

**TOWNSHIP OF WEST DEPTFORD
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2017**

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PART I
INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of West Deptford
400 Crown Point Road
West Deptford, NJ 08086

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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 audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 14 of the financial statements, the Township participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$1,485,469.08 for 2017, was not audited and, therefore, we express no opinion on the LOSAP program.

Opinion on Regulatory Basis of Accounting

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

Other Matters

Other Information

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

The supplemental information listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain

additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2018, on our consideration of the Township of West Deptford's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of West Deptford's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Registered Municipal Accountant #252

June 20, 2018

CURRENT FUND

COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

ASSETS	Ref.	Balance Dec. 31, 2017	Balance Dec. 31, 2016
Regular Fund			
Cash - Treasurer	A-4	\$ 11,241,960.73	\$ 7,208,401.59
Cash - Change Fund	A-5	1,500.00	1,500.00
		<u>11,243,460.73</u>	<u>7,209,901.59</u>
Due to State of New Jersey - Senior Citizen and Veterans Deductions	A-9	<u>18,970.28</u>	<u>25,123.64</u>
Deferred Charges: Overexpenditure of Appropriations	A-11	<u>629.00</u>	<u>20,378.76</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	732,739.90	791,810.63
Tax Title Liens Receivable	A-7	1,828,721.67	1,636,112.44
Property Acquired for Taxes - Assessed Valuation	A-8	764,800.00	764,800.00
Revenue Accounts Receivable	A-10	18,591.00	16,353.72
Due from Trust Other	B	21,656.30	73,125.91
Due from General Capital	C	172,449.84	278,409.84
		<u>3,538,958.71</u>	<u>3,560,612.54</u>
		<u>14,802,018.72</u>	<u>10,816,016.53</u>
Federal and State Grant Fund			
Cash	A-4	347,060.23	787,514.01
Grants Receivable	A-16	110,187.77	798,935.75
Due from Current Fund	A	61,837.48	18,476.49
Due from General Capital Fund			122,792.91
		<u>519,085.48</u>	<u>1,727,719.16</u>
		<u>\$ 15,321,104.20</u>	<u>\$ 12,543,735.69</u>

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

LIABILITIES, RESERVES, AND FUND BALANCE	Ref.	Balance Dec. 31, 2017	Balance Dec. 31, 2016
Regular Fund			
Liabilities:			
Appropriation Reserves	A-3:A-11	\$ 2,032,799.89	\$ 1,912,744.29
Encumbrances Payable	A-12	826,948.70	730,791.64
Accounts Payable	A-13	9,316.80	11,416.80
Prepaid Taxes	A-4	1,503,667.59	468,109.77
Tax Overpayments		53,129.54	92,346.82
Due State - Marriage License Fees		1,075.00	1,150.00
Due State of New Jersey - DCA Fees		14,822.00	7,335.00
Local School Taxes Payable	A-14	1,604,107.85	1,190,201.90
County Tax Payable	A-6	32,645.39	
Reserve for Revaluation	A-15	6,805.45	6,805.45
Due County - PILOT		4,230.46	160,891.47
Due Trust Other			42,160.18
Due Grant Fund	A	61,837.48	18,476.49
		<u>6,151,386.15</u>	<u>4,642,429.81</u>
Reserve for Receivables		3,538,958.71	3,560,612.54
Fund Balance	A-1	5,111,673.86	2,612,974.18
		<u>14,802,018.72</u>	<u>10,816,016.53</u>
Federal and State Grant Fund			
Reserve for Grants - Appropriated	A-17	352,592.09	1,514,648.13
Reserve for Grants - Unappropriated	A-18	71,528.19	411.89
Encumbrances Payable	A-12	94,965.20	212,659.14
		<u>519,085.48</u>	<u>1,727,719.16</u>
		<u>\$ 15,321,104.20</u>	<u>\$ 12,543,735.69</u>

The accompanying notes to the financial statements are an integral part of this statement.

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

Revenue and Other Income Realized	Ref.	Year 2017	Year 2016
Fund Balance Utilized	A-2	\$ 734,176.37	\$ 375,000.00
Miscellaneous Revenue Anticipated	A-2	9,632,177.42	10,675,665.11
Receipts from Delinquent Taxes	A-2	769,274.12	799,739.23
Receipts from Current Taxes	A-2	69,869,491.05	67,885,202.92
Non-Budget Revenue	A-2	481,549.51	313,543.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-11	1,397,134.81	718,419.50
Grant Reserves Canceled	A-17	874,520.62	
Encumbrances Payable - Canceled	A-12	98,007.02	64,828.49
Interfund Loan Paid		125,643.70	147,383.99
Total Income		83,981,974.62	80,979,782.24
Expenditures			
Budget Appropriations Within "CAPS"			
Operations:			
Salaries and Wages	A-3	7,692,743.00	7,615,320.82
Other Expenses	A-3	8,762,090.82	8,399,518.22
Deferred Charges and Statutory Expenditures	A-3	2,196,819.67	2,264,080.53
Budget Appropriations Excluded from "CAPS"			
Operations:			
Salaries and Wages	A-3	1,259,237.00	1,161,894.00
Other Expenses	A-3	2,115,284.95	2,136,669.75
Capital Improvements	A-3	150,000.00	462,000.00
Municipal Debt Service	A-3	9,347,683.19	9,483,940.12
Deferred Charges and Statutory Expenditures		69,960.00	29,984.00
County Taxes	A-6	15,223,481.62	15,034,325.62
Due County for Added Taxes	A-6	32,645.39	16,463.67
Local District School Tax	A-14	33,268,481.00	32,440,669.00
Interfund Loan Advanced		63,637.31	14,675.44
Prior Year Deductions Disallowed	A-9	5,251.11	6,563.82
Grant Receivables Canceled	A-16	461,110.75	
Due County - PILOT			160,891.47
Refund of Prior Year Revenue	A-4	101,301.76	29,394.81
Total Expenditures		80,749,727.57	79,256,391.27

The accompanying notes to the financial statements are an integral part of this statement.

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

	Ref.	Year 2017	Year 2016
Excess in Revenue		3,232,247.05	1,723,390.97
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	A-3	629.00	20,378.76
Statutory Excess to Fund Balance		3,232,876.05	1,743,769.73
Fund Balance			
Balance January 1	A	2,612,974.18	1,244,204.45
		5,845,850.23	2,987,974.18
Decreased by:			
Utilization as Anticipated Revenue	A-1	734,176.37	375,000.00
Balance December 31	A	<u>\$ 5,111,673.86</u>	<u>\$ 2,612,974.18</u>

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES - REGULATORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Special NJSA 40A:4-87		
Fund Balance Anticipated	A-1	\$ 734,176.37		\$ 734,176.37	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-10	20,750.00		20,550.00	\$ (200.00)
Fees and Permits	A-10	108,274.00		150,588.68	42,314.68
Fines and Costs:					
Municipal Court	A-10	257,623.00		268,486.97	10,863.97
Interest and Costs on Taxes	A-10	231,000.00		177,464.04	(53,535.96)
Interest on Investments and Deposits	A-10	9,600.00		12,977.35	3,377.35
Consolidated Municipal Property Tax Relief	A-10	123,147.00		123,147.00	
Energy Receipts Tax	A-10	1,886,094.00		1,886,094.00	
Borough of National Park Police	A-10	545,000.00		545,700.00	700.00
City of Woodbury Construction Code Official	A-10	110,000.00		110,000.00	
Uniform Construction Code Fees	A-10	514,000.00		757,664.00	243,664.00
Riverwinds Fees	A-10	1,918,000.00		1,891,764.24	(26,235.76)
Uniform Fire Safety Act	A-10	130,808.00		129,941.47	(866.53)
Franchise Fees - Cable Television	A-10	346,631.00		346,630.71	(0.29)
Host Community Benefit Agreement	A-10	446,000.00		429,364.39	(16,635.61)
Reserve for Tax Defeasance	A-10	517,173.00		375,709.89	(141,463.11)
Payment in Lieu of Taxes	A-10	79,242.00		85,964.93	6,722.93
Rental of Buildings & Grounds	A-10	324,000.00		347,590.13	23,590.13
FHG Restaurant Ground Lease	A-10	80,379.00		79,838.74	(540.26)
LS Power Pilot	A-10	1,499,945.00		1,487,953.87	(11,991.13)
School Resource Officer	A-10	48,698.00		98,383.83	49,685.83
NJMV Resource Officer	A-10	98,280.00		113,880.00	15,600.00
Clean Communities	A-16		\$ 44,818.57	44,818.57	
Drive Sober or Get Pulled Over	A-16		1,760.00	1,760.00	
Municipal Alliance on Alcoholism & Drug Abuse	A-16	19,920.00		19,920.00	
U Text U Drive U Pay	A-16		4,180.00	4,180.00	
Recycling Tonnage Grant	A-16	48,988.00		48,988.00	
Body Armor Replacement Grant	A-16	4,359.89		4,359.89	
Municipal Court Alcohol Educ. & Rehab Fund	A-16		514.72	514.72	
Drunk Driving Enforcement Fund	A-16	7,942.00		7,942.00	
Safe and Secure	A-16	60,000.00		60,000.00	
Total Miscellaneous Revenues		9,435,853.89	51,273.29	9,632,177.42	145,050.24
Receipts from Delinquent Taxes	A-2	800,000.00		769,274.12	(30,725.88)
Subtotal General Revenues		10,970,030.26	51,273.29	11,135,627.91	114,324.36
Amount to be Raised by Taxation		22,188,498.42		22,697,202.75	508,704.33
Budget Totals		33,158,528.68	51,273.29	33,832,830.66	\$ 623,028.69
Non-Budget Revenue	A-2			481,549.51	
		\$ 33,158,528.68	\$ 51,273.29	\$ 34,314,380.17	
	Ref.	A-3	A-3		

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES - REGULATORY BASIS

Analysis of Realized Revenue

	Ref.	
Allocation of Current Tax Collections:		
Revenue from Collections	A-6	\$ 69,869,491.05
Allocated to:		
School and County Taxes	A-6	48,524,608.01
Balance for Support of Municipal Budget Appropriations		21,344,883.04
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	1,352,319.71
	A-2	<u>\$ 22,697,202.75</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-6	\$ 747,792.37
Tax Title Liens	A-7	21,481.75
	A-2	<u>\$ 769,274.12</u>

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:		
Revenue Accounts Receivable:		
Refunds	A-10	\$ 154,800.00
Insurance Refunds	A-10	80,792.15
Donations	A-10	1,500.00
Fuel Purchases	A-10	8,016.50
Off Duty Administrative Fees	A-10	28,899.11
Senior Citizen Administrative Fee	A-10	4,517.69
Vacant Property Fees	A-10	68,789.62
Other Fees	A-10	14,052.84
Sale of Municipal Assets	A-10	6,052.72
Recreation Fees	A-10	49,078.00
Scrap Metal	A-10	1,026.00
Dumpster Fees	A-10	11,250.00
Premiums	A-10	6,600.00
Inspection Fees	A-10	3,142.34
Fema Money	A-10	4,364.30
Miscellaneous	A-10	11,395.27
Property Maintenance Liens	A-10	27,272.97
	A-2	<u>\$ 481,549.51</u>

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended			Unexpended	
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Balance Canceled	Overexpended
OPERATIONS WITHIN "CAPS"							
GENERAL GOVERNMENT							
General Administration							
Salaries & Wages	\$ 136,850.00	\$ 136,850.00	\$ 134,170.67		\$ 2,679.33		
Other Expenses	98,980.00	98,980.00	51,134.95	\$ 2,443.44	45,401.61		
Mayor and Township Council							
Salaries & Wages	15,000.00	15,000.00	15,000.00				
Other Expenses	4,050.00	4,050.00	1,056.88		2,993.12		
Municipal Clerk							
Salaries & Wages	48,800.00	48,800.00	45,796.88		3,003.12		
Other Expenses	91,100.00	91,100.00	49,349.06	895.92	40,855.02		
Financial Administration							
Salaries & Wages	162,500.00	162,500.00	148,757.76		13,742.24		
Other Expenses	91,793.81	91,793.81	71,056.00	1,372.68	19,365.13		
Audit Services							
Other Expenses	53,625.00	53,625.00	50,584.63		3,040.37		
Computerized Data Processing							
Other Expenses	6,700.00	6,700.00		2,010.63	4,689.37		
Revenue Administration (Tax Collection)							
Salaries & Wages	146,500.00	146,500.00	142,792.93		3,707.07		
Other Expenses	33,450.00	33,450.00	8,028.50	383.38	25,038.12		
Legal Services & Costs							
Other Expenses	310,000.00	385,000.00	272,222.02	77,353.27	35,424.71		
Engineering Services & Costs							
Salaries & Wages	30,000.00	5,000.00			5,000.00		
Other Expenses	360,000.00	385,000.00	228,812.54	46,272.16	109,915.30		
LAND USE ADMINISTRATION							
Municipal Land Use Law (NJSA 40:55D-1)							
Planning Board							
Salaries & Wages	2,125.00	2,125.00	2,122.42		2.58		
Other Expenses	83,485.00	83,485.00	24,012.71	19,625.70	39,846.59		
Zoning Board and Board of Adjustment							
Salaries & Wages	37,000.00	37,000.00	34,942.73		2,057.27		
Other Expenses	5,720.00	5,720.00	458.75		5,261.25		
Rental Control Commission							
Other Expenses	3,000.00	3,000.00	2,926.25		73.75		

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved		
INSURANCE							
Liability Insurance	504,926.00	504,926.00	495,215.76		9,710.24		
Workmen's Compensation Insurance	404,689.00	404,689.00	401,426.21		3,262.79		
Group Plans for Employees	2,467,366.09	2,467,366.09	2,219,791.62	5,428.27	242,146.20		
PUBLIC SAFETY FUNCTIONS							
Police							
Salaries & Wages	4,232,054.00	4,232,054.00	4,181,297.40		50,756.60		
Other Expenses	229,850.60	229,850.60	129,029.44	80,670.30	20,150.86		
Emergency Management Services							
Salaries & Wages	13,300.00	13,300.00	13,056.10		243.90		
Aid to Volunteer Fire Companies							
Other Expenses	248,060.00	248,060.00	144,519.28	63,835.40	39,705.32		
Fire Department							
Salaries & Wages	89,300.00	89,300.00	88,720.47		579.53		
Other Expenses	8,250.00	8,250.00	1,589.17	2,011.63	4,649.20		
Prosecutor							
Other Expenses	24,000.00	24,000.00	23,535.00		465.00		
PUBLIC WORKS FUNCTIONS							
Road Repairs & Maintenance							
Salaries & Wages	529,000.00	529,000.00	486,412.74		42,587.26		
Other Expenses	289,650.00	249,650.00	84,083.25	59,616.08	105,950.67		
Snow Removal							
Salaries & Wages	60,000.00	60,000.00	36,862.34		23,137.66		
Other Expenses	61,500.00	61,500.00	48,152.77		13,347.23		
Other Public Works Functions (Leaf Collection)							
Salaries & Wages	35,000.00	35,000.00	7,508.56		27,491.44		
Other Expenses	13,250.00	13,250.00	13,045.39	96.96	107.65		
Solid Waste Collection							
Salaries & Wages	1,077,000.00	1,037,000.00	965,449.24		71,550.76		
Other Expenses	277,000.00	277,000.00	233,556.68	21,886.23	21,557.09		
Public Buildings & Grounds							
Salaries & Wages	500.00	500.00			500.00		
Other Expenses	103,050.00	103,050.00	77,499.46	3,199.72	22,350.82		
Vehicle Maintenance							
Other Expenses	364,000.00	364,000.00	287,613.36	37,264.57	39,122.07		

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved		
HEALTH AND HUMAN SERVICES							
Public Health Services (Board of Health)							
Salaries & Wages	1.00	1.00			1.00		
Other Expenses	5,000.00	5,000.00		3,465.54	1,534.46		
Environmental Commission (40:56A et seq.)							
Salaries & Wages	1.00	1.00			1.00		
Other Expenses	4,400.00	4,400.00	1,858.85	392.66	2,148.49		
Animal Control Services							
Salaries & Wages	5,000.00	5,000.00	4,759.06		240.94		
Commission of Disabled							
Salaries & Wages	1.00	1.00			1.00		
Other Expenses	3,400.00	3,400.00	1,567.80	1,687.79	144.41		
Beautification Committee							
Salaries & Wages	1.00	1.00			1.00		
Other Expenses	4,400.00	4,400.00	182.42		4,217.58		
Green Team Committee							
Salaries & Wages	1.00	1.00			1.00		
Other Expenses	3,400.00	3,400.00			3,400.00		
RECREATION FUNCTIONS							
Recreation Services & Programs							
Salaries & Wages	380,000.00	380,000.00	281,601.94		98,398.06		
Other Expenses	261,550.00	261,550.00	171,920.69	15,027.44	74,601.87		
UTILITY EXPENSES AND BULK PURCHASES							
Electricity	230,000.00	230,000.00	198,165.89	29,708.91	2,125.20		
Street Lighting	270,000.00	270,000.00	200,828.53	46,000.00	23,171.47		
Gas Propane	5,000.00	5,000.00			5,000.00		
Telephone	77,000.00	77,000.00	65,010.46	5,853.38	6,136.16		
Fuel Oil	12,000.00	12,000.00	9,499.02	2,500.98			
Telecommunications	20,000.00	20,000.00	2,500.00		17,500.00		
Gasoline	200,000.00	178,100.00	133,007.38	9,119.00	35,973.62		
LANDFILL AND SOLID WASTE DISPOSAL COSTS							
Landfill/Solid Waste Disposal Costs							
Other Expenses	1,105,000.00	1,085,000.00	796,586.44	67,629.12	220,784.44		
MUNICIPAL COURT FUNCTIONS							
Municipal Court							
Salaries & Wages	189,000.00	189,000.00	176,137.56		12,862.44		
Other Expenses	42,500.00	42,500.00	32,450.51	770.33	9,279.16		
Public Defender							
Other Expenses	21,000.00	21,000.00	21,000.00				
OTHER COMMON OPERATING FUNCTIONS							
Accumulated Absence Management	75,000.00	72,000.00	32,937.89		39,062.11		
Riverwinds							
Salaries & Wages	166,280.00	166,280.00	166,280.00				
Other Expenses	167,245.00	167,245.00	167,245.00				

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (NJAC 5:23-4.17)						
State Uniform Construction Code						
Construction Official						
Salaries & Wages	234,829.00	234,829.00	230,187.61		4,641.39	
Other Expenses	65,400.32	65,400.32	28,691.63	29,298.69	7,410.00	
Plumbing Sub-Code Official						
Salaries & Wages	28,000.00	28,000.00	16,207.26		11,792.74	
Electrical Sub-Code Official						
Salaries & Wages	35,400.00	35,400.00	31,710.59		3,689.41	
Housing Official						
Salaries & Wages	32,300.00	32,300.00	22,317.56		9,982.44	
Other Expenses	109,200.00	109,200.00	30,755.78	35,700.00	42,744.22	
Total Operations Within "CAPS"	16,504,733.82	16,454,833.82	14,044,999.79	671,520.18	1,738,313.85	
Detail:						
Salaries & Wages	7,760,743.00	7,692,743.00	7,265,029.71		427,713.29	
Other Expenses	8,743,990.82	8,762,090.82	6,779,970.08	671,520.18	1,310,600.56	
DEFERRED CHARGES						
Overexpenditure of Appropriation	20,378.76	20,378.76	20,378.76			
Deficit in Tax Sale Redemption	443.46	443.46	443.46			
Prior Year Bills						
Verizon - Telephone Charges	3,286.60	3,286.60	1,819.11			\$ 1,467.49
STATUTORY EXPENDITURES						
Contribution to:						
Public Employees' Retirement System	472,234.22	472,234.22	472,234.22			
Social Security System (OASI)	725,000.00	725,000.00	672,048.44		52,951.56	
Police and Firemen's Retirement System of NJ	920,944.12	920,944.12	920,944.00		0.12	
Unemployment Compensation Insurance	40,000.00	40,000.00	40,000.00			
New Jersey Disability Insurance	6,000.00	6,000.00	5,439.69		560.31	
Defined Compensation Retirement System	10,000.00	10,000.00	2,956.38		7,043.62	
Total Deferred Charges & Statutory Expenditures - Municipal Within "CAPS"	2,198,287.16	2,198,287.16	2,136,264.06		60,555.61	1,467.49
Total General Appropriations for Municipal Purposes Within "CAPS"	18,703,020.98	18,653,120.98	16,181,263.85	671,520.18	1,798,869.46	1,467.49

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved		
PUBLIC SAFETY FUNCTIONS						
Length of Service Awards Program (P.L. 1997, c. 388)	80,000.00	80,000.00		80,000.00		
EDUCATION FUNCTIONS						
Maintenance of Free Public Library Other Expenses	754,481.18	754,481.18	754,481.18			
SHARED SERVICE AGREEMENTS						
City of Woodbury Construction Code Official Salaries and Wages	72,071.00	72,071.00	72,071.00			
Other Expenses	37,929.00	37,929.00	37,929.00			
Borough of National Park Police Salaries and Wages	91,446.00	91,446.00	91,446.00			
Other Expenses	71,232.59	71,232.59	71,232.59			
West Deptford Board of Education (IT Services) Other Expenses	126,520.00	126,520.00	127,149.00			\$ 629.00
Township of Logan (Administrator) Other Expenses	24,750.00	24,750.00	23,650.00	1,100.00		
ADDITIONAL APPROPRIATIONS OFFSET BY REVENUES						
Riverwinds Salaries and Wages	1,035,720.00	1,035,720.00	956,576.91	79,143.09		
Other Expenses	882,280.00	882,280.00	653,164.14	73,687.34		
Total Other Operations - Excluded from "CAPS"	3,176,429.77	3,176,429.77	2,787,699.82	155,428.52	233,930.43	629.00
PUBLIC AND PRIVATE PROGRAMS OFF-SET BY REVENUES						
Municipal Alliance	24,900.00	24,900.00	24,900.00			
Drunk Driving Enforcement Fund	7,942.00	7,942.00	7,942.00			
Clean Communities		44,818.57	44,818.57			
Municipal Court Alcohol Educ. & Rehab Fund		514.72	514.72			
Body Armor Replacement Grant	4,359.89	4,359.89	4,359.89			
Safe and Secure	60,000.00	60,000.00	60,000.00			
U Text U Drive U Pay		4,180.00	4,180.00			
Recycling Tonnage Grant	48,988.00	48,988.00	48,988.00			
Drive Sober or Get Pulled Over		1,760.00	1,760.00			
Total Operations Excluded from "CAPS"	3,322,619.66	3,373,892.95	2,985,163.00	155,428.52	233,930.43	629.00
Detail:						
Salaries and Wages	1,259,237.00	1,259,237.00	1,180,093.91	79,143.09		
Other Expenses	2,063,382.66	2,114,655.95	1,805,069.09	154,787.34		629.00

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved		
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	150,000.00	150,000.00	150,000.00			
Total Capital Improvements Excluded from "CAPS"	150,000.00	150,000.00	150,000.00			
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Principal	5,838,664.97	5,888,564.97	5,888,239.00		325.97	
Bond Anticipation and Capital Notes	147,545.00	147,545.00	147,545.00			
Interest on Bonds	3,547,398.36	3,547,398.36	3,285,010.07		262,388.29	
Interest on Notes	27,000.00	27,000.00	26,889.12		110.88	
Total Municipal Debt Service Excluded from "CAPS"	9,560,608.33	9,610,508.33	9,347,683.19		262,825.14	
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM CAPS						
Deferred Charges to Future Taxation - Unfunded						
Ordinance 2010-08	29,984.00	29,984.00	29,984.00			
Ordinance 2012-07	39,976.00	39,976.00	39,976.00			
Total Deferred Charges Excluded from "CAPS"	69,960.00	69,960.00	69,960.00			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	13,103,187.99	13,204,361.28	12,552,806.19	155,428.52 233,930.43	262,825.14	629.00
Subtotal General Appropriations	31,806,208.97	31,857,482.26	28,734,070.04	826,948.70 2,032,799.89	264,292.63	629.00
RESERVE FOR UNCOLLECTED TAXES	1,352,319.71	1,352,319.71	1,352,319.71			
TOTAL GENERAL APPROPRIATIONS	\$ 33,158,528.68	\$ 33,209,801.97	\$ 30,086,389.75	\$ 826,948.70 \$ 2,032,799.89	\$ 264,292.63	\$ 629.00
Ref.	A-2			A-12	A	A-19
Budget	Ref. A-3	\$ 33,158,528.68				
Appropriations by 40A:4-87	A-2	51,273.29				
		<u>\$ 33,209,801.97</u>				
Reserve for Federal and State Grants	Ref. A-17	\$ 197,463.18				
Deferred Charges		20,822.22				
Reserve for Uncollected Taxes	A-3	1,352,319.71				
Due General Capital Fund		69,960.00				
Disbursed	A-4	28,445,824.64				
		<u>\$ 30,086,389.75</u>				

The accompanying notes to the financial statements are an integral part of this statement.

TRUST FUND

EXHIBIT B

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

		Balance	Balance
	Ref.	<u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u>
ASSETS			
Trust Fund			
Cash - Treasurer	B-1	\$ 2,282,375.53	\$ 2,431,081.16
Due from Current Fund			42,160.18
Due from Unemployment Trust	B	16,319.34	33,444.19
Due from Public Defender	B	1,879.00	1,879.00
Deficit in Tax Sale Redemption Trust			443.46
		<u>2,300,573.87</u>	<u>2,509,007.99</u>
LOSAP (Unaudited)			
Investment		<u>1,485,469.08</u>	<u>1,276,653.77</u>
		<u>\$ 3,786,042.95</u>	<u>\$ 3,785,661.76</u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT B
(Continued)

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

	Ref.	Balance Dec. 31, 2017	Balance Dec. 31, 2016
LIABILITIES, RESERVES, AND FUND BALANCE			
Trust Fund			
Encumbrances Payable	B-4	\$ 11,237.78	\$ 120,969.75
Payroll Taxes Payable	B-3	2,704.34	3,445.47
Due State of New Jersey		6.60	4.20
Due Current Fund	A	21,656.30	39,681.72
Due Unemployment Trust	B	16,319.34	33,444.19
Due Mayor's Fund	B	1,879.00	1,879.00
Due Payroll Agency			33,444.19
Reserve for Dog Fund Expenditures	B-2	8,527.60	8,281.40
Reserve for Street Opening	B-3	115,080.28	112,914.16
Reserve for Forfeited Funds	B-3	26,506.27	56,100.29
Reserve for Off-Duty Police Fees	B-3	195,770.69	56,802.67
Deposits for Redemption of Tax Sale Certificates	B-3	4,705.19	
Reserve for Tax Sale Premiums	B-3	607,800.00	826,800.00
Reserve for Riverwinds Tax Defeasance	B-3	186.87	331.54
Reserve for Developers Escrow	B-3	453,699.75	302,052.38
Reserve for Public Defender Fees	B-3	14,212.00	8,284.00
Reserve for POAA Fees	B-3	1,762.17	1,728.17
Reserve for Mayor Food & Holiday Drive	B-3	1,879.00	1,879.00
Reserve for K-9 Donations	B-3	473.00	473.00
Reserve for Drainage Basin	B-3	77,329.02	77,329.02
Reserve for Municipal Open Space	B-3	354,258.42	483,019.12
Reserve for Affordable Housing	B-3	171,721.33	170,750.03
Reserve for Unemployment Compensation	B-3	111,204.79	75,985.19
Reserve for Storm Recovery	B-3	1,684.10	1,683.13
Reserve for Recreation	B-3	69,709.99	77,476.37
Reserve for Environmental Resources	B-3	1,500.00	1,500.00
Reserve for Beautification Committee	B-3	10,000.00	10,000.00
Reserve for Donations Field of Dreams	B-3	1,379.00	
Reserve for Donations Flag Pole	B-3	5,000.00	
Reserve for Donations Dante Finocchi Memorial	B-3	500.00	
Reserve for Imperial Way Roadway Improvements	B-3	10,009.30	
Reserve for Uniform Fire Safety	B-3	1,871.74	2,750.00
		<u>2,300,573.87</u>	<u>2,509,007.99</u>
LOSAP (Unaudited)			
Reserve for LOSAP Benefits		1,485,469.08	1,276,653.77
		<u>\$ 3,786,042.95</u>	<u>\$ 3,785,661.76</u>

The accompanying notes to the financial statements are an integral part of this statement.

GENERAL CAPITAL FUND

EXHIBIT C

COMPARATIVE BALANCE SHEET - GENERAL CAPITAL FUND - REGULATORY BASIS

ASSETS	Ref.	Balance	Balance
		Dec. 31, 2017	Dec. 31, 2016
Cash	C-2	\$ 3,256,505.60	\$ 531,892.98
Grant Receivable			81,000.00
Due from Utility Operating Fund			11,547.00
Deferred Charges to Future Taxation:			
Funded	C-4	86,174,268.00	93,804,619.35
Unfunded	C-5	6,056,526.50	6,295,378.43
		<u>\$ 95,487,300.10</u>	<u>\$ 100,724,437.76</u>
LIABILITIES, RESERVES, AND FUND BALANCE			
Serial Bonds Payable	C-8	\$ 86,174,268.00	\$ 93,804,619.35
Bond Anticipation Notes Payable	C-10	5,466,872.00	2,716,072.00
Encumbrances Payable	C-11	2,756,893.21	41,987.79
Capital Improvement Fund	C-6	116,275.00	338,820.00
Reserve for Payment of Debt Services - BANS	C-14	33,176.28	16,621.00
Reserve for Down Payment on Improvements	C-13	36,302.00	36,302.00
Improvement Authorizations:			
Funded	C-7	480,242.56	425,881.68
Unfunded	C-7	230,693.92	2,919,691.93
Due Current Fund	A	172,449.84	278,409.84
Due Grant Fund			122,792.91
Due Utility Capital Fund			3,111.97
Fund Balance	C-1	20,127.29	20,127.29
		<u>\$ 95,487,300.10</u>	<u>\$ 100,724,437.76</u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT C-1

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	Ref.	
Balance December 31, 2016	C	\$ 20,127.29
Balance December 31, 2017	C	<u>\$ 20,127.29</u>

The accompanying notes to the financial statements are an integral part of this statement.

WATER AND SEWER UTILITY FUND

EXHIBIT D

COMPARATIVE BALANCE SHEET - WATER AND SEWER
UTILITY FUND - REGULATORY BASIS

		Balance Dec. 31, 2017	Balance Dec. 31, 2016
ASSETS	Ref.		
Operating Fund			
Cash - Treasurer	D-5	\$ 2,777,949.24	\$ 2,426,732.90
		<u>2,777,949.24</u>	<u>2,426,732.90</u>
Receivables with Full Reserves			
Consumer Accounts Receivable	D-7	1,333,742.75	1,372,636.06
Water & Sewer Liens	D-8	12,549.85	12,549.85
		<u>1,346,292.60</u>	<u>1,385,185.91</u>
Deferred Charges			
Overexpenditure of Appropriation	D-4	6,931.29	
		<u>6,931.29</u>	
Total Operating Fund		<u>4,131,173.13</u>	<u>3,811,918.81</u>
Capital Fund			
Cash - Treasurer	D-5	384,070.40	436,684.05
Fixed Capital	D-9	59,197,321.77	58,330,175.20
Fixed Capital Authorized and Uncompleted	D-10	2,144,117.40	1,182,344.97
Due from General Capital	C		3,111.97
		<u>61,725,509.57</u>	<u>59,952,316.19</u>
Total Capital Fund		<u>\$ 65,856,682.70</u>	<u>\$ 63,764,235.00</u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT D
(Continued)

COMPARATIVE BALANCE SHEET - WATER AND SEWER
UTILITY FUND - REGULATORY BASIS

LIABILITIES, RESERVES, AND FUND BALANCE	Ref.	Balance Dec. 31, 2017	Balance Dec. 31, 2016
Operating Fund			
Liabilities:			
Appropriation Reserves	D-4:D-11	\$ 1,508,342.42	\$ 965,198.69
Encumbrances Payable	D-12	254,139.12	400,682.34
Accrued Interest on Bonds & Notes	D-13	158,864.08	165,822.30
Utility Rent Overpayments	D-5	19,137.45	27,465.90
Due General Capital			11,547.00
Reserve for Engineering Escrow		1,175.00	1,175.00
		<u>1,941,658.07</u>	<u>1,571,891.23</u>
Reserve for Receivables		1,346,292.60	1,385,185.91
Fund Balance	D-1	843,222.46	854,841.67
		<u>4,131,173.13</u>	<u>3,811,918.81</u>
Capital Fund			
Serial Bonds Payable	D-17	7,495,732.00	8,632,380.66
Bond Anticipation Notes Payable	D-18	926,888.00	934,788.00
New Jersey Wastewater Loan Payable	D-19	5,975,272.52	6,676,673.71
Improvement Authorizations:			
Funded	D-16	55,325.15	109,987.03
Unfunded	D-16	1,400,000.00	8,709.57
Encumbrances Payable	D-12	10,056.65	187,877.70
Capital Improvement Fund	D-14	13,087.38	723.00
Reserve for Debt Service	D-20	167,504.90	3,111.97
Reserve for Down Payment on Improvements	D-21	96,250.00	96,250.00
Reserve for Amortization	D-15	45,543,546.65	43,259,968.23
Fund Balance	D-2	41,846.32	41,846.32
		<u>61,725,509.57</u>	<u>59,952,316.19</u>
		<u>\$ 65,856,682.70</u>	<u>\$ 63,764,235.00</u>

The accompanying notes to the financial statements are an integral part of this statement.

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

	Ref.	Year 2017	Year 2016
Revenue and Other Income Realized			
Fund Balance Utilized	D-3	\$ 266,102.80	\$ 687,941.52
Rents	D-3	11,453,062.92	11,974,630.59
Miscellaneous	D-3	226,195.96	216,934.01
Other Credits to Income:			
Encumbrances Canceled	D-12	9,601.22	
Unexpended Balance of Appropriation Reserves	D-11	647,947.43	152,875.19
Total Income		<u>12,602,910.33</u>	<u>13,032,381.31</u>
Expenditures			
Operating	D-4	9,414,840.75	9,083,056.51
Shared Service Agreement	D-4	24,750.00	
Capital Improvements	D-4	450,000.00	400,000.00
Debt Service	D-4	2,199,767.28	2,211,527.23
Statutory Expenditures	D-4	266,000.00	175,538.48
Surplus General Budget			650,000.00
Other Expenditures:			
Interfund Loan Advanced			115,582.82
Total Expenditures		<u>12,355,358.03</u>	<u>12,635,705.04</u>
Excess in Revenue		247,552.30	396,676.27
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	D-4	<u>6,931.29</u>	
Statutory Excess to Fund Balance		254,483.59	
Fund Balance			
Balance January 1	D	<u>854,841.67</u>	<u>1,146,106.92</u>
		1,109,325.26	1,542,783.19
Decreased by:			
Utilization as Anticipated Revenue	D-1	<u>266,102.80</u>	<u>687,941.52</u>
Balance December 31	D	<u>\$ 843,222.46</u>	<u>\$ 854,841.67</u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT D-2

STATEMENT OF FUND BALANCE - WATER AND SEWER
CAPITAL FUND - REGULATORY BASIS

Balance December 31, 2016	Ref. D	\$ 41,846.32
Balance December 31, 2017	D	<u>\$ 41,846.32</u>

EXHIBIT D-3

STATEMENT OF REVENUES - WATER AND SEWER UTILITY FUND - REGULATORY BASIS

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Operating Surplus Anticipated	D-1	\$ 266,102.80	\$ 266,102.80	
Rents	D-3	11,974,630.00	11,453,062.92	\$ (521,567.08)
Miscellaneous	D-3	216,000.00	226,195.96	10,195.96
		<u>\$ 12,456,732.80</u>	<u>\$ 11,945,361.68</u>	<u>\$ (511,371.12)</u>
	Ref. D-4			

Analysis of Realized Revenue

Rents:	Ref.	
Consumer Accounts Receivable:		
Collected	D-7	\$ 11,425,597.02
Overpayments Applied	D-7	27,465.90
	D-3	<u>\$ 11,453,062.92</u>
Miscellaneous:		
Water and Sewer Interest		\$ 90,252.91
National Park Wheeling Fee		14,240.00
Meter Replacement		58,295.05
Fire Hydrant Receipts		8,096.60
Water Permits		13,600.00
Sewer Permits		8,500.00
Miscellaneous		30,020.41
Interest on Investments		3,190.99
	D-3:D-5	<u>\$ 226,195.96</u>

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - WATER AND SEWER UTILITY FUND - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved		
Operating:							
Salaries and Wages	\$ 1,388,681.00	\$ 1,388,681.00	\$ 1,330,185.75		\$ 58,495.25		
Other Expenses	8,026,585.72	8,026,159.75	6,442,814.90	\$ 137,385.12	1,445,959.73		
Shared Service Agreements							
Logan Township Administrator	24,750.00	24,750.00	23,650.00		1,100.00		
Capital Improvements:							
Capital Outlay	450,000.00	450,000.00	333,238.86	116,754.00	7.14		
Debt Service:							
Payment of Bond Principal	1,121,335.03	1,121,761.00	1,121,761.00				
Payment of Bond Anticipation Notes	25,000.00	25,000.00	7,900.00			\$ 17,100.00	
Interest on Bonds	269,811.10	269,811.10	258,727.62			11,083.48	
Interest on Notes	10,000.00	10,000.00	16,931.29				\$ 6,931.29
Loan Principal and Interest	874,569.95	874,569.95	794,447.37			80,122.58	
Statutory Expenditures:							
Public Employees' Retirement System	165,244.78	165,244.78	165,244.78				
Social Security System (OASI)	100,755.22	100,755.22	97,974.92		2,780.30		
	<u>\$ 12,456,732.80</u>	<u>\$ 12,456,732.80</u>	<u>\$ 10,592,876.49</u>	<u>\$ 254,139.12</u>	<u>\$ 1,508,342.42</u>	<u>\$ 108,306.06</u>	<u>\$ 6,931.29</u>
Ref.	D-3	D-4		D-12	D		
		Ref.					
Interest on Bonds and Notes		D-13	\$ 456,119.34				
Disbursed		D-5	10,136,757.15				
			<u>\$ 10,592,876.49</u>				

The accompanying notes to the financial statements are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

EXHIBIT E

STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS

	Balance Dec 31, 2017	Balance Dec 31, 2016
Buildings & Grounds	\$ 50,223,508.00	\$ 50,217,253.00
Land	28,683,900.00	28,684,200.00
Furniture & Equipment	5,139,909.66	4,939,303.54
Vehicles	6,871,238.67	7,035,130.66
	<u>\$ 90,918,556.33</u>	<u>\$ 90,875,887.20</u>
Investment in General Fixed Assets	<u>\$ 90,918,556.33</u>	<u>\$ 90,875,887.20</u>

The accompanying notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS
(Regulatory Basis)

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Township of West Deptford included every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of West Deptford, as required by NJSA 40A:5-5.

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Township is obligated for debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt or the levying of the taxes. The Township's component units are listed below:

West Deptford Free Public Library

B. Description of Funds and Account Groups

The accounting policies of the Township of West Deptford 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 West Deptford accounts for its transactions through the following separate funds and accounts as presented below. This presentation differs from the funds required by GAAP.

Current Fund - Resources and expenditures for governmental operations of a general nature, including Federal and State Grant Funds.

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

General Capital Fund - Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. In addition, the fund is used to track the status of debt authorized for capital projects.

Water & Sewer Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally-owned Water & Sewer Utility.

Payroll/Payroll Agency Account - Receipt and disbursement of funds to meet obligations to employees and payroll tax liabilities.

General Fixed Assets - To account for fixed assets used in governmental operations.

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities in the State of New Jersey differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. A modified accrual basis of accounting is followed with minor exceptions. The more significant accounting principles are as follows:

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Receipts from federal and state grants are realized as revenue when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. Fund balance utilized to balance the budget is recorded as revenue and budgeted transfers from other funds are also recorded as revenue when anticipated in the budget. This method of revenue recognition differs from accounting principles generally accepted in the United States of America which recognizes revenue in the accounting period in which it is earned net of allowances for doubtful accounts.

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods and services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Grant appropriations are charged upon budget adoption to create separate spending reserves. Budgeted transfers to other funds are recorded as expenditures when the budget is adopted, to the extent permitted or required by law. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis. This method differs from accounting principles generally accepted in the United States of America which requires that expenditures be recorded when services are rendered or goods are received. Under accounting principles generally accepted in the United States of America appropriation reserves do not exist and encumbrances do not constitute expenditures.

Property Taxes - The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by the 11th day of the 11th month, in the year levied, are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et seq.

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Property Taxes (Continued) - The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county. The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Township's annual budget protects the Township from those taxes not paid. The minimum amount of the reserve is determined by the percentage of collections experienced in the preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. Under accounting principles generally accepted in the United States of America, a "Reserve for Uncollected Taxes" would not be an appropriation.

Interest on Delinquent Taxes - It is the policy of the Township to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Under accounting principles generally accepted in the United States of America, foreclosed property would be recorded at historical cost and no reserve would be provided.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. Under accounting principles generally accepted in the United States of America inter-funds are not reserved.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. Under accounting principles generally accepted in the United States of America inventory would be recorded as an asset on the balance sheet.

Insurance - Cost of insurance for all funds are recorded as expenditures at the time of payment. Under accounting principles generally accepted in the United States of America, insurance costs chargeable to future periods would be recorded as prepayments on the balance sheet.

General Fixed Assets - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Township has developed a fixed assets accounting and reporting system.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

All fixed assets are recorded at historical cost or estimated historical cost if actual historical cost is not available except for land, which is valued at estimated market value on the date of acquisition. The Township capitalizes fixed assets with an original cost in excess of \$2,000.00.

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

No depreciation has been provided for in the financial statements.

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

Property and equipment purchased by the Water & Sewer Utility Fund is recorded in the respective capital account at cost and are adjusted for dispositions and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balances in Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Fund represent charges to operations for the costs of acquisition of property, equipment, and improvements. The utility does not record depreciation on fixed assets.

Proprietary Fund - Cash Flows Statement - In accordance with the reporting requirements of the Division of Local Government Services, the utility fund's financial statements do not include a statement of cash flows.

General Long-Term Debt - General Long-Term Debt is accounted for in the General Capital and Utility Capital Fund. Accounting principles generally accepted in the United States of America require General Long-Term Debt to be accounted for in the General Long-Term Debt Account Group.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America or the regulatory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Capitalization of Interest - It is the policy of the Township to capitalize interest in the Utility Capital Fund on projects during the construction phase.

Tax Appeals and Other Contingent Losses - Losses which arise from tax appeals and other contingent losses are recognized at the time an unfavorable decision is rendered by an administrative or judicial body.

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Comparative Data

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the Township's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis since their inclusion would make the statements unduly complex and difficult to read.

E. Recent Accounting Pronouncements Not Yet Effective

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement is effective for periods beginning after June 15, 2017. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 83, "Certain Asset Retirement Obligations." This statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's). The Statement is effective for period's beginning after June 15, 2018. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 84, "Fiduciary Activities." The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Statement is effective for reporting periods beginning after December 15, 2018. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 85, "Omnibus 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. This Statement is effective for periods beginning after June 15, 2017. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 86, "Certain Debt Extinguishment Issues." The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement is effective for periods beginning after June 15, 2017. Management has not yet determined the impact of this Statement on the financial statements.

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Recent Accounting Pronouncements Not Yet Effective (Continued)

Statement No. 87, "Leases." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement is effective for periods beginning after December 15, 2019. Management does not expect this Statement will have an impact on the financial statements.

In April 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements." This statement, which is effective for periods beginning after June 15, 2018. Management has not yet determined the impact of this Statement on the financial statements.

NOTE 2: BUDGETARY INFORMATION

The Township must adopt an annual budget in accordance with NJSA 40A:4 et seq. This budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. This protects the Township from taxes not paid currently. Once approved, the Township may make emergency appropriations for a purpose which is not foreseen at the time the budget is adopted per NJSA 40A:4-46 and 54. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety or welfare prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. Budget transfers between appropriation accounts are prohibited until the last two months of the year. Budget transfers during the year were not significant. After approval from the Director, the Township can also make amendments for any special item of revenue made available by any public or private funding source as per NJSA 40A:4-87.

The Township amended the budget during the year by the insertion of Special Items of Revenue in the amount of \$51,273.29 for various grants as detailed on Exhibit A-2.

NOTE 3: CASH AND CASH EQUIVALENTS

Custodial Credit Risk – Deposits

Custodial Credit Risk is the risk that in the event of a bank failure, the government's deposits may not be able to recover the value of its deposits or investments. Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. The municipality's policy is based on New Jersey Statutes requiring cash to be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in NJSA 40A:5-15.1(a) that are treated as cash equivalents.

At December 31, 2017 and 2016, the carrying amount of the Township's deposits was \$20,291,421.73 and \$13,823,806.69, respectively. As of December 31, 2017 and 2016, \$0 of the municipality's bank balance of \$19,860,615.81 and \$14,638,032.40, respectively, was exposed to Custodial Credit Risk.

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 4: INVESTMENTS

As of December 31, 2017 or 2016, the Township did not have any investments other than for LOSAP.

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

Credit Risk - NJSA 40A:5-15.1(a) limits municipal investments to those specified in the statutes. The type of allowable investments are Bonds or other obligations of the United States or obligations guaranteed by the United States, Bonds or other obligations of the Township or Bonds or other obligations of the Township school district, Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of Treasury for investment by local units, government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk - The Township places no limit on the amount the Township may invest in any one issuer.

Unaudited Investments - As more fully described in Note 14, the Township has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et seq. except that all investments are retained in the name of the Township. All investments are valued at contract value. In accordance with NJAC 5:30-14.37, the investments are maintained by Lincoln Financial Group, which is an authorized provider approved by the Division of Local Government Services. The balance in the accounts on December 31, 2017 and 2016, amounted to \$1,485,469.08 and \$1,276,653.77, respectively. The information on 5% or more invested with Variable Annual Life Insurance Company is not yet available.

NOTE 5: FUND BALANCES APPROPRIATED

	Year	Balance December 31	Utilized in Budget of Succeeding Year
Current Fund	2017	\$ 5,111,673.86	\$ 767,045.26
	2016	2,612,974.18	734,176.37
	2015	1,244,204.45	375,000.00
	2014	971,234.12	564,595.87
	2013	2,692,954.23	2,010,000.00
Utility Fund	2017	843,222.46	313,681.02
	2016	854,841.67	266,102.80
	2015	1,146,106.92	687,941.52
	2014	1,756,986.85	693,597.50
	2013	1,589,997.60	921,811.00

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 6: RISK MANAGEMENT

The Township is exposed to various risks or loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Township maintains commercial insurance coverage for property, liability, and surety bonds. Any potential liability of the Township with respect to loss claims would be equal to the deductibles associated with policies and an event, which may exceed coverage limits. There have not been any significant reductions in insurance coverage amounts.

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 Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Township's Trust Fund for the current year and previous two years:

Year	Employee Contributions	Amount Reimbursed	Transfer from/to Current	Balance Dec. 31
2017	\$ 16,319.34	\$ 21,145.07	\$ 40,045.33	\$ 111,204.79
2016	15,733.55	15,064.66	(3,881.19)	75,985.19
2015	14,784.70	81,480.20	26,788.15	79,197.49

NOTE 7: FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group for the year ending December 31, 2017:

	Balance Dec. 31, 2016	Additions	Deletions	Balance Dec. 31, 2017
Buildings and Grounds	\$ 50,223,508.00			\$ 50,223,508.00
Land	28,683,900.00			28,683,900.00
Furniture and Equipment	5,155,864.66		\$ 15,955.00	5,139,909.66
Vehicles	6,812,614.54	\$ 222,606.12	163,981.99	6,871,238.67
	<u>\$ 90,875,887.20</u>	<u>\$ 222,606.12</u>	<u>\$ 179,936.99</u>	<u>\$ 90,918,556.33</u>

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 8: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

At December 31, 2017, the following deferred charges are shown on the balance sheets of the various funds.

	<u>Balance Dec. 31, 2017</u>	<u>Raised in 2018 Budget</u>
Current Fund:		
Overexpenditure of Appropriations	\$ 629.00	\$ 629.00
Utility Fund:		
Overexpenditure of Appropriations	6,931.29	6,931.29

NOTE 9: ACCUMULATED ABSENCE BENEFITS

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. The liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Township and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Township and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

Employees of the Township are entitled to paid vacation and paid sick days depending on job classification, length of service, and other factors. Employees are represented by a number of labor unions, and each contract contains different provisions for employee-compensated absences.

The total value of compensated absences owed to employees as of December 31, 2017 and 2016, was \$567,462.42 and \$531,719.37, respectively.

NOTE 10: TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. The following is a comparison of the liability for the current and previous year:

	<u>Balance Dec. 31, 2017</u>	<u>Balance Dec. 31, 2016</u>
Prepaid Taxes - Cash Liability	<u>\$ 1,503,667.59</u>	<u>\$ 468,109.77</u>

NOTE 11: ECONOMIC DEPENDENCY

The Township of West Deptford is not economically dependent on any one business or industry within the Township.

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following schedule reconciles interfund receivables and payables for the year ended December 31, 2017:

	<u>Due From</u>	<u>Due To</u>
Current Fund		
Trust Other	\$ 21,656.30	
General Capital	172,449.84	
Grant Fund		\$ 61,837.48
Federal and State Grant Fund		
Current Fund	61,837.48	
Trust Other		
Current Fund		21,656.30
Unemployment Trust	16,319.34	16,319.34
Public Defender	1,879.00	
Mayor's Fund		1,879.00
General Capital Fund		
Utility Operating		172,449.84
	<u>\$ 274,141.96</u>	<u>\$ 274,141.96</u>

The purpose of these interfunds are short-term borrowings.

NOTE 13: DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salary and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation is not available for withdrawal by employees until termination, retirement, death or unforeseeable emergency.

An unrelated financial institution administers the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employees.

As part of its fiduciary role, the Township has an obligation of due care in selecting third party administrators. The independent administrators are Nationwide Retirement Systems, Equitable, and Annuity Life Insurance Company.

NOTE 14: LENGTH OF SERVICE AWARD PROGRAM

During the year 2001, the voters of the Township of West Deptford approved the establishment of a Length of Service Awards Program (LOSAP) Deferred Compensation Plan. This plan was approved by voters of the Township of West Deptford by referendum at the general election on November 6, 2001. This plan is made available to all bona fide eligible volunteers who are performing qualified services which are defined as firefighting services pursuant to section 457 of the Internal Revenue Code of 1986, as amended, except for provisions added by reason of

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 14: LENGTH OF SERVICE AWARD PROGRAM (CONTINUED)

the LOSAP, as enacted into federal law in 1997. The establishment of this LOSAP also complies with New Jersey Public Law of 1997, Chapter 338, and the LOSAP document. The balance is subject to the general creditors of the Township.

Contributions by the Township for qualified participants were \$71,300.00 and \$65,550.00 for 2017 and 2016, respectively. These payments are made in the subsequent year for participants who met the required qualifications. The assets of the plan are held by an independent administrator, Lincoln Financial Group.

NOTE 15: PENSION FUNDS

Description of Plans - All eligible employees of the Township are covered by either the Public Employees' Retirement System, (PERS) or the Police and Firemen's Retirement System (PFRS), a cost-sharing, multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). 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 Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the PERS and PFRS. The reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at: <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

Police and Firemen's Retirement System (PFRS) - The Police and Firemen's Retirement System was established in July 1944, under the provisions of NJSA 43:16A, to provide coverage to substantially all full-time county or municipal police and fire-fighters and State fire-fighters appointed after June 30, 1944. Enrollment is required for permanent, full-time employees appointed to positions of law enforcement or firefighting in the State of New Jersey.

Funding Policy -The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provide for employee contributions of 7.20% to 7.34% of employees' annual compensation, as defined. Subsequent increases will be phased in over 7 years (each July 1) to bring the total pension contribution rate to 7.5% as of July 1, 2018. PFRS provides for employee contributions of 10% thereafter of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS and PFRS. The PERS and PFRS rates in effect for 2016 are 12.91% and 25.51%, respectively, of covered payroll, as reported on June 30, 2015. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 15: PENSION FUNDS (CONTINUED)

Funding Policy (Continued) - The Township's contributions to PERS for the years ending December 31, 2017, 2016, and 2015, were \$640,221.00, \$633,654.00, and \$675,324.00, respectively, equal to the required contributions for each year. The Township's contributions to PFRS for the years ending December 31, 2017, 2016, and 2015, were \$890,952.00, \$922,740.00, and \$909,939.00, respectively, equal to the required contributions for each year.

Defined Contribution Retirement Program (DCRP) - The Township established Defined Contribution Retirement Program by ordinance on December 4, 2008, as required by Chapter 92 of the Laws of 2007 and NJSA 43:15C-1 et seq. DCRP provides for employee contributions of 5 1/2% of employees' annual base salary. Employers are required to contribute 3% of the employees' base salary. The Township's contributions to DCRP for the years ending December 31, 2017 and 2016, were \$2,956.38 and \$2,757.45, respectively, equal to the required contributions for each year.

Significant Legislation - Chapter 78, P.L. 2011, effective June 28, 2011, made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011, (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011, (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 15: PENSION FUNDS (CONTINUED)

Significant Legislation (Continued) - Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer.

Pension service credit will be earned for the highest paid position only. For new members of the PERS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program (DCRP).

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006, report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

NOTE 16: POST-EMPLOYMENT HEALTHCARE PLAN

Plan Description - The Township of West Deptford contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under NJSA 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2015, the Township of West Deptford authorized participation in the SHBP's post-retirement benefit program through resolution number R-2015-89. All employees who were part of a state administered pension system and have at least 25 years of government service are eligible to participate in the program.

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 16: POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

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

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township of West Deptford on a monthly basis.

The Township of West Deptford's contributions to SHBP for the period January 1 through December 31, 2017, was \$1,581,008.19, which equaled the required contributions for retirees for the year. There were approximately 78 retired participants eligible at December 31, 2017.

Plan Description - Township of West Deptford, New Jersey post-employment Healthcare Plan is a single-employer defined benefit healthcare plan administered by MetLife. They provide dental coverage to eligible retirees.

Funding Policy - The contribution requirements of the Township healthcare plan are established by negotiated labor contracts and the Township employee manual. The required contribution is based on projected pay-as-you-go financing requirements. For calendar year 2017, the Township contributed \$80,000.00 to the plan for current premiums. Plan members receiving benefits are not required to make contributions.

Annual OPEB Cost and Net OPEB Obligation - The Township's annual other post-employment 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 (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Township's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Township's net OPEB obligation to the plan.

At December 31, 2017, the estimated actuarial accrued liability of benefit obligations and annual required contributions (ARC) of the Township for other post-employment benefits are:

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 16: POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation (Continued)

Net OPEB Obligation - Beginning of Year	\$ 0.00
Annual OPEB Cost	950,000.00
Less: Contributions Made	<u>80,000.00</u>
Increase in Net OPEB Obligation	<u>870,000.00</u>
Net OPEB Obligation - End of Year	<u><u>\$ 870,000.00</u></u>

Funded Status and Funding Progress - As of December 31, 2017, the Township is considered to be an unfunded plan. There are no plan assets. The retiree benefits are paid annually on a cash basis.

Actuarial valuations of an ongoing plan involve 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 healthcare cost trend.

The Actuarial Accrued Liability ("AAL") is the present value of all future expected post-retirement dental payments and administrative costs which are attributable to past service. The Township's unfunded AAL is estimated to be \$10,700,000.00 as of December 31, 2017.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of 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. The December 31, 2016, actuarial valuation, utilized the projected unit credit method with amortization on a level dollar basis, was utilized for a period of 30 years.

NOTE 17: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS

New Jersey municipalities do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, NJAC 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 68 & GASB 71 information in the Notes to the Financial Statements. The following disclosures meet the requirements of GASB 68 & GASB 71 for the PERS and PFRS retirement systems.

Public Employee's Retirement System - At December 31, 2017, the Township's proportionate share of net pension liability was \$15,688,109. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Township's proportion of the net

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 17: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS

Public Employee's Retirement System (Continued) – pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017 and 2016, the Township's allocation percentage was 0.0673934134% and 0.0681993180%, respectively.

For the year ended December 31, 2017, the Township's pension expense would have been \$1,393,765 if New Jersey municipalities followed GAAP accounting principles. The Township's deferred outflows of resources and deferred inflows of resources (which are not recorded) related to PERS are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions		\$ 1,308,572
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 199,902	
Changes in Proportion and Differences Between the Township's Contributions and Proportionate Share of Contributions		610,581
Difference Between Expected and Actual Experience	210,663	
	<u>\$ 410,565</u>	<u>\$ 1,919,153</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are not recognized in pension expense since New Jersey municipalities do not follow GAAP accounting principles.

If GAAP accounting principles were followed, the other amounts reported as deferred outflows of resources and deferred inflows of resources would have been recognized in pension expense as follows:

Year Ended December 31,	Amount
2019	\$ (225,858)
2020	(3,169)
2021	(173,131)
2022	(693,562)
2023	(412,868)
	<u>\$ (1,508,588)</u>

Additional information – Collective balances at June 30, 2016 and 2017, are as follows:

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 17: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS

Public Employee's Retirement System (Continued)

	June 30, 2017	June 30, 2016
Collective Deferred Outflows of Resources	\$ 5,396,431,901	\$ 7,815,204,785
Collective Deferred Inflows of Resources	4,672,602,040	
Collective Net Pension Liability	<u>23,278,401,588</u>	<u>29,617,131,759</u>
Township's Proportion	0.0673934134%	0.0681993180%

Contributions - The contribution policy for PERS is set by NJSA 15A and requires contributions by active members and contributing employers. The Township's contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

Actuarial Assumptions

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

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

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

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

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 17: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)

Actuarial Assumptions (Continued) - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pension and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notices.shtml>.

Police and Firemen's Retirement System - At December 31, 2017, the Township's proportionate share of net pension liability for Police was \$17,895,852. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Township's proportion was 0.1159202942% compared to 0.1092735978% at June 30, 2016.

For the year ended December 31, 2017, the Township's pension expense would have been \$2,563,585 if New Jersey municipalities followed GAAP accounting principles. The Township's deferred outflows of resources and deferred inflows of resources (which are not recorded) related to PFRS are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions		\$ 2,098,442
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 411,598	
Changes in Proportion and Differences Between the Township's Contributions and Proportionate Share of Contributions	880,919	
Difference Between Expected and Actual Experience	72,512	
	<u>\$ 1,365,029</u>	<u>\$ 2,098,442</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are not recognized in pension expense since New Jersey municipalities do not follow GAAP accounting principles.

If GAAP accounting principles were followed, the other amounts reported as deferred outflows of resources and deferred inflows of resources would have been recognized in pension expense as follows:

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 17: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)

Police and Firemen's Retirement System (Continued)

Year Ended December 31,	Amount
2019	\$ 98,812
2020	457,003
2021	(58,205)
2022	(884,244)
2023	(346,779)
	<u>\$ (733,413)</u>

Additional information – Collective balances at June 30, 2016 and 2017, are as follows:

	June 30, 2017	June 30, 2016
Collective Deferred Outflows of Resources	\$ 2,298,433,198	\$ 3,984,339,036
Collective Deferred Inflows of Resources	2,618,912,538	125,220,083
Collective Net Pension Liability	<u>17,167,260,198</u>	<u>20,706,699,056</u>
 Township's Proportion	 0.1159202942%	 0.1092735978%

Contributions

The contribution policy for PFRS is set by NJSA 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The Township's contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

Actuarial Assumptions

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

Inflation Rate	2.25%
Salary Increases:	
Through 2026	2.10 – 8.98% Based on Age
Thereafter	3.50 – 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

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 17: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)

Actuarial Assumptions (Continued)

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, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pension and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notices.shtml>.

A special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993, and Chapter 201, P.L. 2001. The June 30, 2017 and June 30, 2016, special funding situation net pension liability amounts of \$2,004,486 and \$1,752,903 for Police are the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date.

NOTE 18: LABOR CONTRACTS

As of December 31, 2017, the Township's employees are organized in the following collective bargaining units:

Public Works Committee - Term of contract is January 1, 2014 through December 31, 2016.

PBA Local #122 - Term of contract is January 1, 2014 through December 31, 2018.

PBA Superior Officers - Term of contract is January 1, 2014 through December 31, 2018.

NOTE 19: SCHOOL TAXES

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the School District. In the Township's case, the amount of \$16,634,240.50 would be the maximum amount permitted to be deferred as of December 31, 2017, under these regulations. The Township has elected to defer school taxes as stated below.

Local School District Tax has been raised and liabilities deferred by statute, resulting in the school taxes payable set forth in the Current Fund liabilities as follows:

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 19: SCHOOL TAXES (CONTINUED)

	Balance Dec. 31, 2017	Balance Dec. 31, 2016
Local School Taxes:		
Balance of Tax	\$ 15,144,125.53	\$ 14,730,219.58
Deferred	13,540,017.68	13,540,017.68
Tax Payable	<u>\$ 1,604,107.85</u>	<u>\$ 1,190,201.90</u>

NOTE 20: LONG-TERM DEBT

Summary of Municipal Debt Service

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

	Year 2017	Year 2016	Year 2015
Bonds, Notes, and Loans Issued	\$ 106,039,032.49	\$ 112,764,533.68	\$ 120,324,335.79
Bonds and Notes Authorized But Not Issued	<u>1,989,654.50</u>	<u>3,588,016.00</u>	<u>2,235,000.00</u>
Net Bonds, Notes, and Loans Issued and Authorized But Not Issued	<u>\$ 108,028,686.99</u>	<u>\$ 116,352,549.68</u>	<u>\$ 122,559,335.79</u>

	Balance 12/31/2016	Increased	Retired/ Reduction	Balance 12/31/2017	Balance Due in One Year
Issued:					
General:					
Serial Bonds Payable	\$ 93,804,619.35	\$ 14,040,223.00	\$ 21,670,574.35	\$ 86,174,268.00	\$ 5,818,757.00
Bond Anticipation Note	2,716,072.00	2,898,345.00	147,545.00	5,466,872.00	147,545.00
Utility:					
Serial Bonds Payable	8,632,380.65	174,777.00	1,311,425.65	7,495,732.00	1,151,243.00
Bond Anticipation Note	934,788.00		7,900.00	926,888.00	7,900.00
Loans	6,676,673.71		701,401.19	5,975,272.52	703,510.06
Authorized But Not Issued:					
General:					
Bonds and Notes	3,579,306.43	2,898,345.00	5,887,996.93	589,654.50	
Utility:					
Bonds and Notes	8,709.57	1,400,000.00	8,709.57	1,400,000.00	
	<u>\$ 116,352,549.71</u>	<u>\$ 21,411,690.00</u>	<u>\$ 29,735,552.69</u>	<u>\$ 108,028,687.02</u>	<u>\$ 7,828,955.06</u>

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 20: LONG-TERM DEBT (CONTINUED)

Summary of Municipal Debt Service (Continued)

Permanently Funded Debt as of December 31, 2017, consisted of the following:

\$9,945,000.00 General Obligation Bonds dated October 2001, payable in annual installments through October 2027. Interest is paid semi-annually at a rate of 3.25% per annum. The balance remaining at December 31, 2017, was \$5,610,000.00.

\$5,918,380.00 General Obligation Bonds dated September 2008, payable in annual installments through September 2018. Interest is paid semi-annually at a rate of 3.82% per annum. The balance remaining at December 31, 2017, was \$1,176,240.00.

2,836,620.00 Utility Obligation Bonds dated September 2008, payable in annual installments through September 2018. Interest is paid semi-annually at a rate of 3.82% per annum. The balance remaining at December 31, 2017, was \$563,760.00.

\$8,385,000.00 General Obligation Refunding Bonds dated September 2010, payable in annual installments through September 2019. Interest is paid semi-annually at a rate of 3.00% - 4.00% per annum. The balance remaining at December 31, 2017, was \$2,265,000.00.

\$30,930,000.00 General Obligation Refunding Bonds dated August 2012, payable in annual installments through July 2032. Interest is paid semi-annually at a rate of 3.25% - 3.50% per annum. The balance remaining at December 31, 2017, was \$10,800,000.00.

\$8,298,673.00 General Obligation Refunding Bonds dated November 2012, payable in annual installments through September 2028. Interest is paid semi-annually at a rate of 2.00% - 4.00% per annum. The balance remaining at December 31, 2017, was \$5,618,000.00.

\$3,180,000.00 General Obligation Refunding Bonds dated November 2012, payable in annual installments through September 2019. Interest is paid semi-annually at a rate of 2.667% - 2.917% per annum. The balance remaining at December 31, 2017, was \$960,000.00.

\$5,986,327.00 Utility Obligation Refunding Bonds dated November 2012, payable in annual installments through September 2028. Interest is paid semi-annually at a rate of 2.00% - 4.00% per annum. The balance remaining at December 31, 2017, was \$4,047,000.00.

\$50,776,834.00 General Obligation Refunding Bonds dated November 2014, payable in annual installments through September 2030. Interest is paid semi-annually at a rate of 3.00% - 5.00% per annum. The balance remaining at December 31, 2017, was \$45,754,379.00.

\$3,008,166.00 Utility Obligation Refunding Bonds dated November 2014, payable in annual installments through September 2030. Interest is paid semi-annually at a rate of 3.00% - 5.00% per annum. The balance remaining at December 31, 2017, was \$2,710,621.00.

\$14,040,223.00 General Obligation Refunding Bonds dated May 2017, payable in annual installments through July 2027. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2017, was \$13,990,649.00.

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 20: LONG-TERM DEBT (CONTINUED)

Summary of Municipal Debt Service (Continued)

\$174,777.00 Utility Obligation Refunding Bonds dated May 2017, payable in annual installments through July 2022. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2017, was \$174,351.00.

\$690,000.00 NJ Environmental Infrastructure Loan dated November 2004, payable in annual installments through August 2024. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2017, was \$325,000.00.

\$711,288.00 NJ Environmental Infrastructure Loan dated November 2004, payable in semi-annual installments through August 2024. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2017, was \$255,358.85.

\$1,840,000.00 NJ Environmental Infrastructure Loan dated November 2004, payable in annual installments through August 2024. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2017, was \$860,000.00.

\$2,672,058.00 NJ Environmental Infrastructure Loan dated November 2004, payable in semi-annual installments through August 2024. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2017, was \$606,991.99.

\$410,000.00 NJ Environmental Infrastructure Loan dated November 2007, payable in annual installments through August 2027. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2017, was \$255,000.00.

\$401,631.00 NJ Environmental Infrastructure Loan dated November 2007, payable in semi-annual installments through August 2027. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2017, was \$204,346.90.

\$3,045,000.00 NJ Environmental Infrastructure Loan dated November 2007, payable in annual installments through August 2027. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2017, was \$1,915,000.00.

\$3,023,500.00 NJ Environmental Infrastructure Loan dated November 2007, payable in semi-annual installments through August 2027. Interest is paid semi-annually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2017, was \$1,553,574.78.

Defeased Debt

\$14,215,000.00 General Obligation Refunding Bonds, Series 2017 dated May 18, 2017, payable in annual installments through July 1, 2027. The Refunding Bonds were issued with a net interest costs of 2.513607% to advance refund \$2,227,000 aggregate principal amount maturing serially on November 1 in the years 2018 and 2019, \$1,342,000 Term Bond maturing on November 1, 2022, and \$13,745,000 aggregate principal amount of the Township's General Obligation Refunding Bonds, Series 2012, dated September 10, 2012, maturing serially on July 1 in the years 2018 through 2027, both dates inclusive.

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 20: LONG-TERM DEBT (CONTINUED)

Defeased Debt (Continued)

The net proceeds of \$16,297,568.88 including a premium of \$2,263,152.25 and net of payments of \$59,468.20 in underwriting fees, \$35,640.87 in bond insurance, and \$82,000.00 of issuance costs were used to purchase U.S. Government Securities. The advance refunding met the requirements for an in-substance debt defeasance and the bonds were removed from the Township's financial statements. As a result of the advance refunding, the Township had an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,933,739.94.

**Schedule of Annual Debt Service for Principal and Interest For Bonded
Debt Issued and Outstanding**

Year Ended	Principal	Interest	Total
2018	\$ 7,676,510.06	\$ 3,735,169.96	\$ 11,411,680.02
2019	7,382,844.27	3,467,996.22	10,850,840.49
2020	6,957,954.77	3,227,261.26	10,185,216.03
2021	7,212,515.07	2,960,898.76	10,173,413.83
2022	7,388,348.08	2,683,973.76	10,072,321.84
2023-2027	37,532,100.27	8,670,042.52	46,202,142.79
2028-2032	25,495,000.00	2,088,912.50	27,583,912.50
	<u>\$ 99,645,272.52</u>	<u>\$ 26,834,254.98</u>	<u>\$ 126,479,527.50</u>

SUMMARY OF STATUTORY DEBT CONDITION – ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 2.925%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 13,345,000.00	\$ 13,345,000.00	
Water & Sewer Debt	15,797,892.52	15,797,892.52	
General Debt	92,230,794.50	25,714,045.78	\$ 66,516,748.72
	<u>\$ 121,373,687.02</u>	<u>\$ 54,856,938.30</u>	<u>\$ 66,516,748.72</u>

Net Debt \$66,516,748.72/Equalized Valuation Basis per NJSA 40A:2-2 as amended
\$2,274,248,370.67 = 2.925%.

Borrowing Power Under NJSA 40A:2-6 as Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 79,598,692.97
Net Debt	<u>66,516,748.72</u>
Remaining Borrowing Power	<u>\$ 13,081,944.25</u>

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 20: LONG-TERM DEBT (CONTINUED)

Calculation of "Self-Liquidating Purpose" Water & Sewer Utility per NJSA 40:2-45.

Cash Receipts from Fees, Rents, or Other Charges		\$ 11,945,361.68
Deductions:		
Operating and Maintenance Costs	\$ 9,705,590.75	
Debt Service per Water and Sewer Account	<u>2,199,767.28</u>	
		<u>11,905,358.03</u>
Excess in Revenue		<u><u>\$ 40,003.65</u></u>

NOTE 21: BOND ANTICIPATION NOTES

The Township has outstanding at December 31, 2017, a General Capital Bond Anticipation Note, payable to Cede & Company, in the amount of \$2,568,527.00. This note will mature on April 12, 2018, at an interest rate per annum of 2.25%.

The Township has outstanding at December 31, 2017, a Utility Capital Bond Anticipation Note, payable to Cede & Company, in the amount of \$926,888.00. This note will mature on April 12, 2018, at an interest rate per annum of 2.25%.

The Township has outstanding at December 31, 2017, a General Capital Bond Anticipation Note, payable to CBNJ Investments Corp., in the amount of \$2,898,345.00. This note will mature on April 12, 2018, at an interest rate per annum of 1.396%.

NOTE 22: OPERATING LEASES

The Township has commitments to lease two copiers with a term of 60 months. The monthly lease payment is \$370.00.

The Township has a commitment to lease one copier with a term of 48 months. The monthly lease payment is \$272.09.

Future lease payments are as follows:

Year Ended December 31,	Payments
2018	7,705.08
2019	6,225.08
2020	3,265.08
2021	<u>544.18</u>
	<u><u>\$ 17,739.42</u></u>

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 23: TAX ABATEMENT PROGRAMS

The Township entered into long-term tax abatement agreements (in excess of 5 year term) under the provisions of the New Jersey statutes as described below to promote and stimulate redevelopment and rehabilitation.

NJSA 40A:12A-1 et seq. "The Local Redevelopment and Housing Law" (LRHL), which designates "areas in need of redevelopment" as defined in the statute.

NJSA 40A:20-1 et seq. "Long Term Tax Exemption Law," which provides for long-term tax exemption for the LRHL designated areas.

The statutes were utilized by the Township to attract redevelopers. Additionally, in many, but not all of the agreements, the Township retained ownership of the land and charged a ground lease that mitigated the impact of the tax abatement.

For the fiscal year ended December 31, 2017, the Township abated property taxes totaling \$644,928.72, offset by ground leases in the amount of \$134,220.20, for a net effective tax abatement of \$510,708.52. The following agreements were in effect as of December 31, 2017, under the provisions of the aforementioned statutes:

- A 5.21% net effective abatement to a developer for construction and operation of an approximately 14,000 square foot restaurant and bar. The net effective abatement amounted to \$4,625.15.
- A 69.73% net effective abatement to a developer for construction and operation of an 18-hole golf course with tennis facility and other improvements. The net effective abatement amounted to \$115,541.18.
- A 35.09% abatement (no ground lease) to a developer for construction and operation of a solar power general facility. The abatement amounted to \$55,285.00.
- A 0.00% abatement (no ground lease) to a developer for construction and operation of approximately 200 age-restricted apartment units and related amenities. The abatement amounted to \$.05.
- A 63.81% abatement (no ground lease) to a developer for construction and operation of an affordable housing project. The abatement amounted to \$61,562.21.
- An 87.23% abatement (no ground lease) to a developer for construction and operation of a low to moderate income 76-unit apartment complex for elderly residents and one resident manager. The abatement amounted to \$273,694.93.

TOWNSHIP OF WEST DEPTFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 24: CONTINGENCIES

The Township participates in federal and state assisted grant programs. The Township is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

On January 20, 2017, an industrial taxpayer filed a civil action complaint with respect to the tax assessment of its property on the grounds that the assessments are in excess of the true or assessable value of the property. The Township is in ongoing negotiations and no settlement has been reached as of the date of the issuance of these financial statements. There is a probability that a reduction in assessed valuation will occur, but a reasonable estimate of the amount cannot be made.

It is the Township of West Deptford Counsel's opinion that there exists no litigation or contingent liability that may be pending against the Township of West Deptford that would have an adverse effect on the financial position in the future.

NOTE 25: JOINT VENTURES/SHARED SERVICES

On September 17, 2015, the Township of West Deptford entered into a joint venture agreement with the Borough of National Park to provide police services effective January 1, 2016.

On December 16, 2015, the Township of West Deptford entered into a joint venture agreement with the City of Woodbury to provide construction code enforcement services.

On December 7, 2016, the Township of West Deptford entered into a joint venture agreement with the West Deptford Board of Education to provide IT services effective December 7, 2016.

On April 18, 2017, the Township of West Deptford entered into a joint venture agreement with the Township of Logan to provide Administrative services effective April 7, 2017.

NOTE 26: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2017 and June 20, 2018, the date that the financial statements were issued, and no additional items have come to their attention that would require disclosure.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS
(GASB 68 & GASB 71)**

SCHEDULE OF THE TOWNSHIP'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - PERS
Last Four Fiscal Years

	Year Ended			
	12/31/17	12/31/16	12/31/15	12/31/14
Township's Proportion of the Net Pension Liability (Asset)	0.0673934134%	0.0681993180%	0.0697519851%	0.0798331531%
Township's Proportionate Share of the Net Pension Liability (Asset)	\$ 15,688,109	\$ 20,198,682	\$ 15,657,923	\$ 14,946,950
Township's Covered-Employee Payroll	4,962,065	4,580,430	4,732,651	4,773,466
Township's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	316.16%	440.98%	330.85%	313.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.92%	52.08%
Measurement Date	6/30/2017	6/30/2016	6/30/2015	6/30/2014

SCHEDULE OF TOWNSHIP CONTRIBUTIONS - PERS
Last Four Fiscal Years

	Year Ended			
	12/31/17	12/31/16	12/31/15	12/31/14
Contractually Required Contribution	\$ 605,873	\$ 599,680	\$ 658,133	\$ 620,394
Contributions in Relation to the Contractually Required Contribution	605,873	599,680	658,133	620,394
Contribution Deficiency (Excess)	None	None	None	None
Township's Covered-Employee Payroll	\$ 4,962,065	\$ 4,580,430	\$ 4,732,651	\$ 4,773,466
Contributions as a Percentage of Covered-Employee Payroll	12.21%	13.09%	13.91%	13.00%
Measurement Date	6/30/2017	6/30/2016	6/30/2015	6/30/2014

SCHEDULE OF THE TOWNSHIP'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - PFRS
Last Four Fiscal Years

	Year Ended			
	12/31/17	12/31/16	12/31/15	12/31/14
Township's Proportion of the Net Pension Liability (Asset)	0.1159202942%	0.1092735978%	0.1070225868%	0.1116161341%
Township's Proportionate Share of the Net Pension Liability (Asset)	\$ 17,895,852	\$ 20,874,052	\$ 17,826,232	\$ 14,040,274
Township's Covered-Employee Payroll	3,788,839	3,714,130	3,407,833	3,384,014
Township's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	472.33%	562.02%	523.10%	414.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.60%	52.01%	56.30%	62.41%
Measurement Date	6/30/2017	6/30/2016	6/30/2015	6/30/2014

SCHEDULE OF TOWNSHIP CONTRIBUTIONS - PFRS
Last Four Fiscal Years

	Year Ended			
	12/31/17	12/31/16	12/31/15	12/31/14
Contractually Required Contribution	\$ 890,952	\$ 869,934	\$ 857,289	\$ 774,685
Contributions in Relation to the Contractually Required Contribution	890,952	869,934	857,289	774,685
Contribution Deficiency (Excess)	None	None	None	None
Township's Covered-Employee Payroll	\$ 3,788,839	\$ 3,714,130	\$ 3,407,833	\$ 3,384,014
Contributions as a Percentage of Covered-Employee Payroll	23.52%	23.42%	25.16%	22.89%
Measurement Date	6/30/2017	6/30/2016	6/30/2015	6/30/2014

SCHEDULE OF THE TOWNSHIP'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - PFRS
Special Funding Situation
Last Four Fiscal Years

	Year Ended			
	12/31/17	12/31/16	12/31/15	12/31/14
Township's Proportion of the Net Pension Liability (Asset)	0.1159202942%	0.1092735978%	0.1070225868%	0.1116161341%
Township's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,004,486	\$ 1,752,903	\$ 1,563,301	\$ 1,511,902
Township's Covered-Employee Payroll	3,788,839	3,714,130	3,407,833	3,384,014
Township's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	52.91%	47.20%	45.87%	44.68%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.60%	52.01%	56.30%	62.41%
Measurement Date	6/30/2017	6/30/2016	6/30/2015	6/30/2014

The data in the above schedule represents the allocation of the State of New Jersey's obligation on behalf of the Township.

The Police & Firemen's Retirement System is a Cost-Sharing, Multi-Employer Defined Benefit Plan with a Special Funding Situation - 100% of the additional costs incurred by local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993, and Chapter 201, P.L. 2001.

SCHEDULE OF TOWNSHIP CONTRIBUTIONS - PFRS
Special Funding Situation
Last Four Fiscal Years

	Year Ended			
	12/31/17	12/31/16	12/31/15	12/31/14
Contractually Required Contribution	\$ 100,233	\$ 67,166	\$ 81,378	\$ 62,778
Contributions in Relation to the Contractually Required Contribution	100,233	67,166	81,378	62,778
Contribution Deficiency (Excess)	None	None	None	None
Township's Covered-Employee Payroll	\$ 3,788,839	\$ 3,714,130	\$ 3,407,833	\$ 3,384,014
Contributions as a Percentage of Covered-Employee Payroll	2.65%	1.81%	2.39%	1.86%
Measurement Date	6/30/2017	6/30/2016	6/30/2015	6/30/2014

SUPPLEMENTARY INFORMATION

PETRONI & ASSOCIATES LLC

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Deanna L. Roller, CPA, RMA

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 West Deptford
400 Crown Point Road
West Deptford, NJ 08086

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 the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accompanying balance sheets - regulatory basis of the various funds and account group, the related statement of operations and changes in fund balance - regulatory basis, the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the Township of West Deptford, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township of West Deptford's basic financial statements, and have issued our report thereon dated June 20, 2018, which contained an adverse opinion on those financial statements due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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

combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying *Schedule of Findings and Recommendations* that we consider to be a significant deficiency as item 2017-006.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying *schedule of findings and recommendations* as items 2017-001, 2017-002, 2017-003, 2017-004, and 2017-005.

Municipality's Responses to Findings

The Township's responses to the findings identified in our audit in the accompanying *Schedule of Findings and Recommendations* will be addressed in their corrective action plan.

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.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Registered Municipal Accountant #252

June 20, 2018

CURRENT FUND

SCHEDULE OF CURRENT FUND CASH - TREASURER

	Ref.	Current	Grants
	A	<u>\$ 7,208,401.59</u>	<u>\$ 787,514.01</u>
Balance December 31, 2016			
Increased by Receipts:			
Taxes Receivable	A-6	69,899,133.21	
Tax Title Liens	A-7	21,481.75	
Prepaid Taxes	A	1,503,667.59	
Tax Overpayments		33,526.95	
Grants Receivable	A-16		419,708.52
Grants Unappropriated	A-18		71,528.19
Revenue Accounts Receivable	A-10	9,921,243.75	
Due State of New Jersey - Senior Citizen and Veterans Deductions	A-9	230,402.25	
Due State of New Jersey Registrar Fees		2,753.00	
Construction DCA Fees		46,784.00	
Petty Cash		350.00	
Due from Grant Fund	A-4	470,267.35	
Due from Current Fund	A-4		18,476.49
Due General Capital			122,792.91
Due Trust Other		60,474.91	
		<u>82,190,084.76</u>	<u>632,506.11</u>
		<u>89,398,486.35</u>	<u>1,420,020.12</u>
Decreased by Disbursements:			
Current Year Budget Appropriations	A-3	28,445,824.64	
Appropriation Reserves	A-11	515,609.48	
Encumbrances Payable	A-12	632,784.62	212,659.14
Accounts Payable		2,100.00	
Reserve for Grants - Appropriated	A-17		390,033.40
Tax Overpayments		17,587.92	
County Taxes		15,223,481.62	
Due County Added & Omitted Taxes		16,463.67	
Local District School Tax	A-14	32,854,575.05	
Due County - PILOT		240,257.17	
Due State of New Jersey Registrar Fees		2,828.00	
Construction DCA Fees		39,297.00	
Petty Cash		350.00	
Due Grant Fund	A-4	18,476.49	
Due Current Fund	A-4		470,267.35
Due Trust Other		45,588.20	
Prior Year Refunds	A-1	101,301.76	
		<u>78,156,525.62</u>	<u>1,072,959.89</u>
Balance December 31, 2017	A	<u>\$ 11,241,960.73</u>	<u>\$ 347,060.23</u>

SCHEDULE OF CHANGE FUND

Balance December 31, 2016	Ref. A	<u>\$ 1,500.00</u>
Balance December 31, 2017	A	<u><u>\$ 1,500.00</u></u>

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	Levy	Added Taxes	Collected		Overpayments Applied	Overpayments	Canceled	Transferred to Tax Title Liens	Balance
	Dec. 31, 2016			2016	2017					Dec. 31, 2017
2008	\$ 1,923.18									\$ 1,923.18
2010	72.86									72.86
2012	766.59				\$ 766.59					
2013	1,891.23				494.38					1,396.85
2014	777.31				629.21					148.10
2015	8,266.01				4,598.86					3,667.15
2016	778,113.45		\$ 13,443.63		757,256.19		\$ 15,952.86	\$ 7,487.32	\$ 36,690.20	6,076.23
	791,810.63		13,443.63		763,745.23		15,952.86	7,487.32	36,690.20	13,284.37
2017		\$ 70,843,977.16		\$ 468,109.77	69,364,887.98	\$ 54,067.39	17,574.09	84,703.17	170,327.41	719,455.53
	<u>\$ 791,810.63</u>	<u>\$ 70,843,977.16</u>	<u>\$ 13,443.63</u>	<u>\$ 468,109.77</u>	<u>\$ 70,128,633.21</u>	<u>\$ 54,067.39</u>	<u>\$ 33,526.95</u>	<u>\$ 92,190.49</u>	<u>\$ 207,017.61</u>	<u>\$ 732,739.90</u>
Ref.	A								A-7	A
				Ref.						
		Cash - Treasurer		A-4	\$ 69,899,133.21					
		Due State of New Jersey		A-9	229,500.00					
					<u>\$ 70,128,633.21</u>					

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Analysis of Property Tax Levy

Tax Yield

General Purpose Tax:			
Business Personalty Tax	\$	157,488.59	
General Property Tax		70,543,519.70	
		<hr/>	
	\$	70,701,008.29	
Added Taxes (54:4-63.1 et seq.)		142,968.87	
		<hr/>	
	\$	70,843,977.16	
		<hr/>	

Tax Levied

	Ref.		
Local District School Tax (Abstract)	A-14	\$	33,268,481.00
County Taxes:			
County Tax (Abstract)		\$	14,317,870.37
Due County for Open Space			905,611.25
Due County for Added Taxes (54:4-63.1 et seq.)			32,645.39
			<hr/>
Total County Taxes			15,256,127.01
Local Tax for Municipal Purposes	A-2	21,434,017.24	
Minimum Library Tax	A-2	754,481.18	
Add: Additional Taxes Levied		130,870.73	
		<hr/>	
		22,319,369.15	
		<hr/>	
		\$	70,843,977.16
			<hr/>

EXHIBIT A-7

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

Balance December 31, 2016	Ref. A		\$ 1,636,112.44
Increased by:			
Transfers from Taxes Receivable	A-6	\$ 207,017.61	
Interest and Costs		<u>7,073.37</u>	
			<u>214,090.98</u>
			1,850,203.42
Decreased by:			
Cash Receipts	A-4	<u>21,481.75</u>	
			<u>21,481.75</u>
Balance December 31, 2017	A		<u><u>\$ 1,828,721.67</u></u>

EXHIBIT A-8

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

Balance December 31, 2016	Ref. A	<u>\$ 764,800.00</u>
Balance December 31, 2017	A	<u><u>\$ 764,800.00</u></u>

SCHEDULE OF AMOUNT DUE FROM STATE OF NEW JERSEY -
SENIOR CITIZEN AND VETERANS DEDUCTIONS

Balance December 31, 2016	Ref. A		\$ 25,123.64
Increased By:			
Current Year Deductions Per Tax Duplicate		\$ 232,750.00	
Current Year Deductions Allowed by Collector		4,250.00	
Current Year Deductions Disallowed by Collector		(7,500.00)	
		<hr/>	
	A-6	229,500.00	
Prior Year Deductions Disallowed by Collector	A-1	(5,251.11)	
		<hr/>	
			224,248.89
			<hr/>
			249,372.53
Decreased by:			
Cash Receipts	A-4		230,402.25
			<hr/>
Balance December 31, 2017	A		<u><u>\$ 18,970.28</u></u>

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2016	Accrued in 2017	Collected	Balance Dec. 31, 2017
Miscellaneous Revenue Anticipated				
Licenses:				
Alcoholic Beverages		\$ 20,550.00	\$ 20,550.00	
Fees and Permits		150,588.68	150,588.68	
Fines and Costs:				
Municipal Court	\$ 16,353.72	270,724.25	268,486.97	\$ 18,591.00
Interest and Costs on Taxes		177,464.04	177,464.04	
Interest on Investments and Deposits		12,977.35	12,977.35	
Consolidated Municipal Property Tax Relief		123,147.00	123,147.00	
Energy Receipts Tax		1,886,094.00	1,886,094.00	
Borough of National Park Police		545,700.00	545,700.00	
City of Woodbury Construction Code Official		110,000.00	110,000.00	
Uniform Construction Code Fees		757,664.00	757,664.00	
Riverwinds Fees		1,891,764.24	1,891,764.24	
Uniform Fire Safety Act		129,941.47	129,941.47	
Franchise Fees - Cable Television		346,630.71	346,630.71	
Host Community Benefit Agreement		429,364.39	429,364.39	
Reserve for Tax Defeasance		375,709.89	375,709.89	
Payment in Lieu of Taxes		85,964.93	85,964.93	
Rental of Buildings & Grounds		347,590.13	347,590.13	
FHG Restaurant Ground Lease		79,838.74	79,838.74	
LS Power Pilot		1,487,953.87	1,487,953.87	
School Resource Officer		98,383.83	98,383.83	
NJMV Resource Officer		113,880.00	113,880.00	
Miscellaneous Revenue Not Anticipated				
Refunds		154,800.00	154,800.00	
Insurance Refunds		80,792.15	80,792.15	
Donations		1,500.00	1,500.00	
Fuel Purchases		8,016.50	8,016.50	
Off Duty Administrative Fees		28,899.11	28,899.11	
Senior Citizen Administrative Fee		4,517.69	4,517.69	
Vacant Property Fees		68,789.62	68,789.62	
Other Fees		14,052.84	14,052.84	
Sale of Municipal Assets		6,052.72	6,052.72	
Recreation Fees		49,078.00	49,078.00	
Scrap Metal		1,026.00	1,026.00	
Dumpster Fees		11,250.00	11,250.00	
Premiums		6,600.00	6,600.00	
Inspection Fees		5,097.82	3,142.34	
Fema Money		4,364.30	4,364.30	
Miscellaneous		11,395.27	11,395.27	
Property Maintenance Liens		27,272.97	27,272.97	
	<u>\$ 16,353.72</u>	<u>\$ 9,925,436.51</u>	<u>\$ 9,921,243.75</u>	<u>\$ 18,591.00</u>
Ref.	A		A-4	A

SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2016	Balance After Transfers	Paid or Charged	Balance Lapsed
Salaries and Wages				
Road Repairs	\$ 82,436.22	\$ 27,436.22		\$ 27,436.22
Leaf Collection	50,825.79	30,825.79		30,825.79
Public Buildings and Grounds	28,654.72	3,654.72		3,654.72
Solid Waste Collection	87,686.37	32,651.37		32,651.37
Recreation Services	66,660.13	35,210.13		35,210.13
Municipal Court	16,209.85	16,209.85	\$ 2,244.00	13,965.85
Other Expenses				
General Administration	1,283.70	1,283.70	911.43	372.27
Municipal Clerk	16,893.03	16,893.03	1,422.22	15,470.81
Finance	5,108.19	5,108.19	5,076.63	31.56
Computerized Data Processing	38.39	63,298.39	63,260.00	38.39
Revenue Administration	8,337.07	8,337.07	33.38	8,303.69
Legal Services	209,906.37	209,906.37	29,664.40	180,241.97
Engineering Services	5,206.10	60,206.10	50,170.95	10,035.15
Planning Board	80.99	3,080.99	3,077.50	3.49
Zoning Board	2,943.49	2,943.49	2,900.00	43.49
Group Plan for Employees	117,268.31	117,268.31	2,050.76	115,217.55
Police	7,355.50	7,355.50	7,154.27	201.23
Emergency Management	8.00	233.00		233.00
Road Repairs	6,420.42	26,420.42		26,420.42
Buildings & Grounds	722.13	35,722.13	14,593.38	21,128.75
Vehicle Maintenance	11,692.15	21,692.15		21,692.15
Solid Waste Collection	8,057.25	18,057.25		18,057.25
Board of Health	9,392.12	9,392.12	550.00	8,842.12
Electricity	62,482.20	62,482.20	20,920.41	41,561.79
Street Lighting	68,316.46	68,316.46	24,517.59	43,798.87
Fuel Oil	10,951.46	10,951.46	655.67	10,295.79
Gasoline	66,938.38	56,938.38		56,938.38
Landfill	214,170.32	214,170.32	186,846.36	27,323.96
Municipal Court	6,268.04	6,268.04	202.30	6,065.74
LOSAP	80,000.00	80,000.00	71,300.00	8,700.00
Riverwinds	111,048.02	111,048.02	28,058.23	82,989.79
Other Accounts - No Change	549,383.12	549,383.12		549,383.12
	<u>\$ 1,912,744.29</u>	<u>\$ 1,912,744.29</u>	<u>\$ 515,609.48</u>	<u>\$ 1,397,134.81</u>
Ref.	A		A-4	A-1

SCHEDULE OF ENCUMBRANCES PAYABLE

	Ref.	Current	Grants
Balance December 31, 2016	A	\$ 730,791.64	\$ 212,659.14
Increased by:			
Charges to Current Year Appropriations	A-3:A-18	826,948.70	94,965.20
		<u>1,557,740.34</u>	<u>307,624.34</u>
Decreased by:			
Payments	A-4	632,784.62	212,659.14
Canceled	A-1	98,007.02	
		<u>730,791.64</u>	<u>212,659.14</u>
Balance December 31, 2017	A	<u>\$ 826,948.70</u>	<u>\$ 94,965.20</u>

SCHEDULE OF ACCOUNTS PAYABLE

Balance December 31, 2016	Ref. A	\$ 11,416.80
Decreased by:		
Payments	A-4	<u>2,100.00</u>
Balance December 31, 2017	A	<u>\$ 9,316.80</u>

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Balance December 31, 2016	Ref.		
School Tax Payable	A	\$ 1,190,201.90	
School Tax Deferred		<u>13,540,017.68</u>	
			\$ 14,730,219.58
Increased by:			
2017 Calendar Year School Levy	A-6		33,268,481.00
Decreased by:			
Payments	A-4		<u>32,854,575.05</u>
Balance December 31, 2017	Ref.		
School Tax Payable	A	1,604,107.85	
School Tax Deferred		<u>13,540,017.68</u>	
			<u>\$ 15,144,125.53</u>
2017 Tax Liability for Local District School Tax:			
School Tax Payable December 31, 2016	A		\$ (1,190,201.90)
Tax Paid/Encumbered	A-14		32,854,575.05
School Tax Payable December 31, 2017	A		<u>1,604,107.85</u>
Amount Charged to 2017 Operations	A-1		<u>\$ 33,268,481.00</u>

SCHEDULE OF RESERVE FOR REVALUATION

Balance December 31, 2016	Ref. A	<u>\$ 6,805.45</u>
Balance December 31, 2017	A	<u><u>\$ 6,805.45</u></u>

SCHEDULE OF GRANTS RECEIVABLE

	Balance Dec. 31, 2016	Budget Revenue Realized	Received	Canceled	From Grants Unappropriated	Balance Dec. 31, 2017
Federal Grants:						
West Deptford Riverwinds Bike Trail	\$ 182,517.81			\$ 182,517.81		
Over the Limit Under Arrest	175.00			175.00		
Bulletproof Vest Program	6,600.96			6,600.96		
Buckle Up	4,000.00			4,000.00		
U Text U Drive U Pay		\$ 4,180.00	\$ 4,180.00			
Drive Sober or Get Pulled Over		1,760.00	1,760.00			
CDBG	62,594.00		50,000.00	12,594.00		
	<u>255,887.77</u>	<u>5,940.00</u>	<u>55,940.00</u>	<u>205,887.77</u>		
State Grants:						
Clean Communities	4,111.80	44,818.57	44,818.57	4,111.80		
Municipal Alliance Youth Service	4,978.64	19,920.00	19,920.00	4,978.64		
Recycling Tonnage Grant		48,988.00	48,988.00			
Body Armor		4,359.89	3,948.00		\$ 411.89	
Drunk Driving Enforcement	10,479.50	7,942.00	7,942.00	10,479.50		
Body Camera Initiative	975.68			975.68		
Safe and Secure	30,000.00	60,000.00	60,000.00			\$ 30,000.00
Municipal Court Alcohol Education	0.36	514.72	514.72	0.36		
NJ Transportation Trust	295,325.00		177,637.23	37,500.00		80,187.77
Individuals with Handicapped Recreation Grant	6,604.00			6,604.00		
Road Repair State Aid	127,142.00			127,142.00		
NJ DOT Lewis/Garret Ave	51,166.00			51,166.00		
Buffer Zone Protection Program	236.00			236.00		
Municipal Stormwater	12,029.00			12,029.00		
	<u>543,047.98</u>	<u>186,543.18</u>	<u>363,768.52</u>	<u>255,222.98</u>	<u>411.89</u>	<u>110,187.77</u>
	<u>\$ 798,935.75</u>	<u>\$ 192,483.18</u>	<u>\$ 419,708.52</u>	<u>\$ 461,110.75</u>	<u>\$ 411.89</u>	<u>\$ 110,187.77</u>
Ref.	A	A-2	A-4	A-1	A-18	A

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

	Balance Dec. 31, 2016	Transferred from Budget Appropriation	Paid	Encumbered	Canceled	Balance Dec. 31, 2017
Federal Grants:						
West Deptford Riverwinds Bike Trail	\$ 383,540.00				\$ 383,540.00	
Over the Limit Under Arrest	175.00				175.00	
Click It or Ticket	4,750.00				4,750.00	
Drive Sober or Get Pulled Over		\$ 1,760.00	\$ 1,760.00			
U Text U Drive U Pay		4,180.00	4,180.00			
Bulletproof Vest Program	12,826.96				12,826.96	
Cops Grant Award	11,230.00				11,230.00	
Cops in Shops	4,015.00				4,015.00	
Buckle Up	2,000.00				2,000.00	
CDBG	95,739.00				95,739.00	
Emergency Management	5,000.00				5000.00	
	<u>519,275.96</u>	<u>5,940.00</u>	<u>5,940.00</u>		<u>519,275.96</u>	
State Grants:						
Clean Communities	199,539.41	44,818.57	23,409.37	\$ 2,635.60		\$ 218,313.01
Municipal Alliance Youth Service	7,455.96	24,900.00	22,759.62		7,455.96	2,140.38
Recycling Tonnage Grant	166,907.62	48,988.00	65,803.72	92,150.60		57,941.30
Body Camera Initiative	975.68				975.68	
Body Armor	31,584.30	4,359.89	4,359.89		31,584.30	
Drunk Driving Enforcement	25,371.73	7,942.00	11,645.81	179.00		21,488.92
Safe and Secure	30,000.00	60,000.00	60,000.00			30,000.00
Municipal Court Alcohol Education	5,228.75	514.72	3,300.00			2,443.47
NJ Transportation Trust	275,199.00		192,814.99		62,119.00	20,265.01
Individuals with Handicapped Recreation Grant	41,349.39				41,349.39	
Road Repair State Aid	175,000.00				175,000.00	
Road Repair State Aid	5,642.00				5,642.00	
Buffer Zone Protection Program	236.00				236.00	
Municipal Stormwater	2,621.00				2,621.00	
Clean Shores	11,915.33				11,915.33	
Riverwinds Generator	16,346.00				16,346.00	
	<u>995,372.17</u>	<u>191,523.18</u>	<u>384,093.40</u>	<u>94,965.20</u>	<u>355,244.66</u>	<u>352,592.09</u>
	<u>\$ 1,514,648.13</u>	<u>\$ 197,463.18</u>	<u>\$ 390,033.40</u>	<u>\$ 94,965.20</u>	<u>\$ 874,520.62</u>	<u>\$ 352,592.09</u>
Ref.	A	A-3	A-4	A-12	A-1	A

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

	Balance Dec. 31, 2016	Receipts	To Grants Receivable	Balance Dec. 31, 2017
State Grants:				
Municipal Alliance		\$ 6,251.67		\$ 6,251.67
Drunk Driving		6,193.41		6,193.41
Recycling Tonnage Grant		59,076.27		59,076.27
Body Armor	\$ 411.89	6.84	\$ 411.89	6.84
	<u>\$ 411.89</u>	<u>\$ 71,528.19</u>	<u>\$ 411.89</u>	<u>\$ 71,528.19</u>
Ref.	A	A-4	A-16	A

SCHEDULE OF DEFERRED CHARGES

	Balance Dec. 31, 2016	Added in 2017	Raised in 2017 Budget	Balance Dec. 31, 2017
Overexpenditure of Appropriations	\$ 20,378.76	\$ 629.00	\$ 20,378.76	\$ 629.00
	<u>\$ 20,378.76</u>	<u>\$ 629.00</u>	<u>\$ 20,378.76</u>	<u>\$ 629.00</u>
Ref.	A	A-3	A-3	A

TRUST FUND

SCHEDULE OF TRUST FUND CASH - TREASURER

Balance December 31, 2016	Ref. B		\$ 2,431,081.16
Increased by Receipts:			
Payroll Taxes Payable	B-3	\$ 5,347,363.27	
Interfund Receivable		95,604.37	
Dog License Fees:			
Municipal Share	B-2	3,376.20	
State Share		571.80	
Forfeited Funds	B-3	6,727.38	
Off-Duty Police Fees	B-3	314,234.57	
Tax Sale Premiums	B-3	239,800.00	
Tax Sale Redemptions	B-3	742,448.42	
Storm Recovery	B-3	1.67	
POAA Fees	B-3	34.00	
Public Defender Fees	B-3	6,053.00	
Street Openings	B-3	2,166.12	
Riverwinds Tax Defeasance	B-3	439,223.62	
Uniform Fire Safety	B-3	300.00	
Environmental Resources	B-3	2,500.00	
Donations Field of Dreams	B-3	5,000.00	
Donations Flag Pole	B-3	5,000.00	
Donations Dante Finocchi Memorial	B-3	500.00	
Imperial Way Roadway Improvements	B-3	10,009.30	
Municipal Open Space	B-3	10,822.27	
Affordable Housing	B-3	971.30	
Unemployment Trust	B-3	40,079.42	
Recreation	B-3	68,531.39	
Escrow Fees	B-3	387,138.17	
			<u>7,728,456.27</u>
			<u>10,159,537.43</u>
Decreased by Disbursements:			
Payroll Taxes Payable	B-3	5,348,104.40	
Due to State of New Jersey		569.40	
Expenditures Under RS 4:19-15.11	B-2	1,473.70	
Escrow Fees	B-3	226,753.02	
Forfeited Funds	B-3	36,321.40	
Off-Duty Police Fees	B-3	175,266.55	
Tax Sale Premiums	B-3	458,800.00	
Tax Sale Redemptions	B-3	737,299.77	
Donations Field of Dreams	B-3	3,621.00	
Storm Recovery	B-3	0.70	
Public Defender	B-3	125.00	
Environmental Resource	B-3	2,500.00	
Municipal Open Space	B-3	139,582.97	
Uniform Fire Safety	B-3	1,178.26	
Unemployment Compensation	B-3	4,859.82	
Recreation	B-3	73,797.77	
Riverwinds Tax Defeasance	B-3	439,368.29	
Encumbrances Payable	B-4	120,969.75	
Interfund Payable		106,570.10	
			<u>7,877,161.90</u>
Balance December 31, 2017	B		<u><u>\$ 2,282,375.53</u></u>

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

Balance December 31, 2016	Ref. B		\$ 8,281.40
Increased by:			
Municipal Share of Dog License Fees	B-1		3,376.20
			<u>11,657.60</u>
Decreased by:			
Expenditures Under RS 4:19-15.11	B-1	\$ 1,473.70	
Excess Fees due Current Fund		<u>1,656.30</u>	
			3,130.00
Balance December 31, 2017	B		<u>\$ 8,527.60</u>

License Fees Collected

Year	Amount
2015	\$ 4,646.60
2016	<u>3,881.00</u>
	<u>\$ 8,527.60</u>

SCHEDULE OF MISCELLANEOUS TRUST RESERVES

	Balance Dec. 31, 2016	Receipts	Disbursements	Encumbered	Balance Dec. 31, 2017
Tax Sale Redemption	\$ (443.46)	\$ 742,448.42	\$ 737,299.77		\$ 4,705.19
Tax Sale Premium	826,800.00	239,800.00	458,800.00		607,800.00
Open Space	483,019.12	10,822.27	139,582.97		354,258.42
Forfeited Funds	56,100.29	6,727.38	36,321.40		26,506.27
Storm Recovery	1,683.13	1.67	0.70		1,684.10
POAA Fees	1,728.17	34.00			1,762.17
K-9 Donations	473.00				473.00
Street Opening	112,914.16	2,166.12			115,080.28
Affordable Housing	170,750.03	971.30			171,721.33
Drainage Basin	77,329.02				77,329.02
Riverwinds Tax Defeasance	331.54	439,223.62	439,368.29		186.87
Police Off-Duty	56,802.67	314,234.57	175,266.55		195,770.69
Public Defender	8,284.00	6,053.00	125.00		14,212.00
Unemployment Compensation	75,985.19	40,079.42	4,859.82		111,204.79
Mayor's Food & Holiday Drive	1,879.00				1,879.00
Developer's Escrow Fund	302,052.38	387,138.17	226,753.02	\$ 8,737.78	453,699.75
Uniform Fire Safety	2,750.00	300.00	1,178.26		1,871.74
Environmental Resources	1,500.00	2,500.00	2,500.00		1,500.00
Beautification Committee	10,000.00				10,000.00
Recreation	77,476.37	68,531.39	73,797.77	2,500.00	69,709.99
Donations Field of Dreams		5,000.00	3,621.00		1,379.00
Donations Flag Pole		5,000.00			5,000.00
Donations Dante Finocchi Memorial		500.00			500.00
Imperial Way Roadway Improvements		10,009.30			10,009.30
Payroll Taxes Payable	3,445.47	5,347,363.27	5,348,104.40		2,704.34
	<u>\$ 2,361,106.64</u>	<u>\$ 7,628,903.90</u>	<u>\$ 7,647,578.95</u>	<u>\$ 11,237.78</u>	<u>\$ 2,240,947.25</u>
Ref.	B	B-1	B-1	B-4	B

EXHIBIT B-4

SCHEDULE OF ENCUMBRANCES PAYABLE

Balance December 31, 2016	Ref. B		\$ 120,969.75
Increased by Charges for:			
Developers Escrow	B-3	\$ 8,737.78	
Recreation	B-3	<u>2,500.00</u>	
			<u>11,237.78</u>
			132,207.53
Decreased by:			
Disbursements	B-1		<u>120,969.75</u>
Balance December 31, 2017	B		<u><u>\$ 11,237.78</u></u>

GENERAL CAPITAL FUND

EXHIBIT C-2

SCHEDULE OF GENERAL CAPITAL CASH - TREASURER

Balance December 31, 2016	Ref. C		\$ 531,892.98
Increased by:			
Budget Appropriation			
Capital Improvement Fund	C-6	\$ 150,000.00	
Bond Anticipation Notes	C-10	2,898,345.00	
Grant Receivable	C-12	45,000.00	
Due Utility Fund	C-3	11,547.00	
Premium	C-3	16,555.28	
			<u>3,121,447.28</u>
			3,653,340.26
Decreased by:			
Due Utility Capital Fund	C-3	3,111.97	
Due Grant Fund	C-3	122,792.91	
Improvement Authorizations	C-7	270,929.78	
			<u>396,834.66</u>
Balance December 31, 2017	C		<u><u>\$ 3,256,505.60</u></u>

ANALYSIS OF GENERAL CAPITAL FUND CASH

	Balance Dec. 31, 2016	Receipts		Improvement Authorizations	Disbursements		Balance Dec. 31, 2017
		Miscellaneous	Bond Anticipation Note		Miscellaneous	Transfers To/(From)	
Grants Receivable	\$ (81,000.00)	\$ 45,000.00				\$ 36,000.00	
Due from Utility Operating Fund	(11,547.00)	11,547.00					
Due Current Fund	278,409.84					(105,960.00)	\$ 172,449.84
Due Grant Fund	122,792.91				\$ 122,792.91		
Due Utility Capital Fund	3,111.97				3,111.97		
Capital Improvement Fund	338,820.00	150,000.00				(372,545.00)	116,275.00
Reserve for Down Payment on Improvements	36,302.00						36,302.00
Reserve for Payment of Debt Service	16,621.00	16,555.28					33,176.28
Encumbrances Payable	41,987.79					2,714,905.42	2,756,893.21
Fund Balance	20,127.29						20,127.29
Improvement Authorizations:							
Ordinance							
Number							
2009-13 Acquisition, Construction, Repair, and Installation of							
Various Capital Improvements	294,579.48						294,579.48
2010-08 Bond Ordinance - Costs of Issuance	(59,969.00)					29,984.00	(29,985.00)
2010-11 Purchase of Equipment	335.00						335.00
2011-06 Various Capital Improvements	19,223.42						19,223.42
2011-10 Acquisition of a Bus	1,010.00						1,010.00
2012-07 Tax Appeal Refunding Issue	(599,645.50)					39,976.00	(559,669.50)
2012-11 Purchase of Equipment	54,862.36						54,862.36
2014-11 Purchase of Workstations and Computers	6,871.23						6,871.23
2014-14 Various Capital Improvements	40,054.55						40,054.55
2014-19 Various Capital Improvements	8,945.64						8,945.64
2017-08 Purchase of a Grapple Truck				\$ 165,639.12		220,000.00	54,360.88
2017-13 Various Capital Improvements			\$ 2,898,345.00	105,290.66		(2,562,360.42)	230,693.92
	<u>\$ 531,892.98</u>	<u>\$ 223,102.28</u>	<u>\$ 2,898,345.00</u>	<u>\$ 270,929.78</u>	<u>\$ 125,904.88</u>		<u>\$3,256,505.60</u>
Ref.	C-2	C-2		C-7	C-2		C-2

EXHIBIT C-4

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance December 31, 2016	Ref. C	\$ 93,804,619.35
Decreased by:		
Payments on General Serial Bonds	C-8	<u>7,630,351.35</u>
Balance December 31, 2017	C	<u>\$ 86,174,268.00</u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	2017 Authorizations	Funded By Budget Appropriation	Canceled	Balance Dec. 31, 2017	Analysis of Balances Dec. 31, 2017	
							Financed by Bond Anticipation Notes	Expenditures
2008-09	Acquisition, Construction, Repair, and Installation of Various Capital Improvements	\$ 620,259.06		\$ 38,150.00		\$ 582,109.06	\$ 582,109.06	
2009-13	Acquisition, Construction, Repair, and Installation of Various Capital Improvements	102,812.94		4,500.00		98,312.94	98,312.94	
2010-08	Refunding Bond Issuance Costs	135,016.00		29,984.00	\$ 75,047.00	29,985.00		\$ 29,985.00
2012-07	Tax Appeal Refunding	2,070,000.00		39,976.00	1,470,354.50	559,669.50		559,669.50
2014-14	Various Capital Improvements	1,993,000.00		104,895.00		1,888,105.00	1,888,105.00	
2016-20	Bond Ordinance - Costs of Issuance	1,374,290.43			1,374,290.43			
2017-13	Various Capital Improvements		\$ 2,898,345.00			2,898,345.00	2,898,345.00	
		<u>\$ 6,295,378.43</u>	<u>\$ 2,898,345.00</u>	<u>\$ 217,505.00</u>	<u>\$ 2,919,691.93</u>	<u>\$ 6,056,526.50</u>	<u>\$ 5,466,872.00</u>	<u>\$ 589,654.50</u>
Ref.	C	C-7	C-9:C-10	C-9	C	C-10	C-3	

EXHIBIT C-6

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance December 31, 2016	C	\$ 338,820.00
Increased by:		
Budget Appropriation	C-2	150,000.00
Decreased by:		
Down Payments on Improvement Authorizations	C-7	372,545.00
Balance December 31, 2017	C	<u>\$ 116,275.00</u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2016		2017 Authorizations		Canceled	Paid or Charged	Encumbrance	Balance Dec. 31, 2017	
		Date	Amount	Funded	Unfunded	Capital Improvement Fund	Deferred Charges Unfunded				Funded	Unfunded
2009-13	Acquisition, Construction, Repair, and Installation of Various Capital Improvements	12/10/2009	\$ 355,000.00	\$ 294,579.48							\$ 294,579.48	
2010-08	Bond Ordinance - Costs of Issuance	8/5/2010	255,000.00		\$ 75,047.00			\$ 75,047.00				
2010-11	Purchase of Equipment	8/5/2010	269,133.00	335.00							335.00	
2011-06	Various Capital Improvements	9/1/2011	409,317.00	19,223.42							19,223.42	
2011-10	Acquisition of a Bus	12/29/2011	92,000.00	1,010.00							1,010.00	
2012-07	Tax Appeal Refunding Issue	7/5/2012	33,000,000.00		1,470,354.50			1,470,354.50				
2012-11	Purchase of Equipment	9/20/2012	438,000.00	54,862.36							54,862.36	
2014-11	Purchase of Workstations and Computers	5/1/2014	70,000.00	6,871.23							6,871.23	
2014-14	Various Capital Improvements	6/19/2014	1,993,000.00	40,054.55							40,054.55	
2014-19	Various Capital Improvements	9/4/2014	1,008,000.00	8,945.64							8,945.64	
2016-20	Bond Ordinance - Costs of Issuance	11/2/2016	1,374,290.43		1,374,290.43			1,374,290.43				
2017-08	Purchase of a Grapple Truck	4/19/2017	220,000.00			\$ 220,000.00			\$ 165,639.12		54,360.88	
2017-13	Various Capital Improvements	9/6/2017	3,050,890.00			152,545.00	\$ 2,898,345.00		105,290.66	\$ 2,714,905.42		\$ 230,693.92
				<u>\$ 425,881.68</u>	<u>\$ 2,919,691.93</u>	<u>\$ 372,545.00</u>	<u>\$ 2,898,345.00</u>	<u>\$ 2,919,691.93</u>	<u>\$ 270,929.78</u>	<u>\$ 2,714,905.42</u>	<u>\$ 480,242.56</u>	<u>\$ 230,693.92</u>
	Ref.		C	C	C-6	C-9	C-9	C-9	C-2	C-11	C	C

SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2017		Interest Rate	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017
			Date	Amount					
Golf Course	10/01/01	\$ 9,945,000.00	10/1/2018	\$ 435,000.00	3.25%				
			10/1/2019	455,000.00	3.25%				
			10/1/2020	485,000.00	3.25%				
			10/1/2021	510,000.00	3.25%				
			10/1/2022	540,000.00	3.25%				
			10/1/2023	570,000.00	3.25%				
			10/1/2024	600,000.00	3.25%				
			10/1/2025	635,000.00	3.25%				
			10/1/2026	670,000.00	3.25%				
			10/1/2027	710,000.00	3.25%	\$ 6,020,000.00		\$ 410,000.00	\$ 5,610,000.00
General Obligation Bonds, Series 2007	11/26/07	5,083,732.79				2,439,862.35		2,439,862.35	
General Obligation Refunding Bonds, Series 2008	09/01/08	5,918,380.00	9/1/2018	1,176,240.00	3.82%	2,301,780.00		1,125,540.00	1,176,240.00
General Obligation Refunding Bonds, Series 2010	09/15/10	8,385,000.00	9/1/2018	1,110,000.00	4.00%				
			9/1/2019	1,155,000.00	3.00%	3,345,000.00		1,080,000.00	2,265,000.00
General Obligation Refunding Bonds, Series 2012	08/21/12	30,930,000.00	7/1/2028	1,995,000.00	3.25%				
			7/1/2029	2,070,000.00	3.25%				
			7/1/2030	2,170,000.00	3.38%				
			7/1/2031	2,230,000.00	3.38%				
			7/1/2032	2,335,000.00	3.50%	24,705,000.00		13,905,000.00	10,800,000.00

SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017			
			Outstanding December 31, 2017									
			Date	Amount								
General Obligation Refunding Bonds, Series 2012B	11/20/12	8,298,673.00	9/1/2018	261,000.00	2.00%							
			9/1/2018	374,000.00	3.00%							
			9/1/2019	650,000.00	2.00%							
			9/1/2020	386,000.00	2.00%							
			9/1/2020	116,000.00	4.00%							
			9/1/2021	456,000.00	2.00%							
			9/1/2021	58,000.00	4.00%							
			9/1/2022	334,000.00	2.25%							
			9/1/2022	174,000.00	4.00%							
			9/1/2023	499,000.00	2.30%							
			9/1/2024	485,000.00	2.50%							
			9/1/2025	475,000.00	2.50%							
			9/1/2026	465,000.00	2.50%							
			9/1/2027	450,000.00	2.75%							
			9/1/2028	435,000.00	2.75%	6,242,000.00		624,000.00	5,618,000.00			
General Obligation Refunding Bonds, Series 2012C	11/20/12	3,180,000.00	9/1/2018	475,000.00	2.667%							
			9/1/2019	485,000.00	2.917%	1,420,000.00		460,000.00	960,000.00			
General Obligation Refunding Bonds, Series 2014	11/13/14	50,776,834.00	9/1/2018	1,609,640.00	4.00%							
			9/1/2019	2,855,813.00	4.00%							
			9/1/2020	2,973,822.00	4.00%							
			9/1/2021	3,101,272.00	4.00%							
			9/1/2022	3,233,442.00	5.00%							
			9/1/2023	3,403,374.00	5.00%							
			9/1/2024	3,582,748.00	5.00%							
			9/1/2025	3,771,562.00	5.00%							
			9/1/2026	3,965,096.00	3.00%							
			9/1/2027	4,092,546.00	3.00%							
			9/1/2028	4,219,995.00	4.00%							
			9/1/2029	4,399,369.00	3.125%							
			9/1/2030	4,545,700.00	3.250%	47,330,977.00		1,576,598.00	45,754,379.00			
			General Obligation Refunding Bonds, Series 2014	05/18/17	14,040,223.00	7/1/2018	377,877.00	4.00%				
						7/1/2019	379,656.00	4.00%				
7/1/2020	1,664,656.00	5.00%										
7/1/2021	1,734,230.00	5.00%										
7/1/2022	1,799,230.00	5.00%										
7/1/2023	1,485,000.00	5.00%										
7/1/2024	1,555,000.00	5.00%										
7/1/2025	1,595,000.00	5.00%										
7/1/2026	1,675,000.00	5.00%										
7/1/2027	1,725,000.00	5.00%										
							\$ 14,040,223.00	49,574.00	13,990,649.00			
						\$ 93,804,619.35	\$ 14,040,223.00	\$ 21,670,574.35	\$ 86,174,268.00			
		Ref.				C		C-4	C			
		Refunding Bond					\$ 14,040,223.00	\$ 14,040,223.00				
		Paid by Budget Appropriation					C-4	5,888,239.00				
		Premium Proceeds Used to Pay Down Bond		C-4	1,742,112.35							
				\$ 14,040,223.00	\$ 21,670,574.35							

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	2017 Authorization	Issued	Funded by Budget Appropriation	Canceled	Balance Dec. 31, 2017
2010-08	Refunding Bond Issuance Costs	\$ 135,016.00			\$ 29,984.00	\$ 75,047.00	\$ 29,985.00
2012-07	Tax Appeal Refunding	2,070,000.00			39,976.00	1,470,354.50	559,669.50
2016-20	Refunding Bond Issuance Costs	1,374,290.43				1,374,290.43	
2017-13	Various Capital Improvements		\$ 2,898,345.00	\$ 2,898,345.00			
		<u>\$ 3,579,306.43</u>	<u>\$ 2,898,345.00</u>	<u>\$ 2,898,345.00</u>	<u>\$ 69,960.00</u>	<u>\$ 2,919,691.93</u>	<u>\$ 589,654.50</u>
	Ref.		C-7	C-10	A-3	C-7	

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ordinance Number	Purpose	Amount of Original Issue	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2016	Issued	Decreased	Balance Dec. 31, 2017
2008-09	Acquisition, Construction, Repair, and Installation of Various Capital Improvements	\$ 940,946.00	4/28/2010	4/13/2017	4/12/2018	2.25%	\$ 620,259.06		\$ 38,150.00	\$ 582,109.06
2009-13	Acquisition, Construction, Repair, and Installation of Various Capital Improvements	147,250.00	4/28/2010	4/13/2017	4/12/2018	2.25%	102,812.94		4,500.00	98,312.94
2014-14	Various Capital Improvements	1,993,000.00	12/4/2014	4/13/2017	4/12/2018	2.25%	1,993,000.00		104,895.00	1,888,105.00
2017-13	Various Capital Improvements	2,898,345.00	10/17/2017	10/17/2017	4/12/2018	1.396%		\$ 2,898,345.00		2,898,345.00
							<u>\$ 2,716,072.00</u>	<u>\$ 2,898,345.00</u>	<u>\$ 147,545.00</u>	<u>\$ 5,466,872.00</u>
						Ref.	C	C-9	C-5	C

SCHEDULE OF ENCUMBRANCES PAYABLE

	Ref.	
Balance December 31, 2016	C	\$ 41,987.79
Increased by:		
Charges to Improvement Authorizations	C-7	<u>2,714,905.42</u>
Balance December 31, 2017	C	<u><u>\$ 2,756,893.21</u></u>

SCHEDULE OF GRANTS RECEIVABLE

	Balance Dec. 31, 2016	Receipts	Canceled
2008 Road Program - Columbia Avenue	\$ 36,000.00		\$ 36,000.00
2009 Road Program - Maple & Roosevelt	45,000.00	\$ 45,000.00	
	<u>\$ 81,000.00</u>	<u>\$ 45,000.00</u>	<u>\$ 36,000.00</u>
Ref.	C	C-2	

EXHIBIT C-13

SCHEDULE OF RESERVE FOR DOWN PAYMENTS ON IMPROVEMENTS

Balance December 31, 2016	Ref. C	\$ 36,302.00
Balance December 31, 2017	C	\$ 36,302.00

EXHIBIT C-14

SCHEDULE OF RESERVE TO PAY DEBT SERVICES - BANS

Balance December 31, 2016	Ref. C	\$ 16,621.00
Add: Premium	C-2	16,555.28
Balance December 31, 2017	C	\$ 33,176.28

WATER AND SEWER UTILITY FUND

EXHIBIT D-5

SCHEDULE OF WATER AND SEWER UTILITY FUND CASH

	Ref.	Operating	Capital
Balance December 31, 2016	D	<u>\$ 2,426,732.90</u>	<u>\$ 436,684.05</u>
Increased by:			
Consumer Accounts Receivable	D-7	11,425,597.02	
Miscellaneous Revenues	D-3	226,195.96	
Due General Capital			3,111.97
Reimbursements			164,392.93
Utility Rent Overpayments	D	19,137.45	
		<u>11,670,930.43</u>	<u>167,504.90</u>
		<u>14,097,663.33</u>	<u>604,188.95</u>
Decreased by:			
Budget Appropriations	D-4	10,136,757.15	
Appropriation Reserves	D-11	317,251.26	
Encumbrances Payable	D-12	391,081.12	150,848.55
Accrued Interest Paid	D-13	463,077.56	
Improvement Authorizations	D-16		69,270.00
Due General Capital	C-2	11,547.00	
		<u>11,319,714.09</u>	<u>220,118.55</u>
Balance December 31, 2017	D	<u><u>\$ 2,777,949.24</u></u>	<u><u>\$ 384,070.40</u></u>

ANALYSIS OF WATER AND SEWER UTILITY CAPITAL FUND CASH

		Receipts		Disbursements		
		Balance		Improvement		Balance
		Dec. 31, 2016	Miscellaneous	Authorizations	Miscellaneous	Dec. 31, 2017
Fund Balance		\$ 41,846.32				\$ 41,846.32
Capital Improvement Fund		723.00				13,087.38
Encumbrances Payable		187,877.70			\$ 150,848.55	10,056.65
Due General Capital Fund		(3,111.97)	\$ 3,111.97			
Down Payment on Improvements		96,250.00				96,250.00
Reserve for Debt Payment		3,111.97	164,392.93			167,504.90
Improvement Authorizations:						
Ordinance						
Number						
2004-19	Various Capital Improvements	82,846.38				(82,846.38)
2005-14	Various Capital Improvements	14,006.40				14,006.40
2016-11	Extension of Water System	13,134.25				26,972.50
2017-05	Kings Highway Water Waterline			\$ 69,270.00		70,482.00
		\$ 436,684.05	\$ 167,504.90	\$ 69,270.00	\$ 150,848.55	\$ 384,070.40
Ref.		D	D-5:D-20	D-16	D-5	D

EXHIBIT D-7

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance December 31, 2016	Ref. D		\$ 1,372,636.06
Increased by:			
Utility Rents Levied			<u>11,460,779.91</u>
			<u>12,833,415.97</u>
Decreased by:			
Collections	D-5	\$ 11,425,597.02	
Overpayments Applied	D-3	27,465.90	
Canceled		<u>46,610.30</u>	
			<u>11,499,673.22</u>
Balance December 31, 2017	D		<u>\$ 1,333,742.75</u>

EXHIBIT D-8

SCHEDULE OF UTILITY LIENS RECEIVABLE

Balance December 31, 2016	Ref. D		<u>\$ 12,549.85</u>
Balance December 31, 2017	D		<u>\$ 12,549.85</u>

SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2016	Additions	Balance Dec. 31, 2017
Wells	\$ 21,325.70	\$ 89,450.00	\$ 110,775.70
Pumping and Storage Facilities	194,841.06		194,841.06
Land for Administration Building	9,414.17		9,414.17
Distribution Mains and Accessories	11,423,067.81		11,423,067.81
Purchase of Colonial Manor Water Co. and Attendant Improvements	171,691.12		171,691.12
Construction of New Wells	839,809.28		839,809.28
Purchase of Greenfields Water Co. and Attendant Improvements	786,159.21		786,159.21
Improvements to Water Supply and Distribution System	37,350,452.63		37,350,452.63
Improvements Along Waterfront	1,997,720.00		1,997,720.00
Improvements to Kings Highway		85,178.91	85,178.91
Meters and Fittings	851,670.19	192,154.15	1,043,824.34
Sewer System	3,910,248.27	290,801.71	4,201,049.98
Office Machinery and Equipment	214,127.83	32,011.80	246,139.63
Trucks	31,075.86	177,550.00	208,625.86
Miscellaneous	528,572.07		528,572.07
	<u>\$ 58,330,175.20</u>	<u>\$ 867,146.57</u>	<u>\$ 59,197,321.77</u>
Ref.	D	D-10:D-15	D

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Purpose	Ordinance		Balance	Authorization	Costs to	Authorization	Balance
		Date	Amount	Dec. 31, 2016		Fixed Capital	Canceled	Dec. 31, 2017
2014-9	Various Capital Improvements	09/04/14	\$ 500,000.00	\$ 500,000.00		\$ 417,153.62	\$ 82,846.38	
2015-14	Various Capital Improvements	07/27/15	323,635.40	323,635.40				\$ 323,635.40
2016-11	Extension of Township Water System	05/18/16	350,000.00	350,000.00				350,000.00
2016-20	Refunding Bond Costs	11/02/16	8,709.57	8,709.57			8,709.57	
2017-03	Sewer Utility Improvements	04/05/17	1,400,000.00		\$ 1,400,000.00			1,400,000.00
2017-05	Kings Highway Water Waterline	04/05/17	70,482.00		70,482.00			70,482.00
				<u>\$ 1,182,344.97</u>	<u>\$ 1,470,482.00</u>	<u>\$ 417,153.62</u>	<u>\$ 91,555.95</u>	<u>\$ 2,144,117.40</u>
				Ref. D	D-16	D-9	D-16	D

SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2016	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 16,555.57	\$ 16,555.57		\$ 16,555.57
Other Expenses	863,044.71	863,044.71	\$ 317,251.26	545,793.45
Capital Improvements				
Capital Outlay	80,015.78	80,015.78		80,015.78
Statutory Expenditures				
Social Security	5,582.63	5,582.63		5,582.63
	<u>\$ 965,198.69</u>	<u>\$ 965,198.69</u>	<u>\$ 317,251.26</u>	<u>\$ 647,947.43</u>
Ref.	D		D-5	D-1

SCHEDULE OF ENCUMBRANCES PAYABLE

	Ref.	Operating Fund	Capital Fund
Balance December 31, 2016	D	<u>\$ 400,682.34</u>	<u>\$ 187,877.70</u>
Increased by:			
Charges to:			
Current Appropriations	D-4	254,139.12	
Improvement Authorizations	D-1:D-16		10,056.65
		<u>654,821.46</u>	<u>197,934.35</u>
Decreased by:			
Canceled	D-16	9,601.22	37,029.15
Payments	D-5	391,081.12	150,848.55
Balance December 31, 2017	D	<u><u>\$ 254,139.12</u></u>	<u><u>\$ 10,056.65</u></u>

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
AND ANALYSIS OF BALANCE

	Ref.	NJEIT Loans	Notes	Bonds
Balance December 31, 2016	D	\$ 72,153.65	\$ 5,317.01	\$ 88,351.64
Increased by:				
Budget Appropriation for:				
Interest on Bonds and Notes	D-4	180,460.43	16,931.29	258,727.62
		252,614.08	22,248.30	347,079.26
Decreased by:				
Interest Paid	D-5	187,752.10	8,535.43	266,790.03
Balance December 31, 2017	D	\$ 64,861.98	\$ 13,712.87	\$ 80,289.23

Analysis of Accrued Interest December 31, 2017

	Serial Bonds	Payment			Period	Amount
		Due	From	To		
2008 Bonds		\$ 10,767.82	9/01/2017	12/31/2017	4 Months	\$ 7,178.55
2012 Bonds		49,814.00	9/01/2017	12/31/2017	4 Months	33,209.33
2014 Bonds		53,819.87	9/01/2017	12/31/2017	4 Months	35,879.90
2017 Bonds		4,021.44	7/01/2017	12/31/2017	6 Months	4,021.44
						<u>\$ 80,289.23</u>
	NJEIT	Payment			Period	Amount
		Due	From	To		
2004A Clean Water		\$ 7,765.63	8/1/2017	12/31/2017	5 Months	\$ 6,471.36
2004A Drinking Water		21,331.25	8/1/2017	12/31/2017	5 Months	17,776.04
2007A Clean Water		43,006.25	8/1/2017	12/31/2017	5 Months	35,838.54
2007A Drinking Water		5,731.25	8/1/2017	12/31/2017	5 Months	4,776.04
						<u>\$ 64,861.98</u>
	Notes	Payment			Period	Amount
		Due	From	To		
2017 Note		\$ 12,802.17	4/13/2017	12/31/2017	8 Months	\$ 8,534.79
2017 Note		7,767.12	4/13/2017	12/31/2017	8 Months	5,178.08
						<u>\$ 13,712.87</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2016	Ref. D	\$ 723.00
Increased by:		
Canceled Improvement Authorizations	D-16	<u>82,846.38</u>
	D	83,569.38
Decreased by:		
Appropriated to Finance Improvement Authorizations	D-16	<u>70,482.00</u>
Balance December 31, 2017	D	<u><u>\$ 13,087.38</u></u>

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance December 31, 2016	Ref. D		\$ 43,259,968.23
Increased by:			
Serial Bonds Paid by Operating Budget	D-17	\$ 1,136,648.65	
Bond Anticipation Note Paid by Operating Budget	D-18	7,900.00	
NJ Wastewater Loans Paid by Operating Budget	D-19	701,401.19	
Capital Improvement Fund	D-14	70,482.00	
Payments in Capital Outlay	D-9	449,992.86	
Prior Year Adjustment		0.10	
			<u>2,366,424.80</u>
			45,626,393.03
 Canceled Capital Improvement Authorizations	 D-14		 <u>82,846.38</u>
Balance December 31, 2017	D		<u>\$ 45,543,546.65</u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Purpose	Date	Amount	Balance Dec. 31, 2016		Authorization Deferred Charges	Capital Improvement Fund	Paid or Charged	Encumbered	Canceled	Encumbrance Canceled	Balance Dec. 31, 2017	
				Funded	Unfunded							Funded	Unfunded
2014-19	Various Capital Improvements	09/04/14	\$ 500,000.00	\$ 82,846.38						\$ 82,846.38			
2015-14	Various Capital Improvements	07/27/15	323,635.40	14,006.40								\$ 14,006.40	
2016-11	Extension of Water System	05/18/16	350,000.00	13,134.25					\$ 10,056.65		\$ 37,029.15	40,106.75	
2016-20	Refunding Bond Costs	11/02/16	8,709.57		\$ 8,709.57					8,709.57			
2017-03	Sewer Utility Improvements	04/05/17	1,400,000.00			\$ 1,400,000.00							\$ 1,400,000.00
2017-05	Kings Highway Water Waterline	04/05/17	70,482.00				\$ 70,482.00	\$ 69,270.00				1,212.00	
				<u>\$ 109,987.03</u>	<u>\$ 8,709.57</u>	<u>\$ 1,400,000.00</u>	<u>\$ 70,482.00</u>	<u>\$ 69,270.00</u>	<u>\$ 10,056.65</u>	<u>\$ 91,555.95</u>	<u>\$ 37,029.15</u>	<u>\$ 55,325.15</u>	<u>\$ 1,400,000.00</u>
Ref.				D	D	D-10	D-14	D-5	D-12	D-10:D-14	D-12	D	D

SCHEDULE OF WATER AND SEWER CAPITAL SERIAL BONDS PAYABLE

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding December 31, 2017		Interest Rate	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017
			Date	Amount					
11/26/07	Water & Sewer Bonds of 2007	\$ 473,267.21				\$ 227,137.65		\$ 227,137.65	
09/01/08	Refunding Bonds of 2008	2,836,620.00	9/1/18	\$ 563,760.00	3.82%	1,103,220.00		539,460.00	\$ 563,760.00
11/20/12	Refunding Bonds of 2012	5,986,327.00	9/1/18	460,000.00	2.00%				
			9/1/19	470,000.00	2% & 3%				
			9/1/20	363,000.00	2.00%				
			9/1/21	371,000.00	2% & 4%				
			9/1/22	367,000.00	2% & 4%				
			9/1/23	361,000.00	2.30%				
			9/1/24	350,000.00	2.50%				
			9/1/25	340,000.00	2.50%				
			9/1/26	330,000.00	2.50%				
			9/1/27	320,000.00	2.75%				
			9/1/28	315,000.00	2.75%	4,498,000.00		451,000.00	4,047,000.00
11/13/14	Refunding Bonds of 2014	3,008,166.00	9/1/18	95,360.00	4.00%				
			9/1/19	169,187.00	4.00%				
			9/1/20	176,178.00	4.00%				
			9/1/21	183,728.00	4.00%				
			9/1/22	191,558.00	5.00%				
			9/1/23	201,626.00	5.00%				
			9/1/24	212,252.00	5.00%				
			9/1/25	223,438.00	5.00%				
			9/1/26	234,904.00	3.00%				
			9/1/27	242,454.00	3.00%				
			9/1/28	250,005.00	4.00%				
			9/1/29	260,631.00	3.125%				
			9/1/30	269,300.00	3.25%	2,804,023.00		93,402.00	2,710,621.00
05/18/17	Refunding Bonds of 2017	174,777.00	7/1/18	32,123.00	4.00%				
			7/1/19	35,344.00	4.00%				
			7/1/20	35,344.00	5.00%				
			7/1/21	35,770.00	5.00%				
			7/1/22	35,770.00	5.00%		\$ 174,777.00	426.00	174,351.00
						<u>\$8,632,380.65</u>	<u>\$ 174,777.00</u>	<u>\$ 1,311,425.65</u>	<u>\$ 7,495,732.00</u>
					Ref.	D			D
					Ref.				
				Refunding Bond			\$ 174,777.00	\$ 174,777.00	
				Premium Used to Reduce Principal	D-15			14,887.65	
				Paid by Budget Appropriation	D-15			1,121,761.00	
						<u>\$ 174,777.00</u>	<u>\$ 1,311,425.65</u>		

SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Purpose	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2016	Decreased	Balance Dec. 31, 2017
2006-18	Various Improvements to Sanitary Sewer Utility	06/22/11	04/13/17	04/12/18	2.25%	\$ 584,788.00	\$ 7,900.00	\$ 576,888.00
2016-11	Extension of Township Water System	07/15/16	04/13/17	04/12/18	2.25%	350,000.00		350,000.00
						<u>\$ 934,788.00</u>	<u>\$ 7,900.00</u>	<u>\$ 926,888.00</u>
					Ref.	D	D-15	D

SCHEDULE OF NEW JERSEY WASTEWATER LOANS PAYABLE

Balance December 31, 2016	Ref. D	\$ 6,676,673.71
Decreased by:		
NJ Wastewater Loans Paid by Operating Budget	D-15	701,401.19
Balance December 31, 2017	D	<u>\$ 5,975,272.52</u>

SCHEDULE OF RESERVE FOR DEBT SERVICE

Balance December 31, 2016	Ref. D		\$ 3,111.97
Increased by:			
NJ DEP Reimbursement		\$ 158,576.21	
Premium		<u>5,816.72</u>	
			<u>164,392.93</u>
Balance December 31, 2017	D		<u>\$ 167,504.90</u>

SCHEDULE OF RESERVE FOR DOWN PAYMENTS ON IMPROVEMENTS

Balance December 31, 2016	Ref. D	\$ 96,250.00
Balance December 31, 2017	D	<u>\$ 96,250.00</u>

SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Purpose	Balance Dec. 31, 2016	Authorized	Canceled	Balance Dec. 31, 2017
2016-20	Refunding Bonds 2016	\$ 8,709.57		\$ 8,709.57	
2017-3	Sewer Utility Improvements		\$ 1,400,000.00		\$ 1,400,000.00
		<u>\$ 8,709.57</u>	<u>\$ 1,400,000.00</u>	<u>\$ 8,709.57</u>	<u>\$ 1,400,000.00</u>

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2017

GENERAL COMMENTS

Contracts and Agreements Required to be Advertised for NJSA 40A:11-4

NJSA 40A:11-4 states “Every contract or agreement awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law.”

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

The minutes indicate that bids were requested by public advertisement for various items including:

- Roadway Improvements
- Renovation of HVAC System
- Riverwinds Community Center Pool Roof and Building Improvements

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for “Professional Services” per NJSA 40A:11.5.

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

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

NJSA 40A:11-6.1 requires that at least two competitive quotations be obtained for all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount.

Collection of Interest on Delinquent Taxes and Assessments

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

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

- WHEREAS, RS 54:4-67 permits the governing body of each municipality to fix the rate of interest to be charged for nonpayment of taxes or assessments subject to any abatement or discount for the late payment of taxes or assessments as provided by law;

Collection of Interest on Delinquent Taxes and Assessments (Continued)

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Township Committee of the Township of West Deptford, County of Gloucester, State of New Jersey that property taxes shall be due and payable quarterly on February 1st, May 1st, August 1st, and November 1st of each year with a ten-day grace period, after which dates, if unpaid, shall become delinquent, with interest charged as set forth below and reverting back to the due date on any quarterly installment of taxes.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Township Committee of the Township of West Deptford, County of Gloucester, State of New Jersey hereby fix the rate of interest at 8% per annum on the first \$1,500.00 of delinquency and 18% per annum on any amount in excess of 1,500.00.

BE IT FURTHER RESOLVED that a 6% year-end penalty be assessed on the last day of the fiscal year on delinquent accounts when in excess of \$10,000.00.

It appears from an examination of the collector's records that interest was collected in accordance with the statutes.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 5, 2017, and was complete.

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

<u>Year</u>	<u>Number of Liens</u>
2017	115
2016	112
2015	103

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax-paying basis.

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services. A separate report will be rendered if any irregularities develop after the date of the audit.

PROPERTY TAX INFORMATION**COMPARATIVE STATEMENT OF TAX RATE INFORMATION**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	3.151	3.063	2.918
Apportionment of Tax Rate:			
Municipal	0.988	0.95	0.894
County	0.68	0.67	0.653
Local School	1.483	1.443	1.371
Assessed Valuation	2,243,764,051	2,248,313,928	2,273,392,575

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.

	2017	2016	2015
Tax Levy	\$ 70,843,977.16	\$ 68,938,439.14	\$ 66,433,435.94
Cash Collections	69,869,491.05	67,885,202.92	65,183,407.16
Percentage of Collections	98.62%	98.47%	98.12%

DELINQUENT TAXES AND TAX TITLE LIENS

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

	2017	2016	2015
Amount of Tax Title Liens	\$ 1,828,721.67	\$ 1,636,112.44	\$ 1,525,214.60
Delinquent Taxes	732,739.90	791,810.63	976,002.98
Total Delinquent	\$ 2,561,461.57	\$ 2,427,923.07	\$ 2,501,217.58
Percentage of Tax Levy	3.62%	3.52%	3.76%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

	2017	2016	2015
Property Acquired for Taxes (Assessed Valuation)	764,800	764,800	764,800

COMPARISON OF WATER & SEWER RENTS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent water and sewer rents and utility liens, in relation to the levy of the last three years.

WATER & SEWER	2017	2016	2015
Balance January 1	\$ 1,372,636.06	\$ 1,288,630.12	\$ 1,773,281.14
Levy	11,460,779.91	12,194,790.98	11,324,470.62
Cash Collections	11,453,062.92	11,974,630.59	11,706,352.22
Percentage of Collections	89.24%	88.81%	89.38%

OTHER COMMENTS

Chief Financial Officer

The records maintained by the Chief Financial Officer were found to be in compliance with requirements prescribed by the Division of Local Government Services, state statutes, and administrative code requirements.

Tax Collector

The records maintained by the Tax Collector were found to be in good condition.

Corrective Action Plan

A corrective action plan was filed for the 2016 audit.

STATUS OF PRIOR RECOMMENDATIONS

Finding 2016-001: There were overexpenditures of appropriations in the Current Fund.

Current Status: This has not been corrected.

Finding 2016-002: An analysis of balances of payroll deductions is being prepared, however there are variances when reconciling amounts withheld to those due the different agencies. The payroll agency trial balance was found to be inaccurate.

Current Status: This has been corrected.

Finding 2016-003: There are numerous interfunds existing at year-end.

Current Status: This has not been corrected.

Finding 2016-004: The grant revenue report does not reflect the proper amount for grant receivables. There are old grant reserve balances.

Current Status: This has not been corrected

FINDINGS AND RECOMMENDATIONS

Finding 2017-001: There were overexpenditures of appropriations in the Current Fund and Utility Fund.

Recommendation: The provisions of NJAC 5:30-5 be followed to avoid overexpenditure of budget line items.

Finding 2017-002: Purchase of equipment was made through a National Cooperative Contract without performing a cost-benefit analysis or advertising the bid.

Recommendation: Requirements of Local Finance Notice 2012-10 should be followed when purchasing through a National Cooperative.

Finding 2017-003: There are interfunds existing at year-end.

Recommendation: Interfund receivables and payables be cleared.

Finding 2017-004: There was significant progress made in reviewing prior year grants and taking appropriate action, however there were still a few grant revenue and reserve balances that were not properly reflected in the grant subsidiary ledger.

Recommendation: The grant reports be corrected to record all grant revenue and receivables and expenditures and reserve balances.

Finding 2017-005: Purchase of water meters from vendor was made after bid expired.

Recommendation: Contracts should be reviewed prior to purchasing supplies.

FINDINGS AND RECOMMENDATIONS (CONTINUED)

Finding 2017-006: Adjustments were required to be made to the various accounts to bring the general ledger into agreement with the audited financial statements.

Recommendation: All required journal entries should be made to the general ledger.

The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

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

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

Respectfully submitted,



Nick L. Petroni
Certified Public Accountant
Registered Municipal Accountant #252