- 3	13,603.03	
Security Deposits	E- 9	11,839.40	
Interfund: Current Fund	E- 19	600,000.00	
Due to Senior Housing Operating	E-18		1,222.69
Due from Senior Housing Capital	E-17	1,222.69	
		<u>2,024,890.55</u>	<u>1,222.69</u>
		3,272,824.35	629,988.51
Decreased by Disbursements:			
Refund of Prior Year Revenue	E- 1	2.00	
Budget Appropriations	E- 4	1,146,334.54	
Appropriation Reserves	E- 7	62,846.16	
Accrued Interest	E- 8	59,125.00	
Security Deposits	E- 9	12,870.74	
Interfund: Current Fund	E-19	600,000.00	
Due from Senior Housing Capital	E-18		1,222.69
Improvement Authorizations	E-11		2,200.00
		<u>1,879,090.01</u>	<u>3,422.69</u>
Balance - December 31, 2017	E	<u>\$ 1,393,734.34</u>	<u>\$ 626,565.82</u>

ANALYSIS OF SENIOR HOUSING UTILITY  
CAPITAL CASH AND INVESTMENTS

		BALANCE DEC. 31, <u>2016</u>	BALANCE DEC. 31, <u>2017</u>
Fund Balance		\$ 72,177.74	\$ 72,177.74
Capital Improvement Fund		244,035.75	244,035.75
Reserve for Encumbrance Payable		30.60	-
ORD. IMPROVEMENT NO. <u>AUTHORIZATION</u>			
06-50	Various Capital Projects	15,153.90	12,953.90
07-33	Various Capital Projects	37,161.60	37,161.60
10-14	S.H Building Improvements	<u>260,206.23</u>	<u>260,236.83</u>
		<u>\$ 628,765.82</u>	<u>\$ 626,565.82</u>
	<u>Ref.</u>	E	E

SCHEDULE OF 2016 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2016  
SENIOR CITIZEN HOUSING UTILITY OPERATING FUND

	<u>BALANCE</u>		<u>BALANCE</u>		
	<u>DECEMBER 31, 2016</u>	<u>APPROPRIATION RESERVE FOR</u>	<u>AFTER</u>	<u>PAID OR</u>	<u>BALANCED</u>
	<u>RESERVES</u>	<u>ENCUMBRANCES</u>	<u>TRANSFERS</u>	<u>CHARGED</u>	<u>LAPSED</u>
Operations:					
Salaries and Wages	\$ 12,810.52	\$	12,810.52	-	\$ 12,810.52
Other Expenses	\$ 133,079.93	\$ 120,521.55	\$ 253,601.48	\$ 49,646.16	\$ 203,955.32
	<u>209,572.50</u>	<u>13,225.00</u>	<u>222,797.50</u>	<u>13,200.00</u>	<u>209,597.50</u>
Capital Improvements:					
Capital Improvement Fund					
	<u>\$ 355,462.95</u>	<u>\$ 133,746.55</u>	<u>\$ 489,209.50</u>	<u>\$ 62,846.16</u>	<u>\$ 426,363.34</u>
<u>REF.</u>	E	E			E-1
Cash Disbursements				\$ 62,846.16	
				<u>\$ 62,846.16</u>	
<u>Accounts Payable Analysis</u>					
Balance December 31, 2016	E			\$ 26,626.63	
Cash Disbursements	E-5			<u>(2,088.43)</u>	
Balance December 31, 2017	E			<u>\$ 28,715.06</u>	



**SCHEDULE OF ACCRUED INTEREST ON BONDS**  
**SENIOR CITIZENS HOUSING UTILITY OPERATING FUND**

	<u>REF.</u>	
Balance - December 31, 2016	E	\$ 43,875.00
Increased by:		
Interest on Bonds	E-4	<u>52,531.25</u>
		96,406.25
Decreased by:		
Disbursed	E-5	<u>59,125.00</u>
Balance - December 31, 2017	E	<u><u>\$ 37,281.25</u></u>

**Analysis of Balance - December 31, 2016:**

Principal Outstanding <u>December 31, 2017</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
<u>\$ 340,000.00</u>	5.000%	08/16/15	12/31/15	4 1/2 mos.	<u>6,375.00</u>
<u>\$ 340,000.00</u>					<u>\$ 6,375.00</u>
125,000.00	3.00%	1/15/17	12/31/17	11 1/2 mos	3,593.75
150,000.00	3.00%	1/15/17	12/31/17	11 1/2 mos	4,312.50
150,000.00	3.00%	1/15/17	12/31/17	11 1/2 mos	4,312.50
150,000.00	3.00%	1/15/17	12/31/17	11 1/2 mos	4,312.50
150,000.00	3.00%	1/15/17	12/31/17	11 1/2 mos	4,312.50
175,000.00	3.00%	1/15/17	12/31/17	11 1/2 mos	5,031.25
<u>175,000.00</u>	3.00%	1/15/17	12/31/17	11 1/2 mos	<u>5,031.25</u>
<u>\$ 1,075,000.00</u>					<u>\$ 30,906.25</u>
<u><u>\$ 1,415,000.00</u></u>					<u><u>\$ 37,281.25</u></u>

SCHEDULE OF SECURITY DEPOSITS  
SENIOR CITIZEN HOUSING UTILITY OPERATING FUND

	<u>REF.</u>	
Balance -December 31, 2016	E	\$ 128,410.58
Increased by:		
Deposits Received	E- 5	<u>11,839.40</u>
		140,249.98
Decreased by:		
Deposits Refunded	E- 5	<u>12,870.74</u>
Balance -December 31, 2017	E	<u><u>\$ 127,379.24</u></u>

SCHEDULE OF RESERVE FOR AMORTIZATION  
SENIOR CITIZEN HOUSING UTILITY CAPITAL FUND

	<u>REF.</u>	
Balance -December 31, 2016	E	\$ 10,051,052.26
Increased by:		
Bonds Paid by Budget Appropria	E-12	<u>285,000.00</u>
Balance -December 31, 2017	E	<u><u>\$ 10,336,052.26</u></u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
SENIOR HOUSING UTILITY CAPITAL FUND

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2016		ENCUMB 12/31/16	PAID OR CHARGED	BALANCE DECEMBER 31, 2017 FUNDED
		DATE	AMOUNT		FUNDED			
<u>General Improvements:</u>								
06-50	Various Capital Projects	12/19/06	\$ 130,000.00	\$ 15,153.90	\$ -		\$ 2,200.00	\$ 12,953.90
07-35	Various Capital Projects	12/18/07	353,000.00	37,161.60				37,161.60
10-14/ 12-18	Senior Housing Building Improve.	4/27/2010 & 11/8/2012				30.60		260,236.83
				1,000,000.00	260,206.23			
					\$ 312,521.73	\$ 30.60	\$ 2,200.00	\$ 310,352.33
		Ref.	E	E	E		E-5	E

SCHEDULE OF GENERAL SERIAL BONDS

Exhibit - E-12

ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS				BALANCE DEC. 31, 2016	DECREASE	BALANCE DEC. 31, 2017			
			OUTSTANDING - DEC. 31, 2016	INTEREST RATE	AMOUNT	DATE						
Senior Citizen Housing Utility	01/15/14	\$ 1,400,000.00										
					\$ 125,000.00	1/15/18	3.00%	\$1,200,000.00	\$125,000.00	\$ 1,075,000.00		
					150,000.00	1/15/19	3.00%					
					150,000.00	1/15/20	3.00%					
					150,000.00	1/15/21	3.00%					
					150,000.00	1/15/22	3.00%					
Senior Citizen Housing Utility	08/01/01	2,204,500.00										
					160,000.00	08/15/18	5.00%	500,000.00	160,000.00	340,000.00		
					180,000.00	08/15/19	5.00%					
										<u>\$ 1,700,000.00</u>	<u>\$285,000.00</u>	<u>\$ 1,415,000.00</u>
										E	E-10	E

Ref.

SCHEDULE OF CAPITAL IMPROVEMENT FUND  
SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND

	<u>Ref.</u>	
Balance - December 31, 2016	E	\$ 244,035.75
Balance - December 31, 2017	E	<u>\$ 244,035.75</u>

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>ORD. NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>BALANCE DEC. 31, 2015</u>	<u>BALANCE DEC. 31, 2016</u>
06-50	Various Capital Improvements	12/19/06	\$ 130,000.00	\$ 130,000.00
07-35	Various Capital Improvements	12/18/07	353,000.00	353,000.00
12-18	Building Improvements	11/08/12	400,000.00	400,000.00
			<u>\$ 883,000.00</u>	<u>\$ 883,000.00</u>
		Ref.	E	E

SCHEDULE OF FIXED CAPITAL  
SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND

ORD NO.		DATE	AMOUNT	BALANCE DEC. 31, 2016	BALANCE DEC. 31, 2017
89-58	Design and Construction of a Senior Citizen Complex	11/21/89	\$ 10,098,252.26	\$ 10,098,252.26	\$ 10,098,252.26
04-51	Replacement of Trunk Line	12/21/04	144,000.00	144,000.00	144,000.00
05-43	Various Capital Improvements	11/29/05	80,000.00	80,000.00	80,000.00
06-22	HVAC System	04/25/06	28,800.00	<u>28,800.00</u>	<u>28,800.00</u>
				<u>\$ 10,351,052.26</u>	<u>\$ 10,351,052.26</u>
		<u>REF.</u>		E	E

Exhibit E-16

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETE  
SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND

ORD. NO.	IMPROVEMENT DESCRIPTION	DATE	AMOUNT	BALANCE DEC. 31, 2016	BALANCE DEC. 31, 2017
06-50	Various Capital Improvements	12/19/06	\$ 130,000.00	\$ 130,000.00	\$ 130,000.00
07-35	Various Capital Improvements	12/18/07	353,000.00	353,000.00	353,000.00
10-14	Senior Housing Building Improve	04/27/10	1,000,000.00	<u>1,800,000.00</u>	<u>1,800,000.00</u>
				<u>\$ 2,283,000.00</u>	<u>\$ 2,283,000.00</u>
		<u>REF.</u>		E	E

SCHEDULE OF DUE FROM SENIOR HOUSING CAPITAL  
SENIOR HOUSING UTILITY OPERATING FUND

REF.

Increased by:

Senior Citizen Capital Fund Interest	E-3, E-18	\$ 1,222.69
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Decreased by:

Cash Receipts	E- 5	<u>\$ 1,222.69</u>
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SCHEDULE OF DUE TO SENIOR HOUSING UTILITY OPERATING FUND  
SENIOR HOUSING UTILITY CAPITAL FUND

REF.

Increased by:

Senior Citizen Capital Fund Interest	E-5, E-17	\$ 1,222.69
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Decreased by:

Cash Disbursements	E- 5	<u>\$ 1,222.69</u>
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SCHEDULE OF FROM CURRENT FUND\  
SENIOR HOUSING UTILITY OPERATING FUND

REF.

Increased by:

Cash Receipts	E- 5	<u>600,000.00</u>
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Decreased by:

Cash Disbursements	E- 5	<u>\$ 600,000.00</u>
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**TOWNSHIP OF PISCATAWAY**  
**MIDDLESEX COUNTY, NEW JERSEY**

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**PART IV**  
**SUPPLEMENTARY DATA**



**Other Supplementary Data**

TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY

COMBINED BALANCE SHEET  
FOR THE YEAR ENDING DECEMBER 31, 2017

ASSETS	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	SEWER UTILITY FUND	SENIOR HOUSING UTILITY	GOVERNMENTAL FIXED ASSETS	MEMORANDUM ONLY TOTALS
							DEC. 31, 2017
							DEC. 31, 2016
Cash and Investments	\$ 37,149,005.19	\$ 25,881,391.97	\$ 1,692,606.21	\$ 12,977,275.20	\$ 2,020,300.16	\$	\$ 79,720,578.73
Accounts Receivable							\$ 68,969,485.96
State and Federal Grants Receivable	721,477.00		375,000.00				1,096,477.00
Due from State of New Jersey	220,794.22						220,794.22
Taxes, Assessments, Liens & Utility Charges	2,127,710.56			1,079,589.80			2,127,710.56
Sewer Charges Receivable							1,079,589.80
Interfund Loans	49,370.77						49,370.77
Other Accounts Receivable							46,994.60
Property Acquired For Taxes at Assessed Valuation	2,592,900.00						2,592,900.00
Prepaid Expenditures							
Fixed Assets - General						70,917,223.00	70,917,223.00
Fixed Capital - Utility				14,992,561.49	10,351,052.26		66,007,721.00
Fixed Capital - Authorized and Uncompleted - Utility				14,325,000.00	2,283,000.00		25,343,613.75
Deferred Charges to Revenue of Succeeding Years							14,608,000.00
Deferred Charges to Future Taxation:							
General Capital Fund			93,301,971.08				93,301,971.08
Total Assets	\$ 42,861,257.74	\$ 25,881,391.97	\$ 95,369,577.29	\$ 43,374,426.49	\$ 14,654,352.42	\$ 70,917,223.00	\$ 272,301,051.39
LIABILITIES, RESERVES AND FUND BALANCE							
Bonds and Notes Payable			\$ 40,248,000.00	\$ 2,520,000.00	\$ 1,415,000.00	\$	\$ 44,183,000.00
Prepaid Taxes, Assessments, Utility Charges and Licenses	5,030,696.48			13,482.86			5,044,179.34
Tax, Assessment, Lien, License and Utility Charge Overpayments	4,799,052.16			1,234,169.88	258,426.62		6,291,648.66
Appropriation Reserves							
Reserves for Encumbrances/Accounts Payable	3,695,699.44	244,002.93	5,260,162.81	1,036,175.98	198,533.90		10,434,575.06
Other Liabilities	2,398,929.59	13,445,243.77	44,090,387.11	21,766.15	371,414.99		59,047.40
Amounts Pledged to Specific Purposes							60,305,975.46
Interfund Loans						70,917,223.00	70,917,223.00
Investments in General Fixed Assets							12,192,145.27
Escrow Funds							10,778,354.49
Improvement Authorization			4,989,208.56	5,478,793.60	310,352.33		38,016,613.75
Reserve for Amortization of Costs of Fixed Capital Acquired or Authorized				26,797,561.49	11,219,052.26		35,446,613.75
Reserve for Certain Assets Acquired or Receivables & Inventories	4,769,981.33		781,818.81	1,079,589.80			5,849,571.13
Fund Balance	22,166,898.74			5,192,886.73	844,291.07		28,985,895.35
Total Liabilities, Reserves and Fund Balance	\$ 42,861,257.74	\$ 25,881,391.97	\$ 95,369,577.29	\$ 43,374,426.49	\$ 14,654,352.42	\$ 70,917,223.00	\$ 272,301,051.39

COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE - CURRENT FUND

REVENUE AND OTHER INCOME REALIZED	CALENDAR YEAR 2017		CALENDAR YEAR 2016	
	AMOUNT	%	AMOUNT	%
Fund Balance Utilized	\$ 10,359,046.09	5.07	\$ 9,265,682.60	4.62
Miscellaneous - From Other than Local				
Property Tax Levies	21,480,407.00	10.52	22,821,724.84	11.37
Collection of Delinquent Taxes and Tax				
Title Liens	1,443,008.18	0.71	1,762,696.42	0.88
Collections of Current Tax Levy	<u>170,877,229.39</u>	<u>83.70</u>	<u>166,796,415.36</u>	<u>83.13</u>
Total Income	<u>204,159,690.66</u>	<u>100.00</u>	<u>200,646,519.22</u>	<u>100.00</u>
<u>EXPENDITURES</u>				
Budget Expenditures				
Municipal Purposes	67,037,666.55	35.03	66,959,109.44	35.34
Special District Taxes	3,895,824.00	2.04	3,823,380.00	2.02
County Taxes	27,710,146.18	14.48	27,173,730.44	14.34
Local School Taxes	92,593,095.00	48.39	90,934,806.00	47.99
Other Expenditures	<u>122,279.62</u>	<u>0.06</u>	<u>596,595.94</u>	<u>0.31</u>
Total Expenditures	<u>191,359,011.35</u>	<u>100.00</u>	<u>189,487,621.82</u>	<u>100.00</u>
Less: Expenditures to be Raised by				
Future Taxes	<u>0.00</u>		<u>0.00</u>	
Total Adjusted Expenditures	<u>191,359,011.35</u>		<u>189,487,621.82</u>	
Excess in Revenue	12,800,679.31		11,158,897.40	
Fund Balance January 1	<u>19,725,265.52</u>		<u>17,832,050.72</u>	
	32,525,944.83		28,990,948.12	
Less: Util. as Anticipated Revenue	<u>10,359,046.09</u>		<u>9,265,682.60</u>	
Fund Balance December 31	<u>\$ 22,166,898.74</u>		<u>\$ 19,725,265.52</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE - SEWER UTILITY FUND

REVENUE AND OTHER INCOME REALIZED	CALENDAR YEAR 2017		CALENDAR YEAR 2016	
	AMOUNT	%	AMOUNT	%
Fund Balance Utilized	\$ 1,943,050.00	12.01	\$ 2,992,709.84	18.18
Collection of Sewer Service Charges	10,909,169.94	67.44	11,088,940.77	67.37
Miscellaneous - From Other than Sewer Service Charges	<u>3,325,088.62</u>	<u>20.55</u>	<u>2,377,570.28</u>	<u>14.45</u>
Total Income	<u>16,177,308.56</u>	<u>100.00</u>	<u>16,459,220.89</u>	<u>100.00</u>
<u>EXPENDITURES</u>				
Budget Expenditures				
Operating	9,320,000.00	77.58	9,096,750.00	65.23
Capital Improvements	2,000,000.00	16.65	825,000.00	5.92
Debt Service	369,881.25	3.08	372,580.21	2.67
Deferred Charges & Statutory Expend.	323,200.00	2.69	2,149,284.81	15.41
Capital Ordinance Funded			1,500,000.00	
Refund of Prior Years Revenue			<u>3,000.00</u>	<u>0.02</u>
Total Expenditures	<u>12,013,081.25</u>	<u>100.00</u>	<u>13,946,615.02</u>	<u>89.24</u>
Excess/(Deficit) in Revenue	4,164,227.31		2,512,605.87	
Fund Balance January 1	<u>2,971,019.45</u>		<u>3,451,123.42</u>	
	7,135,246.76		5,963,729.29	
Decreased by:				
Util. as Anticipated Revenue	<u>1,943,050.00</u>		<u>2,992,709.84</u>	
Fund Balance December 31	<u>\$ 5,192,196.76</u>		<u>\$ 2,971,019.45</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE -  
SENIOR CITIZENS HOUSING UTILITY FUND

REVENUE AND OTHER INCOME REALIZED	CALENDAR YEAR 2017		CALENDAR YEAR 2016	
	AMOUNT	%	AMOUNT	%
Fund Balance	\$ 174,125.00	8.65	\$ 347,323.00	16.06
Rental Income	1,398,220.80	69.44	1,504,017.99	69.53
Miscellaneous - From Other than Rental Income	<u>441,193.69</u>	<u>21.91</u>	<u>311,931.28</u>	<u>14.42</u>
Total Income	<u>2,013,539.49</u>	<u>100.00</u>	<u>2,163,272.27</u>	<u>100.00</u>
<u>EXPENDITURES</u>				
Budget Expenditures				
Operating	1,154,309.00	70.94	1,288,700.00	69.55
Capital Improvements	130,000.00	7.99	260,000.00	14.03
Debt Service	337,531.25	20.74	299,302.08	16.15
Statutory Expenditures	5,271.00	0.32	4,873.00	0.26
Miscellaneous Expenditures	<u>2.00</u>	<u>0.00</u>	<u>3.38</u>	<u>0.00</u>
Total Expenditures	<u>1,627,113.25</u>	<u>100.00</u>	<u>1,852,878.46</u>	<u>100.00</u>
Excess in Revenue	386,426.24		310,393.81	
Fund Balance January 1	<u>559,812.09</u>		<u>596,741.28</u>	
	946,238.33		907,135.09	
Less: Util. As Anticip. Revenue	<u>174,125.00</u>		<u>347,323.00</u>	
Fund Balance December 31	<u>\$ 772,113.33</u>		<u>\$ 559,812.09</u>	

**TOWNSHIP OF PISCATAWAY**

**STATISTICAL DATA**

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate:	<u>\$2.616</u>	<u>\$2.577</u>	<u>\$2.518</u>
Apportionment of Tax Rate:			
Municipal	<u>\$0.702</u>	<u>\$0.700</u>	<u>\$0.688</u>
Municipal Library	<u>\$0.036</u>	<u>\$0.034</u>	<u>\$0.032</u>
County	<u>\$0.399</u>	<u>\$0.373</u>	<u>\$0.363</u>
County Open Space	<u>\$0.033</u>	<u>\$0.031</u>	<u>\$0.030</u>
Local School	<u>\$1.446</u>	<u>\$1.439</u>	<u>\$1.405</u>
Assessed Valuation:			
2016	<u>\$6,291,856,286</u>		
2015		<u>\$6,154,647,288</u>	
2014			<u>\$6,140,922,792</u>

**COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY**

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENT CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2016	\$ 168,230,466	\$ 166,490,088	98.97%
2015	166,732,369	164,418,523	98.61%
2014	159,817,001	157,266,477	98.40%
2013	154,087,435	151,702,194	98.45%
2012	146,348,436	143,705,802	98.19%

**TOWNSHIP OF PISCATAWAY**

**STATISTICAL DATA**

**DELINQUENT TAXES AND TAX TITLE LIENS**

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

<u>YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2016	\$ 646,530.20	\$ 15,982.55	\$ 662,512.75	0.39%
2015	621,161.51	1,769,496.38	2,390,657.89	1.43%
2014	596,653.18	1,608,618.99	2,205,272.17	1.38%
2013	574,136.57	1,942,317.33	2,516,453.90	1.63%
2012	556,212.06	2,155,871.06	2,712,083.12	1.85%

**COMPARISON OF SEWER UTILITY LEVIES**

<u>YEAR</u>	<u>LEVY</u>	<u>CASH COLLECTIONS</u>
2016	\$ 10,691,202	\$ 11,059,304
2015	9,360,111	9,381,657
2014	9,586,208	9,853,323
2013	9,097,844	9,191,492
2012	9,418,291	9,413,004

**TOWNSHIP OF PISCATAWAY**

**STATISTICAL DATA**

**COMPARATIVE SCHEDULE OF FUND BALANCES**

	<u>YEAR</u>		<u>BALANCE</u> <u>31-Dec</u>	<u>UTILIZED</u> <u>IN BUDGET OF</u> <u>SUCCEEDING YEAR</u>
CURRENT FUND	2016	\$	19,725,266	\$ 10,359,046
	2015		17,832,051	9,265,683
	2014		14,300,996	6,986,820
	2013		11,709,009	9,000,000
	2012		12,066,806	7,000,000
SEWER UTILITY	2016		2,971,019	1,943,050
OPERATING FUND	2015		3,451,123	2,992,710
	2014		4,208,569	1,757,927
	2013		4,079,924	2,545,000
	2012		4,656,832	1,600,000
SENIOR CITIZENS	2016		559,812	174,125
HOUSING	2015		596,741	347,323
UTILITY FUND	2014		656,901	319,181
	2013		374,348	253,700
	2012		182,827	130,000



## OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as at December 31, 2016:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Brian C. Wahler	Mayor	
Steven D. Cahn	Council President	
Gabrielle Cahill	Council Vice-President	
Chanelle McCullum	Council Member	
James Bullard	Council Member	
Camille Fernicola	Council Member	
Frank Uhrin	Council Member	
Michele Lombardi	Council Member	
Joseph Criscuolo	Business Administrator	
Daniel Mensah Lamptey	Director of Finance	400,000.00 (A)
Van Khurana	Chief Financial Officer	
Melissa A. Seader	Township Clerk	
Michael Baker	Director of Law - Attorney	
James F. Clarkin III, Esq.	Director of Law - Assistant Attorney	
Kathleen Silber	Tax Collector	
Dennis Fackelman	Magistrate, Presiding Judge	
James Hoebich	Associate Judge	
Vanessa Colon	Court Administrator	
Lisa E. Stephens	Tax Assessor	

The municipal court employees were covered under a blanket bond in the amount of \$75,000 by the Selective Insurance Company of America.

All other employees were covered under a blanket bond in the amount of \$75,000 by the Selective Insurance Company of America.

All of the bonds were examined and found to be properly executed for items tested.

(A) Fidelity & Deposit Company of Maryland

**TOWNSHIP OF PISCATAWAY  
MIDDLESEX COUNTY, NEW JERSEY**

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**PART V  
GENERAL COMMENTS AND RECOMMENDATIONS**

**TOWNSHIP OF PISCATAWAY  
COUNTY OF MIDDLESEX, NEW JERSEY  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**GENERAL COMMENTS**

An audit of the financial accounts and transactions of the Township of Piscataway, County of Middlesex, New Jersey, for the year ended December 31, 2017, has been completed. The General Comments are herewith set forth:

**Scope of Audit**

The audit covered the financial transactions of the Finance Department and the other various offices and departments collecting fees within the Township of Piscataway, County of Middlesex, New Jersey.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. Cash on hand was counted and cash and investment balances were reconciled with independent certifications obtained directly from the depositories. Revenues and receipts were established and verified as to source and amount insofar as the records permitted.

**INTERNAL CONTROL MATTERS**

In planning and performing our audit of the financial statements of Township of Piscataway, County of Middlesex, New Jersey as of and for the year ended December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is 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 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.

## GENERAL COMMENTS

### INTERNAL CONTROL MATTERS (Cont'd.)

With respect to the reporting of internal control matters, standards require that only a significant deficiency and/or a material weakness need be reported in writing to management and those charged with governance.

The deficiencies in internal control, as reported below, are not considered to be significant deficiencies nor material weaknesses. In addition, these deficiencies are not required to be reported in writing, however, these deficiencies are presented to management and those charged with governance in this report as a means to present those matters identified in review of the Township's internal controls and as a means to inform management and those charged with governance as to the auditing standards requirements with respect to internal controls.

As indicated below, we identified certain deficiencies in internal control, as follows:

In addition, during our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated June 26, 2018 on the financial statements of the Township of Piscataway. Our comments and recommendations, which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies.

#### Internal Control Deficiencies:

##### 2017-1 Segregation of Duties - Other Offices/Departments Collecting Municipal Fees

Conditions exist whereby the same individual may collect, record and/or deposit/turnover or may have access to cash receipts collections and functions in the following offices / departments: Municipal Court, Police Department, Municipal Clerk's Office, Cable TV, Recreation Department, Engineering Department, Planning & Zoning Department, Inspection Fees Office, Registrar of Vital Statistics, and Health Department.

This condition may be the result of multiple tasks assigned and performed by the same individual within the respective office/department.

## OTHER MATTERS

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

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

## GENERAL COMMENTS

### OTHER MATTERS (CONT'D):

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

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$17,500.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Counsel's opinion should be sought before a commitment is made.

On September 28, 2015, the Local Public Contracts Law was amended, effective on July 1, 2015. The amendment addresses the bid threshold (Section 7, N.J.S.A. 40A:11-3), thereby increasing the amount from \$36,000.00 to \$40,000.00 under which a contract may be awarded without public advertising for those municipalities that have appointed a Qualified Purchasing Agent. The maximum bid threshold remains at \$17,500.00 for those municipalities that do not have a Qualified Purchasing Agent. The minutes indicate that bids were requested by public advertising for the following items:

#### Materials, Supplies and Equipment

Books and Non-Print Materials for Public Library; Recreation Equipment and Uniforms; 32-yd Garbage Truck; Incident Respond Trailer with Dynamic Sign; Regenerative Air System Street Sweeper; Bio-degradable Leaf Bags.

#### Services and Rentals

Management Service at Sterling Village; Geese Control Services; Snow Plowing Services; Automation Services for Public Library; Debris and Stump Removal; Municipal Cleaning Services; Landscaping; Fireworks Display; 2018 HVAC Maintenance Services; Turf and Vegetation Treatments; Screen Printing Services; Tree Removal Services; Fire Suppression System Testing; Property Valuation Services; Re-evaluate Master Plan.

#### Construction and Repairs

Painting at Sterling Village; Demolition of residential structures; Curb and Sidewalks Improvements; 2016-17 milling and road surface preparation; Various Road Improvements; DPW Fueling Facility; Columbus Park Improvements; School Street Road Improvements-Phase I; Drake Lane Storm Sewer Improvements; Bathroom Renovations at Public Library; Roof Replacement at Public Library; Market Lake Retaining Wall.

The minutes indicate that State Contracts were authorized for the following:

#### Contracts

Data Network Services; Rock Salt; Maintenance and Repair of Heavy Equipment; 2016 Ford Explorer, Copier Leases; Police Vehicles and communications Equipment in Vehicles; Playground Equipment; TV Equipment; Various Parts, Tires, and Services for Vehicles; Gasoline.

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.

## GENERAL COMMENTS

### OTHER MATTERS (CONT'D):

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

The examination of expenditures revealed that no individual payments, contracts or agreements in excess of \$17,500 "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.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A: 11-5. The minutes also indicate the awarding of "Open-End Contracts" pursuant to N.J.A.C. 5:34-4.9.

Any interpretation as to possible violation of N.J.A.C. 40A: 11-4 would be in the province of the Township solicitor.

We suggest that the Township review the amendments to the Local Public Contracts Law and determine the impact of the comprehensive amendments with regard to the Township, including an analysis of the effect of requiring the position of a "Qualified" Purchasing Agent on a cost benefit or other alternate approach.

#### Compliance with P.L. 2005, c.271

On January 5, 2006, P.L. 2005, c.271 was signed into law. A key element of the law authorizes municipalities and counties to adopt their own pay-to-play policies. Secondly, required new disclosures for "non-fair and open" contracts over \$17,500.

Tests of expenditures for vendors with payments in excess of \$17,500.00 and less than the applicable bid threshold and for contracts not awarded through state contracts, bidding or the "fair and open process" indicated no exceptions related to the requisite disclosure forms on file.

We suggest that the vendor files be reviewed and maintained complete in all respects with the applicable Pay-to-Play and Business Registration Requirements

#### Collection of Interest on Delinquent Taxes and Assessments

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

The governing body, on January 7, 2017, adopted the following resolution authorizing interest to be charged on delinquent taxes; assessments and sewer service charges:

BE IT RESOLVED, by the Township Council of Piscataway Township, New Jersey that:

WHEREAS, Delinquent taxes and sewer service charges shall bear interest at the rate of 8% per annum for the first \$1,500 and 18% per annum on any delinquent amount in excess of \$1,500; and

## GENERAL COMMENTS

### OTHER MATTERS (CONT'D):

#### Collection of Interest on Delinquent Taxes and Assessments (Cont'd)

BE IT FURTHER RESOLVED that unpaid assessments shall bear interest at the rate of 8% per annum; and

BE IT RESOLVED that no interest shall be charged by the Township of Piscataway if the payment of installment for taxes, sewer service charges or assessments is made within ten (10) calendar days after the date upon which such installment is payable; and

BE IT FURTHER RESOLVED that if payment of the installment for taxes, sewer service charges or assessments is not made within the ten (10) calendar day period, interest shall be charged in accordance with the rates specified in this Resolution and such interest shall revert to the date the installment was due.

An examination of the Tax Collector's records indicated that interest on delinquent accounts was calculated in accordance with the foregoing resolution for items tested.

#### Delinquent Taxes and Tax Title Liens

The Township held a tax sale during CY 2017. The Tax Collector should continue to review all delinquent and disputed items to determine the status of delinquent accounts for proper disposition. Upon final determination of the status of the delinquent accounts, where appropriate, the delinquent item should be included in the following tax sale.

The tax sale omitted items that were reported to be in bankruptcy proceedings, installment agreements and or disputed items for real estate taxes and sewer utility charges. Delinquent real estate taxes as at December 31, 2017 reported \$4,182.43 amount due in previous tax years.

The following comparison is made of the number of tax title liens receivable at year-end of the current and two previous years:

<u>DEC. 31</u>	<u>NUMBER OF LIENS</u>
CY 2017	19
CY 2016	19
CY 2015	17

It is essential to good management that all means provided by statute be utilized to liquidate Tax Title Liens in order to return properties to a tax-paying basis.

## GENERAL COMMENTS

### OTHER MATTERS (CONT'D):

#### Investment of Idle Funds

The Chief Financial Officer had the greater portion of the idle funds of the Township invested in interest-bearing investments or accounts during CY 2017. Earnings from the investments are shown as revenue in the various funds of the Township for CY 2017.

All deposits and investments held by the Township were directly confirmed as of December 31, 2017.

The Township adopted a formal Cash Management Plan for depositing and investing of Township funds for CY 2017 in accordance with 40A: 5-14 on January 7, 2017.

#### Purchase Order System and Encumbrance System

The Township utilized a purchase order system for most of its expenditures in connection with its budgetary accounting system during the year under review. The accounting is processed on a data processing system for budgetary control. Operation of the encumbrance system appeared to be generally good with timely entries made. Prior years' outstanding encumbrances were reviewed at the close of the year, and adjustments and cancellations were made where appropriate to reflect actual commitments outstanding for budgetary control.

#### Interfund Balances

The Township had cleared all of its interfund balances of the year ended December 31, 2017.

#### Outside Offices/Departments and Other Officials Collecting Fees

Our review of records maintained for other officials collecting fees were designed to determine that minimum levels of internal controls and accountability were met, that cash receipts were deposited or turned over to the Treasurer's accounts within a 48-hour period as required by N.J.S.A. 40A: 5-15, and the fees charged were in accordance with the provisions of the Township Code.

#### Municipal Court

The records maintained by the Municipal Court during the period under review were found to be in good condition. The examination of the general account indicated that bank reconciliations were performed on a monthly basis, however minor differences were noted in comparing the bank reconciliations to book balance. Disbursements were made to appropriate agencies on a timely basis. The bail account was reconciled monthly and open bail listings were proved to the account balance periodically or at the close of the year. The examination of the bail account's financial and supporting records maintained by the Municipal Court indicated no exceptions for items tested.

It is suggested that the court administrator continues to work towards balancing the bank, book and receipts balance.



## GENERAL COMMENTS

### OTHER MATTERS (CONT'D):

#### Administration and Accounting of State & Federal Grants

During CY 2017, the Township operated programs that were funded in whole or in part by state or federal grant awards. As part of the acceptance of these funds, the Township is required to make assurances to the grantor agency that it will comply, in its general operations as well as in the operation of grant funded programs, with various laws and regulations. In addition, the individual grant contracts impose specific compliance requirements for the operations of each program. Based upon the myriad compliance and reporting requirements for grant awards, the Township should continue to develop sound administrative functions over grant programs.

#### Condition of Records – Tax & Sewer Utility Office

During CY 2017, the Tax Collector utilized a monthly financial tax and sewer utility office reporting system. These reports are intended to be all-inclusive, summarizing all tax and sewer utility office transactions on a monthly basis for posting/recording within the Township general ledger financial accounting system, respectively.

#### Condition of Records – Finance Department

The Finance Department utilized a computerized general ledger accounting and reporting system during CY 2017. General ledgers were maintained for all funds. The Township is currently in compliance with New Jersey Administration Code 5:30-5.7, establishment and maintenance of a general ledger for at least the current fund.

Statement on Auditing Standards 115 identifies inadequate documentation of internal controls as a possible deficiency, significant deficiency or material weakness. As the Township continues the process of documenting its controls, we suggest that the Township consider utilizing the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) for its documentation, which includes the five components of internal controls, as follows: Control Environment; Risk Assessment; Control Activities; Information and Communication; and Monitoring. We also suggest that the documentation also include the internal controls that exist over grant compliance.

#### Compliance with N.J.A.C 5:30

The Local Finance Board, State of New Jersey, adopted the following requirements, previously identified as “technical accounting directives”, as codified in the New Jersey Administration Code as follows:

N.J.A.C. 5:30-5.2 - Encumbrance Systems: This directive requires the development and implementation of accounting systems, which can reflect the commitment of funds at the point of commitment. The Township of Piscataway is in compliance with this directive.

N.J.A.C. 5:30-5.6 – Accounting for Governmental Fixed Assets: This directive requires the development and implementation of accounting systems which assign values to covered assets and can track additions, retirements and transfers of inventoried assets. Our review indicated that the Township of Piscataway has established a Governmental Fixed Asset Accounting System.

## GENERAL COMMENTS

### OTHER MATTERS (CONT'D):

#### Compliance with N.J.A.C 5:30 (Cont'd.)

N.J.A.C. 5:30 – 5.7 – General Ledger Accounting System: This directive requires the establishment and maintenance of a general ledger for, at least, the Current Fund. The Township is in compliance with this directive.

#### Compliance with Local Finance Notices

In accordance with Local Finance Notice No. CFO-10, Uniform Construction Code, expenditure records were tested for compliance with N.J.A.C. 5:23.17(c) 2, and no exceptions were noted for those items tested.

The Township of Piscataway, County of Middlesex did prepare a corrective action plan for the CY 2016, pursuant to Local Finance Board Notice Number 92-15.

RECOMMENDATIONS

NONE

\* \* \* \* \*

During the course of our audit we received the complete cooperation of the various officials of the Township, and the courtesies extended to us were greatly appreciated.

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to contact us.

Very truly yours,

HODULIK & MORRISON, P.A.



Andrew G. Hodulik, CPA, RMA  
No. 406