

**TOWNSHIP OF WEST DEPTFORD  
REPORT OF AUDIT  
YEAR ENDED DECEMBER 31, 2018**

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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, 2018 and 2017, 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, 2018, 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, 2018, or changes in financial position for the years then ended.

***Basis for Qualified Opinion on Regulatory Basis of Accounting***

As described in Note 13 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 \$1,361,117.69 for 2018, 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, 2018 and 2017, 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, 2018, 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 is the responsibility of management and was 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, is 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 August 20, 2019, 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

August 20, 2019



## **CURRENT FUND**

## COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

<b>ASSETS</b>	<b>Ref.</b>	<b>Balance Dec. 31, 2018</b>	<b>Balance Dec. 31, 2017</b>
<b>Regular Fund</b>			
Cash - Treasurer	A-4	\$ 11,747,858.73	\$ 11,241,960.73
Cash - Change Fund	A-5	1,500.00	1,500.00
		<u>11,749,358.73</u>	<u>11,243,460.73</u>
Due to State of New Jersey - Senior Citizen and Veterans Deductions	A-9	<u>21,220.28</u>	<u>18,970.28</u>
Deferred Charges:			
Overexpenditure of Appropriations			<u>629.00</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	993,342.24	732,739.90
Tax Title Liens Receivable	A-7	1,971,729.70	1,828,721.67
Property Acquired for Taxes - Assessed Valuation	A-8	764,800.00	764,800.00
Other Municipal Liens		111,593.33	
Other Charges Receivable		31,615.60	
Revenue Accounts Receivable	A-10	14,288.86	18,591.00
Due from Trust Other	B	27,488.08	21,656.30
Due from General Capital	C	102,489.85	172,449.84
		<u>4,017,347.66</u>	<u>3,538,958.71</u>
		<u>15,787,926.67</u>	<u>14,802,018.72</u>
<b>Federal and State Grant Fund</b>			
Cash	A-4	530,206.25	347,060.23
Grants Receivable	A-16	233,677.43	110,187.77
Due from Current Fund	A	66,817.48	61,837.48
		<u>830,701.16</u>	<u>519,085.48</u>
		<u>\$ 16,618,627.83</u>	<u>\$ 15,321,104.20</u>

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

COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>	<b>Ref.</b>	<b>Balance Dec. 31, 2018</b>	<b>Balance Dec. 31, 2017</b>
<b>Regular Fund</b>			
Liabilities:			
Appropriation Reserves	A-3:A-11	\$ 2,201,308.04	\$ 2,032,799.89
Encumbrances Payable	A-12	463,295.99	826,948.70
Accounts Payable	A-13	55,586.00	9,316.80
Prepaid Taxes	A-4	463,612.59	1,503,667.59
Tax Overpayments		54,787.13	53,129.54
Due State - Marriage License Fees		850.00	1,075.00
Due State of New Jersey - DCA Fees		11,426.00	14,822.00
Local School Taxes Payable	A-14	2,009,119.33	1,604,107.85
County Tax Payable	A-6	85,847.71	32,645.39
Reserve for Revaluation	A-15	6,805.45	6,805.45
Due County - PILOT			4,230.46
Due Grant Fund	A	66,817.48	61,837.48
		<hr/>	<hr/>
		5,419,455.72	6,151,386.15
Reserve for Receivables		4,017,347.66	3,538,958.71
Fund Balance	A-1	6,351,123.29	5,111,673.86
		<hr/>	<hr/>
		15,787,926.67	14,802,018.72
<b>Federal and State Grant Fund</b>			
Reserve for Grants - Appropriated	A-17	358,056.51	352,592.09
Reserve for Grants - Unappropriated	A-18	3.31	71,528.19
Encumbrances Payable	A-12	472,641.34	94,965.20
		<hr/>	<hr/>
		830,701.16	519,085.48
		<hr/>	<hr/>
		\$ 16,618,627.83	\$ 15,321,104.20
		<hr/>	<hr/>

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

<b>Revenue and Other Income Realized</b>	<b>Ref.</b>	<b>Year 2018</b>	<b>Year 2017</b>
Fund Balance Utilized	A-2	\$ 767,045.26	\$ 734,176.37
Miscellaneous Revenue Anticipated	A-2	10,620,495.12	9,632,177.42
Receipts from Delinquent Taxes	A-2	973,691.21	769,274.12
Receipts from Current Taxes	A-2	70,455,909.43	69,869,491.05
Non-Budget Revenue	A-2	567,397.35	481,549.51
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-11	1,678,902.99	1,397,134.81
Statutory Excess - Dog		3,109.24	
Grant Reserves Canceled			874,520.62
Encumbrances Payable - Canceled	A-12	15,595.38	98,007.02
Accounts Payable - Canceled	A-13	4,066.80	
Interfund Loan Returned		69,960.00	125,643.70
<b>Total Income</b>		<b>85,156,172.78</b>	<b>83,981,974.62</b>
<b>Expenditures</b>			
Budget Appropriations Within "CAPS"			
Operations:			
Salaries and Wages	A-3	8,079,212.21	7,692,743.00
Other Expenses	A-3	8,697,663.45	8,762,090.82
Deferred Charges and Statutory Expenditures	A-3	2,375,428.33	2,196,819.67
Budget Appropriations Excluded from "CAPS"			
Operations:			
Salaries and Wages	A-3	1,251,015.04	1,259,237.00
Other Expenses	A-3	2,728,083.78	2,115,284.95
Capital Improvements	A-3	400,000.00	150,000.00
Municipal Debt Service	A-3	9,468,576.92	9,347,683.19
Deferred Charges and Statutory Expenditures		69,960.00	69,960.00
County Taxes	A-6	15,816,662.91	15,223,481.62
Due County for Added Taxes	A-6	85,847.71	32,645.39
Local District School Tax	A-14	34,078,504.00	33,268,481.00
Interfund Loan Advanced		3,109.24	63,637.31
Prior Year Deductions Disallowed	A-9	7,124.92	5,251.11
Grant Receivables Canceled			461,110.75
Refund of Prior Year Revenue	A-4	88,489.58	101,301.76
<b>Total Expenditures</b>		<b>83,149,678.09</b>	<b>80,749,727.57</b>

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 2018	Year 2017
Excess in Revenue		2,006,494.69	3,232,247.05
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year			629.00
Statutory Excess to Fund Balance		2,006,494.69	3,232,876.05
<b>Fund Balance</b>			
Balance January 1	A	5,111,673.86	2,612,974.18
		7,118,168.55	5,845,850.23
Decreased by:			
Utilization as Anticipated Revenue	A-1	767,045.26	734,176.37
Balance December 31	A	\$ 6,351,123.29	\$ 5,111,673.86

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	\$ 767,045.26		\$ 767,045.26	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-10	20,550.00		20,150.00	\$ (400.00)
Fees and Permits	A-10	150,588.00		85,780.00	(64,808.00)
Fines and Costs:					
Municipal Court	A-10	268,486.00		259,381.12	(9,104.88)
Interest and Costs on Taxes	A-10	177,464.00		192,055.07	14,591.07
Interest on Investments and Deposits	A-10	12,977.00		100,133.95	87,156.95
Consolidated Municipal Property Tax Relief	A-10	62,592.00		62,592.00	
Energy Receipts Tax	A-10	1,946,649.00		1,946,649.00	
Borough of National Park Police	A-10	556,615.00		556,615.00	
City of Woodbury Construction Code Official	A-10	110,000.00		110,000.00	
Uniform Construction Code Fees	A-10	514,000.00		1,233,808.50	719,808.50
Riverwinds Fees	A-10	1,891,764.24		1,832,573.95	(59,190.29)
Uniform Fire Safety Act	A-10	106,292.22		155,016.70	48,724.48
Franchise Fees - Cable Television	A-10	346,630.71		352,321.88	5,691.17
Host Community Benefit Agreement	A-10	429,364.00		424,238.64	(5,125.36)
Reserve for Tax Defeasance	A-10	393,241.20		389,866.20	(3,375.00)
Payment in Lieu of Taxes	A-10	74,993.61		77,699.68	2,706.07
Rental of Buildings & Grounds	A-10	347,590.13		374,690.60	27,100.47
LS Power Pilot	A-10	1,555,060.00		1,544,840.72	(10,219.28)
NJMV Resource Officer	A-10	135,720.00		135,720.00	
NJ Transportation Trust Fund	A-16	500,000.00		500,000.00	
Community Development Block Grant	A-16	50,000.00		50,000.00	
Clean Communities	A-16		\$ 42,867.25	42,867.25	
Click It or Ticket	A-16		1,760.00	1,760.00	
Drive Sober or Get Pulled Over	A-16		1,540.00	1,540.00	
Municipal Alliance on Alcoholism & Drug Abuse	A-16	19,920.00		19,920.00	
U Text U Drive U Pay	A-16		4,400.00	4,400.00	
Recycling Tonnage Grant	A-16	59,075.62		59,075.62	
Body Armor Replacement Grant	A-16	3,954.84		3,954.84	
Bullet Proof Vest Partnership	A-16	6,541.00	4,464.00	11,005.00	
Municipal Court Alcohol Educ. & Rehab Fund	A-16		952.02	952.02	
Drunk Driving Enforcement Fund	A-16	6,193.75	4,693.63	10,887.38	
Safe and Secure	A-16	60,000.00		60,000.00	
Total Miscellaneous Revenues		9,806,262.32	60,676.90	10,620,495.12	753,555.90
Receipts from Delinquent Taxes	A-2	700,000.00		973,691.21	273,691.21
Subtotal General Revenues		11,273,307.58	60,676.90	12,361,231.59	1,027,247.11
Amount to be Raised by Taxation	A-2	22,684,024.58		21,421,497.41	(1,262,527.17)
Budget Totals		33,957,332.16	60,676.90	33,782,729.00	\$ (235,280.06)
Non-Budget Revenue	A-2			567,397.35	
		<u>\$ 33,957,332.16</u>	<u>\$ 60,676.90</u>	<u>\$ 34,350,126.35</u>	
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	\$ 70,455,909.43
Allocated to:		
School and County Taxes	A-6	49,981,014.62
Balance for Support of Municipal Budget Appropriations		<u>20,474,894.81</u>
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	946,602.60
	A-2	<u><u>\$ 21,421,497.41</u></u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-6	\$ 931,965.43
Tax Title Liens	A-7	41,725.78
	A-2	<u><u>\$ 973,691.21</u></u>

**Analysis of Non-Budget Revenue**

Miscellaneous Revenue Not Anticipated:		
Revenue Accounts Receivable:		
Refunds	A-10	\$ 18,766.74
Insurance Refunds	A-10	3,500.00
Donations	A-10	1,500.00
Fuel Purchases	A-10	9,827.47
Off Duty Administrative Fees	A-10	43,223.93
Senior Citizen Administrative Fee	A-10	4,365.00
Vacant Property Fees	A-10	120,300.00
Other Fees	A-10	11,823.44
Sale of Municipal Assets	A-10	5,528.73
Recreation Fees	A-10	8,220.00
Scrap Metal	A-10	1,414.20
Street Openings	A-10	84,361.28
Riverwinds Streetfest Sponsor	A-10	11,500.00
Rivergate Parking	A-10	17,051.00
Player Development Building	A-10	5,745.00
Dumpster Fees	A-10	14,250.00
Premiums	A-10	21,900.00
School Resource Officer	A-10	56,741.13
Miscellaneous	A-10	87,185.67
Property Maintenance Liens	A-10	40,193.76
	A-2	<u><u>\$ 567,397.35</u></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
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT						
General Administration						
Salaries & Wages	\$ 94,550.00	\$ 104,550.00	\$ 95,738.00		\$ 8,812.00	
Other Expenses	72,900.00	72,900.00	51,519.21	\$ 477.93	20,902.86	
Mayor and Township Council						
Salaries & Wages	15,000.00	15,000.00	15,000.00			
Other Expenses	2,550.00	2,550.00	2,078.22		471.78	
Municipal Clerk						
Salaries & Wages	49,500.00	49,500.00	48,456.68		1,043.32	
Other Expenses	84,750.00	84,750.00	54,484.05		30,265.95	
Financial Administration						
Salaries & Wages	177,200.00	187,200.00	179,461.19		7,738.81	
Other Expenses	83,950.00	93,950.00	82,853.92	4,306.14	6,789.94	
Audit Services						
Other Expenses	54,698.00	54,698.00	42,830.94		11,867.06	
Computerized Data Processing						
Other Expenses	1,700.00	1,700.00			1,700.00	
Revenue Administration (Tax Collection)						
Salaries & Wages	135,500.00	135,500.00	133,964.46		1,535.54	
Other Expenses	33,862.00	18,862.00	10,939.74	320.14	7,602.12	
Legal Services & Costs						
Other Expenses	350,000.00	350,000.00	210,550.23	21,695.20	117,754.57	
Engineering Services & Costs						
Salaries & Wages	1.00	1.00			1.00	
Other Expenses	360,000.00	360,000.00	259,929.25		100,070.75	
LAND USE ADMINISTRATION						
Municipal Land Use Law (NJSA 40:55D-1)						
Planning Board						
Salaries & Wages	2,200.00	2,200.00	2,164.90		35.10	
Other Expenses	76,125.00	41,125.00	19,591.27		21,533.73	
Zoning Board and Board of Adjustment						
Salaries & Wages	37,500.00	37,500.00	37,080.99		419.01	
Other Expenses	3,350.00	3,350.00	1,553.75		1,796.25	
Rental Control Commission						
Other Expenses	4,000.00	4,000.00	2,377.53		1,622.47	

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



STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
<b>INSURANCE</b>						
Liability Insurance	368,361.48	368,361.48	328,429.06		39,932.42	
Workmen's Compensation Insurance	328,361.48	328,361.48	326,815.75		1,545.73	
Group Plans for Employees	2,579,026.58	2,472,026.58	2,230,840.46	2,217.26	238,968.86	
<b>PUBLIC SAFETY FUNCTIONS</b>						
Police						
Salaries & Wages	4,347,360.00	4,347,360.00	4,309,974.70		37,385.30	
Other Expenses	248,400.00	263,400.00	215,879.79	32,651.63	14,868.58	
Emergency Management Services						
Salaries & Wages	13,600.00	13,600.00	13,537.80		62.20	
Aid to Volunteer Fire Companies						
Other Expenses	240,000.00	240,000.00	155,990.43	77,471.42	6,538.15	
Fire Department						
Salaries & Wages	91,500.00	91,500.00	90,554.18		945.82	
Other Expenses	44,554.36	44,554.36	42,246.38	850.00	1,457.98	
Prosecutor						
Other Expenses	24,000.00	24,000.00	23,535.00		465.00	
<b>PUBLIC WORKS FUNCTIONS</b>						
Road Repairs & Maintenance						
Salaries & Wages	540,000.00	540,000.00	533,683.73		6,316.27	
Other Expenses	290,150.00	340,150.00	280,886.60	15,274.53	43,988.87	
Snow Removal						
Salaries & Wages	60,000.00	60,000.00	29,711.79		30,288.21	
Other Expenses	90,000.00	100,000.00	81,237.10	9,477.01	9,285.89	
Other Public Works Functions (Leaf Collection)						
Salaries & Wages	35,000.00	35,000.00	17,492.37		17,507.63	
Other Expenses	14,050.00	14,050.00	480.96	5,821.90	7,747.14	
Solid Waste Collection						
Salaries & Wages	1,174,100.00	1,174,100.00	915,118.78		258,981.22	
Other Expenses	256,200.00	256,200.00	244,509.93	9,075.55	2,614.52	
Public Buildings & Grounds						
Salaries & Wages	500.00	500.00			500.00	
Other Expenses	110,700.00	110,700.00	86,303.06	9,049.41	15,347.53	
Vehicle Maintenance						
Other Expenses	369,000.00	369,000.00	275,076.19	68,661.14	25,262.67	

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

## STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
<b>HEALTH AND HUMAN SERVICES</b>						
Public Health Services (Board of Health)						
Salaries & Wages	1.00	1.00			1.00	
Other Expenses	5,000.00	5,000.00		2,199.00	2,801.00	
Environmental Commission (40:56A et seq.)						
Salaries & Wages	1.00	1.00			1.00	
Other Expenses	4,400.00	4,400.00	1,588.00	850.00	1,962.00	
Animal Control Services						
Salaries & Wages	5,300.00	6,300.00	5,236.94		1,063.06	
Commission of Disabled						
Salaries & Wages	1.00	1.00			1.00	
Other Expenses	3,400.00	3,400.00	3,388.59		11.41	
Beautification Committee						
Salaries & Wages	1.00	1.00			1.00	
Other Expenses	4,400.00	4,400.00			4,400.00	
Green Team Committee						
Salaries & Wages	1.00	1.00			1.00	
Other Expenses	3,400.00	3,400.00			3,400.00	
<b>RECREATION FUNCTIONS</b>						
Recreation Services & Programs						
Salaries & Wages	461,000.00	461,000.00	388,988.03		72,011.97	
Other Expenses	284,950.00	284,950.00	208,337.10	27,642.90	48,970.00	
<b>UTILITY EXPENSES AND BULK PURCHASES</b>						
Electricity	230,000.00	260,000.00	210,337.67	16,100.00	33,562.33	
Street Lighting	270,000.00	300,000.00	223,882.89	25,400.00	50,717.11	
Telephone	77,000.00	102,000.00	81,520.35	6,397.41	14,082.24	
Fuel Oil	13,000.00	15,000.00	12,574.30	1,499.24	926.46	
Telecommunications	2,800.00	2,800.00	1,722.58		1,077.42	
Gasoline	180,000.00	200,000.00	179,343.46	10,894.89	9,761.65	
<b>LANDFILL AND SOLID WASTE DISPOSAL COSTS</b>						
Landfill/Solid Waste Disposal Costs						
Other Expenses	1,147,000.00	1,187,000.00	800,998.22		386,001.78	
<b>MUNICIPAL COURT FUNCTIONS</b>						
Municipal Court						
Salaries & Wages	200,500.00	200,500.00	186,926.58		13,573.42	
Other Expenses	43,300.00	43,300.00	22,748.84	514.53	20,036.63	
Public Defender						
Other Expenses	21,000.00	21,600.00	21,600.00			
<b>OTHER COMMON OPERATING FUNCTIONS</b>						
Accumulated Absence Management	85,000.00	85,000.00	38,553.16		46,446.84	
Riverwinds						
Salaries & Wages	215,636.21	215,636.21	215,636.21			
Other Expenses	191,224.55	142,224.55	142,224.55			

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

## STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
<b>UNIFORM CONSTRUCTION CODE -</b>					
<b>APPROPRIATIONS OFFSET BY DEDICATED</b>					
<b>REVENUES (NJAC 5:23-4.17)</b>					
State Uniform Construction Code					
Construction Official					
Salaries & Wages	229,260.00	209,260.00	206,429.08		2,830.92
Other Expenses	74,100.00	44,100.00	27,003.37	7,371.60	9,725.03
Plumbing Sub-Code Official					
Salaries & Wages	29,500.00	29,500.00	25,148.98		4,351.02
Electrical Sub-Code Official					
Salaries & Wages	37,000.00	47,000.00	37,816.59		9,183.41
Housing Official					
Salaries & Wages	31,500.00	31,500.00	26,271.32		5,228.68
Other Expenses	97,000.00	55,400.00	24,066.70		31,333.30
Total Operations Within "CAPS"	16,810,875.66	16,776,875.66	14,545,221.90	356,218.83	1,875,434.93
Detail:					
Salaries & Wages	8,068,212.21	8,079,212.21	7,552,946.46		526,265.75
Other Expenses	8,742,663.45	8,697,663.45	6,992,275.44	356,218.83	1,349,169.18
<b>DEFERRED CHARGES</b>					
Overexpenditure of Appropriation	629.00	629.00	629.00		
<b>STATUTORY EXPENDITURES</b>					
Contribution to:					
Public Employees' Retirement System	505,599.64	539,599.64	505,599.64		34,000.00
Social Security System (OASI)	725,000.00	725,000.00	680,200.92		44,799.08
Police and Firemen's Retirement System of NJ	1,052,699.69	1,052,699.69	1,052,699.69		
Unemployment Compensation Insurance	40,000.00	40,000.00	40,000.00		
New Jersey Disability Insurance	7,500.00	7,500.00	5,617.45		1,882.55
Defined Compensation Retirement System	10,000.00	10,000.00	3,376.27		6,623.73
Total Deferred Charges & Statutory					
Expenditures - Municipal Within "CAPS"	2,341,428.33	2,375,428.33	2,288,122.97		87,305.36
Total General Appropriations for					
Municipal Purposes Within "CAPS"	19,152,303.99	19,152,303.99	16,833,344.87	356,218.83	1,962,740.29

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

## STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
<b>PUBLIC SAFETY FUNCTIONS</b>						
Length of Service Awards Program (P.L. 1997, c. 388)	80,000.00	80,000.00			80,000.00	
<b>EDUCATION FUNCTIONS</b>						
Maintenance of Free Public Library						
Other Expenses	766,428.00	766,428.00	744,735.34		21,692.66	
<b>SHARED SERVICE AGREEMENTS</b>						
City of Woodbury Construction Code Official						
Salaries and Wages	82,240.00	82,240.00	82,240.00			
Other Expenses	27,760.00	27,760.00	27,760.00			
Borough of National Park Police						
Salaries and Wages	106,140.00	106,140.00	106,140.00			
Other Expenses	83,004.47	83,004.47	83,004.47			
West Deptford Board of Education (IT Services)						
Other Expenses	128,420.00	128,420.00	128,420.00			
Township of Logan (Administrator)						
Other Expenses	48,000.00	42,000.00	32,000.00		10,000.00	
<b>ADDITIONAL APPROPRIATIONS OFFSET BY REVENUES</b>						
Riverwinds						
Salaries and Wages	1,002,635.04	1,002,635.04	895,944.93		106,690.11	
Other Expenses	889,129.20	889,129.20	761,867.06	107,077.16	20,184.98	
Total Other Operations - Excluded from "CAPS"	3,213,756.71	3,207,756.71	2,862,111.80	107,077.16	238,567.75	
<b>PUBLIC AND PRIVATE PROGRAMS OFF-SET BY REVENUES</b>						
Municipal Alliance	24,900.00	24,900.00	24,900.00			
Drunk Driving Enforcement Fund	6,193.75	10,887.38	10,887.38			
Clean Communities		42,867.25	42,867.25			
Click It or Ticket		1,760.00	1,760.00			
Municipal Court Alcohol Educ. & Rehab Fund		952.02	952.02			
Body Armor Replacement Grant	3,954.84	3,954.84	3,954.84			
Bullet Proof Vest	6,541.00	11,005.00	11,005.00			
Community Development Block Grant	50,000.00	50,000.00	50,000.00			
Safe and Secure	60,000.00	60,000.00	60,000.00			
U Text U Drive U Pay		4,400.00	4,400.00			
Recycling Tonnage Grant	59,075.62	59,075.62	59,075.62			
NJ Transportation Trust Fund Authority	500,000.00	500,000.00	500,000.00			
Drive Sober or Get Pulled Over		1,540.00	1,540.00			
Total Operations Excluded from "CAPS"	3,924,421.92	3,979,098.82	3,633,453.91	107,077.16	238,567.75	
Detail:						
Salaries and Wages	1,251,015.04	1,251,015.04	1,144,324.93		106,690.11	
Other Expenses	2,673,406.88	2,728,083.78	2,489,128.98	107,077.16	131,877.64	

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

## STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>					
Capital Improvement Fund	400,000.00	400,000.00	400,000.00		
Total Capital Improvements Excluded from "CAPS"	400,000.00	400,000.00	400,000.00		
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>					
Payment of Bond Principal	5,818,757.00	5,818,757.00	5,818,757.00		
Bond Anticipation and Capital Notes	147,545.00	147,545.00	147,545.00		
Interest on Bonds	3,420,329.44	3,426,329.44	3,424,975.10		\$ 1,354.34
Interest on Notes	77,412.21	77,412.21	77,299.82		112.39
Total Municipal Debt Service Excluded from "CAPS"	9,464,043.65	9,470,043.65	9,468,576.92		1,466.73
<b>DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM CAPS</b>					
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"	13,858,425.57	13,919,102.47	13,571,990.83	107,077.16	238,567.75
Subtotal General Appropriations	33,010,729.56	33,071,406.46	30,405,335.70	463,295.99	2,201,308.04
<b>RESERVE FOR UNCOLLECTED TAXES</b>	946,602.60	946,602.60	946,602.60		
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 33,957,332.16</b>	<b>\$ 34,018,009.06</b>	<b>\$ 31,351,938.30</b>	<b>\$ 463,295.99</b>	<b>\$ 2,201,308.04</b>
Ref.	A-2			A-12	A
	Ref.				
Budget	A-3	\$ 33,957,332.16			
Appropriations by 40A:4-87	A-2	60,676.90			
		<u>\$ 34,018,009.06</u>			
		Ref.			
Reserve for Federal and State Grants		A-17	\$ 771,342.11		
Deferred Charges			629.00		
Reserve for Uncollected Taxes		A-2	946,602.60		
Due General Capital Fund			69,960.00		
Disbursed		A-4	29,563,404.59		
			<u>\$ 31,351,938.30</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

		Ref.	Balance Dec. 31, 2018	Balance Dec. 31, 2017
<b>ASSETS</b>				
<b>Trust Fund</b>				
Cash - Treasurer		B-1	\$ 3,131,232.38	\$ 2,282,375.53
Due from Payroll Trust		B	33,024.31	16,319.34
Due from Public Defender		B	1,879.00	1,879.00
			<u>3,166,135.69</u>	<u>2,300,573.87</u>
<b>LOSAP (Unaudited)</b>				
Investment			<u>1,361,117.69</u>	<u>1,485,469.08</u>
			<u><u>\$ 4,527,253.38</u></u>	<u><u>\$ 3,786,042.95</u></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, 2018	Balance Dec. 31, 2017
<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>			
<b>Trust Fund</b>			
Encumbrances Payable	B-4	\$ 38,257.27	\$ 11,237.78
Payroll Taxes Payable	B-3	21,235.42	2,704.34
Due State of New Jersey			6.60
Due Current Fund	A	27,488.08	21,656.30
Due Unemployment Trust	B	33,024.31	16,319.34
Due Mayor's Fund	B	1,879.00	1,879.00
Reserve for Dog Fund Expenditures	B-2	7,257.20	8,527.60
Reserve for Street Opening	B-3	64,466.50	115,080.28
Reserve for Forfeited Funds	B-3	5,426.91	26,506.27
Reserve for Off-Duty Police Fees	B-3	62,272.74	195,770.69
Deposits for Redemption of Tax Sale Certificates	B-3	91,640.67	4,705.19
Reserve for Tax Sale Premiums	B-3	287,300.00	607,800.00
Reserve for Riverwinds Tax Defeasance	B-3	754.34	186.87
Reserve for Developers Escrow	B-3	403,973.04	453,699.75
Reserve for Public Defender Fees	B-3	21,042.00	14,212.00
Reserve for POAA Fees	B-3	1,796.17	1,762.17
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	258,938.45	354,258.42
Reserve for Affordable Housing	B-3	1,499,329.60	171,721.33
Reserve for Unemployment Compensation	B-3	154,699.78	111,204.79
Reserve for Storm Recovery	B-3	1,684.10	1,684.10
Reserve for Recreation	B-3	68,726.38	69,709.99
Reserve for Environmental Resources	B-3	5,500.00	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	1,379.00
Reserve for Donations Flag Pole	B-3	5,000.00	5,000.00
Reserve for Donations Dante Finocchi Memorial	B-3	1,500.00	500.00
Reserve for Donations Adopt a Bench	B-3	200.00	
Reserve for Imperial Way Roadway Improvements	B-3	10,067.96	10,009.30
Reserve for Uniform Fire Safety	B-3	1,615.75	1,871.74
		<u>3,166,135.69</u>	<u>2,300,573.87</u>
<b>LOSAP (Unaudited)</b>			
Reserve for LOSAP Benefits		1,361,117.69	1,485,469.08
		<u>\$ 4,527,253.38</u>	<u>\$ 3,786,042.95</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

<b>ASSETS</b>	Ref.	Balance	Balance
		Dec. 31, 2018	Dec. 31, 2017
Cash	C-2	\$ 3,374,212.50	\$ 3,256,505.60
Deferred Charges to Future Taxation:			
Funded	C-4	80,355,511.00	86,174,268.00
Unfunded	C-5	9,270,771.50	6,056,526.50
		<u>\$ 93,000,495.00</u>	<u>\$ 95,487,300.10</u>
<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>			
Serial Bonds Payable	C-8	\$ 80,355,511.00	\$ 86,174,268.00
Bond Anticipation Notes Payable	C-10	8,751,077.00	5,466,872.00
Encumbrances Payable	C-11	891,362.50	2,756,893.21
Capital Improvement Fund	C-6	241,385.88	116,275.00
Reserve for Payment of Debt Services - BANS	C-13	95,447.40	33,176.28
Reserve for Down Payment on Improvements	C-12	36,302.00	36,302.00
Improvement Authorizations:			
Funded	C-7	495,635.05	480,242.56
Unfunded	C-7	2,011,157.03	230,693.92
Due Current Fund	A	102,489.85	172,449.84
Fund Balance	C-1	20,127.29	20,127.29
		<u>\$ 93,000,495.00</u>	<u>\$ 95,487,300.10</u>

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

## STATEMENT OF FUND BALANCE - REGULATORY BASIS

	Ref.	
Balance December 31, 2017	C	\$ 20,127.29
Balance December 31, 2018	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

<b>ASSETS</b>	Ref.	Balance	Balance
		Dec. 31, 2018	Dec. 31, 2017
Operating Fund			
Cash - Treasurer	D-5	\$ 2,766,185.42	\$ 2,777,949.24
		<u>2,766,185.42</u>	<u>2,777,949.24</u>
Receivables with Full Reserves			
Consumer Accounts Receivable	D-7	1,458,883.12	1,333,742.75
Water & Sewer Liens	D-8	14,494.38	12,549.85
		<u>1,473,377.50</u>	<u>1,346,292.60</u>
Deferred Charges			
Overexpenditure of Appropriation			6,931.29
Overexpenditure of Appropriation Reserves	D-11	1,015.81	
		<u>1,015.81</u>	
Total Operating Fund		<u>4,240,578.73</u>	<u>4,131,173.13</u>
Capital Fund			
Cash - Treasurer	D-5	325,033.95	384,070.40
Note Receivable	D-22	1,197,800.00	
Fixed Capital	D-9	59,500,252.67	59,197,321.77
Fixed Capital Authorized and Uncompleted	D-10	2,144,117.40	2,144,117.40
		<u>63,167,204.02</u>	<u>61,725,509.57</u>
Total Capital Fund		<u>\$ 67,407,782.75</u>	<u>\$ 65,856,682.70</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

<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>	Ref.	Balance Dec. 31, 2018	Balance Dec. 31, 2017
Operating Fund			
Liabilities:			
Appropriation Reserves	D-4:D-11	\$ 598,235.35	\$ 1,508,342.42
Encumbrances Payable	D-12	213,461.65	254,139.12
Accrued Interest on Bonds & Notes	D-13	136,667.89	158,864.08
Utility Rent Overpayments	D-5	18,678.89	19,137.45
Reserve for Engineering Escrow		1,175.00	1,175.00
		<hr/>	<hr/>
		968,218.78	1,941,658.07
Reserve for Receivables		1,473,377.50	1,346,292.60
Fund Balance	D-1	1,798,982.45	843,222.46
		<hr/>	<hr/>
		4,240,578.73	4,131,173.13
Capital Fund			
Serial Bonds Payable	D-17	6,344,489.00	7,495,732.00
Bond Anticipation Notes Payable	D-18	760,411.01	926,888.00
New Jersey Wastewater Loan Payable	D-19	5,268,762.46	5,975,272.52
Note Payable	D-23	1,400,000.00	
Improvement Authorizations:			
Funded	D-16	53,309.63	55,325.15
Unfunded	D-16	108,107.15	1,400,000.00
Encumbrances Payable	D-12	1,069,753.79	10,056.65
Capital Improvement Fund	D-14	13,087.38	13,087.38
Reserve for Debt Service	D-20	140,479.68	167,504.90
Reserve for Down Payment on Improvements	D-21	96,250.00	96,250.00
Reserve for Amortization	D-15	47,870,707.60	45,543,546.65
Fund Balance	D-2	41,846.32	41,846.32
		<hr/>	<hr/>
		63,167,204.02	61,725,509.57
		<hr/>	<hr/>
		\$ 67,407,782.75	\$ 65,856,682.70
		<hr/>	<hr/>

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 2018	Year 2017
<b>Revenue and Other Income Realized</b>			
Fund Balance Utilized	D-3	\$ 313,681.02	\$ 266,102.80
Rents	D-3	11,350,659.44	11,453,062.92
Miscellaneous	D-3	186,483.23	226,195.96
Other Credits to Income:			
Encumbrances Canceled	D-12	6,474.47	9,601.22
Unexpended Balance of Appropriation Reserves	D-11	1,293,239.81	647,947.43
Total Income		<u>13,150,537.97</u>	<u>12,602,910.33</u>
<b>Expenditures</b>			
Operating	D-4	8,920,419.30	9,414,840.75
Shared Service Agreement	D-4	32,000.00	24,750.00
Capital Improvements	D-4	477,000.00	450,000.00
Debt Service	D-4	2,181,050.64	2,199,767.28
Deferred Charges	D-4	6,931.29	
Statutory Expenditures	D-4	261,896.35	266,000.00
Other Expenditures:			
Miscellaneous Refunds	D-5	988.69	
Refund of Prior Year Revenue	D-5	810.69	
Total Expenditures		<u>11,881,096.96</u>	<u>12,355,358.03</u>
Excess in Revenue		<u>1,269,441.01</u>	<u>247,552.30</u>
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			<u>6,931.29</u>
Statutory Excess to Fund Balance		<u>1,269,441.01</u>	<u>254,483.59</u>
<b>Fund Balance</b>			
Balance January 1	D	<u>843,222.46</u>	<u>854,841.67</u>
		<u>2,112,663.47</u>	<u>1,109,325.26</u>
Decreased by:			
Utilization as Anticipated Revenue	D-1	<u>313,681.02</u>	<u>266,102.80</u>
Balance December 31	D	<u>\$ 1,798,982.45</u>	<u>\$ 843,222.46</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, 2017	Ref. D	\$ 41,846.32
Balance December 31, 2018	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	\$ 313,681.02	\$ 313,681.02	
Rents	D-3	11,444,734.00	11,350,659.44	\$ (94,074.56)
Miscellaneous	D-3	230,000.00	186,483.23	(43,516.77)
		<u>\$ 11,988,415.02</u>	<u>\$ 11,850,823.69</u>	<u>\$ (137,591.33)</u>
	Ref. D-4			

## Analysis of Realized Revenue

Rents:	Ref.	
Consumer Accounts Receivable:		
Collected	D-7	\$ 11,331,521.99
Overpayments Applied	D-7	19,137.45
	D-3	<u>\$ 11,350,659.44</u>
Miscellaneous:		
Water and Sewer Interest		\$ 74,082.55
National Park Wheeling Fee		14,004.00
Fire Hydrant Receipts		947.86
Water Permits		17,000.00
Sewer Permits		17,000.00
Miscellaneous		45,435.67
Interest on Investments		18,013.15
	D-3:D-5	<u>\$ 186,483.23</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
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 1,335,500.00	\$ 1,270,500.00	\$ 1,254,134.13		\$ 16,365.87	
Other Expenses	7,655,919.30	7,649,919.30	7,131,708.10	\$ 122,396.05	395,815.15	
Shared Service Agreements						
Logan Township Administrator	48,000.00	32,000.00	32,000.00			
Capital Improvements:						
Capital Outlay	400,000.00	477,000.00	211,865.30	91,065.60	174,069.10	
Debt Service:						
Payment of Bond Principal	1,151,243.00	1,151,243.00	1,151,243.00			
Payment of Bond Anticipation Notes	7,900.00	7,900.00	7,900.00			
Interest on Bonds	236,846.26	236,846.26	223,987.14			\$ 12,859.12
Interest on Notes	21,000.00	31,000.00	22,724.10			8,275.90
Loan Principal and Interest	863,178.82	863,178.82	775,196.40			87,982.42
Deferred Charge						
Overexpenditure of Appropriation	6,931.29	6,931.29	6,931.29			
Statutory Expenditures:						
Public Employees' Retirement System	155,896.35	155,896.35	155,896.35			
Social Security System (OASI)	106,000.00	106,000.00	94,014.77		11,985.23	
	<u>\$ 11,988,415.02</u>	<u>\$ 11,988,415.02</u>	<u>\$ 11,067,600.58</u>	<u>\$ 213,461.65</u>	<u>\$ 598,235.35</u>	<u>\$ 109,117.44</u>
Ref.	D-3	D-4		D-12	D	
		Ref.				
Interest on Bonds and Notes		D-13	\$ 315,397.58			
Deferred Charge			6,931.29			
Disbursed		D-5	10,745,271.71			
			<u>\$ 11,067,600.58</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, 2018	Balance Dec 31, 2017
Buildings & Grounds	\$ 43,803,414.00	\$ 50,223,508.00
Land	28,155,400.00	28,683,900.00
Furniture & Equipment	4,948,018.66	5,139,909.66
Vehicles	6,409,827.88	6,871,238.67
	<u>\$ 83,316,660.54</u>	<u>\$ 90,918,556.33</u>
Investment in General Fixed Assets	<u>\$ 83,316,660.54</u>	<u>\$ 90,918,556.33</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, 2018 AND 2017

**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, 2018 AND 2017

**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 11<sup>th</sup> day of the 11<sup>th</sup> 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, 2018 AND 2017

**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 31<sup>st</sup>, 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, 2018 AND 2017

**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, 2018 AND 2017

**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. Accounting Pronouncements Adopted**

Statement No. 75, "Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions." The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for post-employment 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. The adoption of this Statement did not have an impact on the financial statements.

**F. 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. 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. 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 is effective for periods beginning after June 15, 2018. Management has not yet determined the impact of this Statement on the financial statements.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Costs Incurred Before the End of a Construction Period." This Statement is effective for fiscal periods beginning after December 15, 2019. 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, 2018 AND 2017

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Recent Accounting Pronouncements Not Yet Effective (Continued)**

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interests-an Amendment of GASB Statements No. 14 and No. 61." This Statement, which is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the Township's financial reporting.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations." This Statement, which is effective for fiscal periods beginning after December 15, 2020, will not have a significant impact on the Township's 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 \$60,679.90 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, 2018 and 2017, the carrying amount of the Township's deposits was \$21,876,229.23 and \$20,291,421.73, respectively. As of December 31, 2018 and 2017, \$0 of the municipality's bank balance of \$22,473,109.17 and \$19,860,615.81, respectively, was exposed to Custodial Credit Risk.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

**NOTE 4: INVESTMENTS**

As of December 31, 2018 and 2017, 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 13, 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, 2018 and 2017, amounted to \$1,361,117.69 and \$1,485,469.08, 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	2018	\$ 6,351,123.29	\$ 1,370,230.00
	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
Utility Fund	2018	1,798,982.45	N/A
	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

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

**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 and previous two years:

Year	Employee Contributions	Amount Reimbursed	Transfer from/to Current	Balance Dec. 31
2018	\$ 16,704.97	\$ 13,834.00	\$ 40,624.02	\$ 154,699.78
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

**NOTE 7: FIXED ASSETS**

The following is a summary of changes in the General Fixed Assets Account Group for the year ending December 31, 2018:

	Balance Dec. 31, 2017	Deletions	Recorded in Fixed Capital	Balance Dec. 31, 2018
Buildings and Grounds	\$ 50,223,508.00		\$ (6,420,094.00)	\$ 43,803,414.00
Land	28,683,900.00		(528,500.00)	28,155,400.00
Furniture and Equipment	5,139,909.66	\$ 37,160.00	(154,731.00)	4,948,018.66
Vehicles	6,871,238.67	143,767.00	(317,643.79)	6,409,827.88
	<u>\$ 90,918,556.33</u>	<u>\$ 180,927.00</u>	<u>\$ (7,420,968.79)</u>	<u>\$ 83,316,660.54</u>

**NOTE 8: 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.

TOWNSHIP OF WEST DEPTFORD  
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**NOTE 8: ACCUMULATED ABSENCE BENEFITS (CONTINUED)**

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, 2018 and 2017, was \$539,849.66 and \$567,462.42, respectively.

**NOTE 9: 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:

	Balance Dec. 31, 2018	Balance Dec. 31, 2017
Prepaid Taxes - Cash Liability	\$ 463,612.59	\$ 1,503,667.59

**NOTE 10: ECONOMIC DEPENDENCY**

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

**NOTE 11: INTERFUND RECEIVABLES AND PAYABLES**

The following schedule reconciles interfund receivables and payables for the year ended December 31, 2018:

	Due From	Due To
Current Fund		
Trust Other	\$ 27,488.08	
General Capital	102,489.85	
Grant Fund		\$ 66,817.48
Federal and State Grant Fund		
Current Fund	66,817.48	
Trust Other		
Current Fund		27,488.08
Unemployment Trust	33,024.31	33,024.31
Public Defender	1,879.00	
Mayor's Fund		1,879.00
General Capital Fund		
Current Fund		102,489.85
	<u>\$ 231,698.72</u>	<u>\$ 231,698.72</u>

The purpose of these interfunds are short-term borrowings.

TOWNSHIP OF WEST DEPTFORD  
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**NOTE 12: 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 13: 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 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 \$57,500.00 and \$71,300.00 for 2018 and 2017, 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 14: 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>.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 14: PENSION FUNDS (CONTINUED)**

**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.

**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.

**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. The PERS provide for employee contributions of 7.34% to 7.50% of employees' annual compensation, as defined as of July 1, 2018. The 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 the PERS and PFRS. The PERS and PFRS rates in effect for 2018 are 13.37% and 27.35%, respectively, of covered payroll, as reported on June 30, 2017. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The Township's contributions to the PERS for the years ending December 31, 2018, 2017, and 2016, were \$665,756.00, \$640,221.00, and \$633,654.00, respectively, equal to the required contributions for each year. The Township's contributions to the PFRS for the years ending December 31, 2018, 2017, and 2016, were \$1,079,776.00, \$944,272.00, and \$922,740.00, respectively, equal to the required contributions for each year. The Township's contributions to DCRP for the years ending December 31, 2018, 2017, and 2016, were \$3,376.27, \$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) operates 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 ¼ of 1% for each month that the member is under age 65.

TOWNSHIP OF WEST DEPTFORD  
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**NOTE 14: PENSION FUNDS (CONTINUED)**

**Significant Legislation (Continued)**

- 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.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of the PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of the PERS to 1/60th from 1/55th and it provided that new members of the 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 the 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 PFRS, 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).



TOWNSHIP OF WEST DEPTFORD  
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**NOTE 14: PENSION FUNDS (CONTINUED)**

**Significant Legislation (Continued)**

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 15: POSTEMPLOYMENT HEALTHCARE PLAN**

**Plan Description** - The Township of West Deptford contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. The 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. The 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.

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](http://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 the SHBP for the period January 1 through December 31, 2018, was \$1,592,134.02, which equaled the required contributions for retirees for the year. There were approximately 84 retired participants eligible at December 31, 2018.

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

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 15: POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)**

**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 2018, the Township contributed \$78,492.00 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 postemployment benefit (OPEB) cost (expense) is calculated based on the Entry Age Normal (EAN) cost method as required by GASB Statement 75. The EAN actuarial cost method requires a salary scale assumption.

The discount rate used to determine the liabilities under GASB 75 is based on an index rate for 20-year tax exempt General Obligation Municipal Bonds with an average rating of AA/Aa or higher. This rate was 3.64% as of December 31, 2018.

Future medical care cost increase rates unpredictable and could be volatile. They will depend upon the economy, future health care delivery systems and emerging technologies.

**Total OPEB Liability**

Service Cost	\$ 56,795
Interest	111,780
Difference Between Expected and Actual Experience	18,753
Benefit Payments	(78,492)
Net Change in OPEB Liability	<u>108,836</u>
Total OPEB Liability - Beginning	880,000
Prior Period Adjustment to Update to GASB 75	2,230,127
Total OPEB Liability - Ending	<u><u>\$ 3,218,963</u></u>

**Plan Fiduciary Net Position**

Contributions - Employer	\$ 78,492
Benefit Payments	(78,492)
Net Change in Plan Fiduciary Position	<u>None</u>
Plan Fiduciary Net Position - Beginning	None
Plan Fiduciary Net Position - Ending	<u><u>None</u></u>
Net OPEB Liability Ending	<u><u>\$ 3,218,963</u></u>

There were no changes in benefit terms during the year.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 15: POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)**

**Annual OPEB Cost and Net OPEB Obligation (Continued)**

Sensitivity of the total net OPEB liability to changes in the discount rate. The following represents the total net OPEB liability of the Township, as well as what the Township's total net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate.

	1% Decrease 2.64%	Current Rate 3.64%	1% Increase 4.64%
Net OPEB Liability	<u>\$ 3,794,568</u>	<u>\$ 3,218,963</u>	<u>\$ 2,643,357</u>

Sensitivity of the total net OPEB liability to changes in the healthcare cost trend rates. The following represents the total net OPEB liability of the Township, as well as what the Township's total net OPEB liability would be if it were calculated using a healthcare cost trend rates that is 1% lower or 1% higher than the current healthcare cost trend rate.

	1% Decrease	Health Care Costs Trend Rate	1% Increase
Net OPEB Liability	<u>\$ 2,691,831</u>	<u>\$ 3,218,963</u>	<u>\$ 3,841,486</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2018, the Township's OPEB expense would have been \$2,400,407 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 OPEB are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	<u>\$ 17,048</u>	<u></u>
	<u>\$ 17,048</u>	<u>None</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognize in OPEB expense as follows:

Year Ending	
2019	\$ 1,705
2020	1,705
2021	1,705
2022	1,705
2023	1,705
Thereafter (4 Years)	1,705

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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 16: 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, 2018, the Township's proportionate share of net pension liability was \$14,096,364. The net pension liability was measured as of June 30, 2018, 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, 2018 and 2017, the Township's allocation percentage was 0.0715933000% and 0.0673934134%, respectively.

For the year ended December 31, 2018, the Township's pension expense would have been \$47,230 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 the PERS are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions		\$ 3,463,899
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		65,853
Changes in Proportion and Differences Between the Township's Contributions and Proportionate Share of Contributions	959,534	
Difference Between Expected and Actual Experience		40,810
	\$ 959,534	\$ 3,570,562

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  
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**NOTE 16: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Public Employee's Retirement System (Continued)**

Year Ended December 31,	Amount
2019	\$ (298,190)
2020	(468,150)
2021	(988,584)
2022	(707,889)
2023	(148,215)
	\$ (2,611,028)

Additional information – Collective balances at June 30, 2017 and 2018, are as follows:

	June 30, 2018	June 30, 2017
Collective Deferred Outflows of Resources	\$ 4,684,852,302	\$ 5,396,431,901
Collective Deferred Inflows of Resources	7,646,736,226	4,672,602,040
Collective Net Pension Liability	19,689,501,539	23,278,401,588
Township's Proportion	0.0715933000%	0.0673934134%

**Contributions** - The contribution policy for the 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, 2018, measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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 set back 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 Conduent modified 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in

TOWNSHIP OF WEST DEPTFORD  
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**NOTE 16: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions (Continued)** - mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. 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, 2017, 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.

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, 2018, the Township's proportionate share of net pension liability for Police was \$15,915,831. The net pension liability was measured as of June 30, 2018, 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, 2018, the Township's proportion was 0.1176193052% compared to 0.1159202942% at June 30, 2017.

For the year ended December 31, 2018, the Township's pension expense would have been \$1,375,645 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 the PFRS are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions		\$ 3,894,518
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		102,344
Changes in Proportion and Differences Between the Township's Contributions and Proportionate Share of Contributions	\$ 655,555	
Difference Between Expected and Actual Experience	154,159	
	<u>\$ 809,714</u>	<u>\$ 3,996,862</u>

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**NOTE 16: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Police and Firemen's Retirement System (Continued)** - 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	\$ (35,973)
2020	(551,179)
2021	(1,377,221)
2022	(839,758)
2023	(383,017)
	<u>\$ (3,187,148)</u>

Additional information – Collective balances at June 30, 2017 and 2018, are as follows:

	June 30, 2018	June 30, 2017
Collective Deferred Outflows of Resources	\$ 1,988,215,695	\$ 2,298,433,198
Collective Deferred Inflows of Resources	4,286,994,294	2,618,912,538
Collective Net Pension Liability	<u>13,531,648,591</u>	<u>17,167,260,198</u>
 Township's Proportion	 0.1176193052%	 0.1159202942%

**Contributions**

The contribution policy for the 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	3.10 – 9.98% Based on Age
Investment Rate of Return	7.00%

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**NOTE 16: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions (Continued)**

Pre-retirement mortality rates were based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For pre-retirement accidental mortality, a custom table with representative rates was used and there is no mortality improvement assumed. Post-retirement mortality rates for male service retirements are based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Post-retirement mortality rates for female service retirements and beneficiaries were based the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scales thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvement assumed.

The actuarial assumptions used in the July 1, 2017, 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, 2018 and June 30, 2017, special funding situation net pension liability amounts of \$2,161,902 and \$2,004,486 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 17: FINANCIAL INFORMATION RELATED TO GASB 75 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 other post-employment benefit (OPEB) liability as a liability on their balance sheets. However, NJAC 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 75 information in the Notes to the Financial Statements. The following OPEB liability note information is reported at the State's level and is not specific to the municipality. The following disclosures meet the requirements of GASB 75 for the PERS and PFRS retirement systems.

**Actuarial Assumptions**

The total OPEB liability as of June 30, 2018, was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:



TOWNSHIP OF WEST DEPTFORD  
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**NOTE 17: FINANCIAL INFORMATION RELATED TO GASB 75 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions (Continued)**

Inflation rate	2.50%
Salary increases (PERS):	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Salary increases (PFRS):	
Through 2026	2.10 – 8.98% based on age
Thereafter	3.10 – 9.98% based on age
Discount Rate	3.87%

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the June 30, 2017 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan – The Police and Firemen Retirement System (PFRS) and the Public Employees Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively. 100% of active members are considered to participate in the Plan upon retirement.

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond index.

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

Changes in the Total Net OPEB Liability reported by the State of New Jersey:

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**NOTE 17: FINANCIAL INFORMATION RELATED TO GASB 75 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions (Continued)**

**Total OPEB Liability**

Service Cost	\$ 896,235,148
Interest	764,082,232
Changes of Benefit Terms	0
Differences Between Expected and Actual Experience	(3,626,384,047)
Changes in Assumptions or Other Inputs	(2,314,240,675)
Benefit Payments	(421,621,253)
Contributions - Members	53,987,166
Net Change in OPEB Liability	(4,647,941,429)
Total OPEB Liability Beginning	20,629,044,656
Total OPEB Liability Ending	<u><u>\$ 15,981,103,227</u></u>

**Plan Fiduciary Net Position**

Contributions - Employer	\$ 421,194,662
Contributions - Non-Employer Contributing Entities	53,548,285
Contributions - Members	53,987,166
Net Investment Income	2,320,422
Benefit Payments	(421,621,253)
Administrative Expense	(8,200,113)
Net Change in Plan Fiduciary Net Position	101,229,169
Plan Fiduciary Net Position Beginning	213,255,917
Plan Fiduciary Net Position Ending	<u><u>\$ 314,485,086</u></u>

Net OPEB Liability Ending	<u><u>\$ 15,666,618,141</u></u>
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There were no changes in benefit terms during the year.

Differences Between Expected and Actual Experiences: The decrease in the liability from June 30, 2017 to June 30, 2018, is due to changes in the census, claims, and premiums experience.

Changes in Assumptions: The decrease in the liability from June 30, 2017 to June 30, 2018, is due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018, and a decrease in the assumed health care cost trend and excise tax assumptions.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate: The following represents the collective net OPEB liability of the participating employers as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percent-point lower or 1-percent-point higher than the current rate.

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**NOTE 17: FINANCIAL INFORMATION RELATED TO GASB 75 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions (Continued)**

	1% Decrease 2.87%	Current Rate 3.87%	1% Increase 4.87%
Net OPEB Liability	<u>\$ 18,381,085,096</u>	<u>\$ 15,666,618,141</u>	<u>\$ 13,498,373,388</u>

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate: The following presents the net OPEB liability as of June 30, 2018, as well as what the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease	Health Care Costs Trend Rate	1% Increase
Net OPEB Liability	<u>\$ 13,068,471,450</u>	<u>\$ 15,666,618,141</u>	<u>\$ 19,029,006,023</u>

**OPEB Liability, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At December 31, 2018, the Township would have reported a liability of \$27,532,201 for its proportionate share of the net OPEB liability if New Jersey municipalities followed GAAP accounting principles. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Township's proportion of the net OPEB liability was based on a projection of the Township's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2018, the Township's proportion was .175738 percent.

For the year ended December 31, 2018, the Township would have recognized net OPEB expense of \$640,632 if New Jersey municipalities followed GAAP accounting principles. The Township's deferred outflows of resources and deferred inflows of resources (which are not recorded) are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience		\$ 5,590,019
Differences Between Projected and Actual Investment Earnings	\$ 14,550	
Changes in Assumptions		6,983,903
Changes in Proportions		2,591,631
	<u>\$ 14,550</u>	<u>\$ 15,165,553</u>

TOWNSHIP OF WEST DEPTFORD  
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**NOTE 17: FINANCIAL INFORMATION RELATED TO GASB 75 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**OPEB Liability, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending</u>	
2019	\$ (2,274,907)
2020	(2,274,907)
2021	(2,274,907)
2022	(2,276,441)
2023	(2,278,928)
Thereafter	(3,770,913)
	<u>\$ (15,151,003)</u>

**Special Funding Situation**

A special funding situation exists for some local employers of the Police and Firefighters Retirement System who do not pay for health benefits coverage for their retired employees. Under Chapter 330, P.L. 1997, certain retired local police officers and firefighters are eligible for enrollment in the State Health Benefits Program with part of the cost paid by the State. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989. The State is treated as a nonemployer contributing entity. Since the local participating employer does not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report. The Township's proportionate share of the State's collective net OPEB liability is \$284,639.

**NOTE 18: LABOR CONTRACTS**

As of December 31, 2018, the Township's employees are organized in the following collective bargaining units:

Public Works Committee - Term of contract is January 1, 2017 through December 31, 2020.

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 \$17,039,252.00 would be the maximum amount permitted to be deferred as of December 31, 2018, 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  
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**NOTE 19: SCHOOL TAXES (CONTINUED)**

	Balance Dec. 31, 2018	Balance Dec. 31, 2017
Local School Taxes:		
Balance of Tax	\$ 15,549,137.01	\$ 15,144,125.53
Deferred	13,540,017.68	13,540,017.68
Tax Payable	<u>\$ 2,009,119.33</u>	<u>\$ 1,604,107.85</u>

**NOTE 20: LONG-TERM DEBT**

**Summary of Municipal Debt Service**

Long-term debt as of December 31, 2018, consisted of the following:

	Year 2018	Year 2017	Year 2016
Bonds, Notes, and Loans Issued	\$ 102,880,250.47	\$ 106,039,032.49	\$ 112,764,533.68
Bonds and Notes Authorized But Not Issued	<u>519,694.50</u>	<u>1,989,654.50</u>	<u>3,588,016.00</u>
Net Bonds, Notes, and Loans Issued and Authorized But Not Issued	<u>\$ 103,399,944.97</u>	<u>\$ 108,028,686.99</u>	<u>\$ 116,352,549.68</u>

	Balance 12/31/2017	Increased	Retired/ Reduction	Balance 12/31/2018	Balance Due in One Year
Issued:					
General:					
Serial Bonds Payable	\$ 86,174,268.00		\$ 5,818,757.00	\$ 80,355,511.00	\$ 5,980,469.00
Bond Anticipation Note	5,466,872.00	\$ 3,431,750.00	147,545.00	8,751,077.00	147,545.00
Utility:					
Serial Bonds Payable	7,495,732.00		1,151,243.00	6,344,489.00	674,531.00
Bond Anticipation Note	926,888.00		166,476.99	760,411.01	7,900.00
Loans	5,975,272.52		706,510.06	5,268,762.46	727,844.27
Project Note Payable		1,400,000.00		1,400,000.00	
Authorized But Not Issued:					
General:					
Bonds and Notes	589,654.50	3,431,750.00	3,501,710.00	519,694.50	
Utility:					
Bonds and Notes	1,400,000.00		1,400,000.00		
	<u>\$ 108,028,687.02</u>	<u>\$ 8,263,500.00</u>	<u>\$ 12,892,242.05</u>	<u>\$ 103,399,944.97</u>	<u>\$ 7,538,289.27</u>

Permanently Funded Debt as of December 31, 2018, consisted of the following:

TOWNSHIP OF WEST DEPTFORD  
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**NOTE 20: LONG-TERM DEBT (CONTINUED)**

**Summary of Municipal Debt Service (Continued)**

\$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, 2018, was \$5,175,000.00.

\$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, 2018, was \$1,155,000.00.

\$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, 2018, 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, 2018, was \$4,983,000.

\$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, 2018, was \$485,000.00.

\$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, 2018, was \$3,587,000.00.

\$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, 2018, was \$44,144,739.00.

\$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, 2018, was \$2,615,261.00.

\$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, 2018, was \$13,612,772.00.

\$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, 2018, was \$142,228.00.

\$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, 2018, was \$285,000.00.

\$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, 2018, was \$218,890.77.

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 20: LONG-TERM DEBT (CONTINUED)**

**Summary of Municipal Debt Service (Continued)**

\$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, 2018, was \$715,000.00.

\$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, 2018, was \$471,899.11.

\$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, 2018, was \$235,000.00.

\$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, 2018, was \$184,367.85.

\$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, 2018, was \$1,760,000.00.

\$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, 2018, was \$1,398,604.73.

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

Year Ended	Principal	Interest	Total
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	7,046,116.52	2,356,486.26	9,402,602.78
2024-2028	37,700,983.75	7,177,431.26	44,878,415.01
2029-2032	18,280,000.00	1,225,037.50	19,505,037.50
	<u>91,968,762.46</u>	<u>23,099,085.02</u>	<u>115,067,847.48</u>

**SUMMARY OF STATUTORY DEBT CONDITION**

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 2.800%.

TOWNSHIP OF WEST DEPTFORD  
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**NOTE 20: LONG-TERM DEBT (CONTINUED)**

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 12,845,000.00	\$ 12,845,000.00	
Water & Sewer Debt	13,773,662.47	13,773,662.47	
General Debt	89,626,231.50	25,787,416.90	\$ 63,838,814.60
	<u>\$ 116,244,893.97</u>	<u>\$ 52,406,079.37</u>	<u>\$ 63,838,814.60</u>

Net Debt \$63,838,814.60/Equalized Valuation Basis per NJSA 40A:2-2 as amended  
\$2,283,524,644.67 = 2.800%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 79,923,362.56
Net Debt	<u>63,838,814.60</u>
Remaining Borrowing Power	<u><u>\$ 16,084,547.96</u></u>

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

Cash Receipts from Fees, Rents, or Other Charges	\$ 11,850,823.69
Deductions:	
Operating and Maintenance Costs	\$ 9,214,315.65
Debt Service per Water and Sewer Account	<u>2,181,050.64</u>
	<u>11,395,366.29</u>
Excess in Revenue	<u><u>\$ 455,457.40</u></u>

The foregoing debt information is not in agreement with the annual debt statement filed by the Chief Financial Officer.

**NOTE 21: BOND ANTICIPATION NOTES**

The Township has outstanding at December 31, 2018, a General Capital Bond Anticipation Note, payable to Oppenheimer & Co., in the amount of \$6,825,077.00. This note will mature on April 10, 2019, at an interest rate per annum of 2.75%.

The Township has outstanding at December 31, 2018, a Utility Capital Bond Anticipation Note, payable to Oppenheimer & Co., in the amount of \$760,411.01. This note will mature on April 10, 2019, at an interest rate per annum of 2.75%.

The Township has outstanding at December 31, 2018, a General Capital Bond Anticipation Note, payable to Jefferies Financial Group, in the amount of \$1,926,000.00. This note will mature on April 10, 2019, at an interest rate per annum of 3.00%.



TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

**NOTE 22: PROJECT NOTE PAYABLE**

During the year 2018, the Township passed a Resolution authorizing the submission of application to the New Jersey Infrastructure Trust to fund a project to construct, renovate, or replace Pump Stations. The application was reviewed and approved by the Trust. In anticipation of permanent financing, the Trust issued a short-term, interest free, subordinate project note in the amount of \$1,400,000.00 to temporarily finance the cost of the project. This note is expected to be permanently financed when the project is completed.

**NOTE 23: 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
2019	6,225.08
2020	3,265.08
2021	544.18
	<u>\$ 10,034.34</u>

**NOTE 24: 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, 2018, the Township abated property taxes totaling \$511,951.82, offset by ground leases in the amount of \$51,656.00, for a net effective tax abatement of \$460,295.82. The following agreements were in effect as of December 31, 2018, under the provisions of the aforementioned statutes:

TOWNSHIP OF WEST DEPTFORD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 24: TAX ABATEMENT PROGRAMS (CONTINUED)**

- A 69.55% 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 \$117,979.98.
- A 65.13% abatement (no ground lease) to a developer for construction and operation of an affordable housing project. The abatement amounted to \$64,337.29.
- An 86.53% 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 \$277,978.55.

**NOTE 25: 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.

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 26: 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 27: SUBSEQUENT EVENTS**

On April 9, 2019, the Township Committee issued General Obligation Bonds in the amount of \$9,368,000.00 and Water and Sewer Utility Bonds in the amount of \$568,000.00.

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2018 and August 20, 2019, 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 Five Fiscal Years

	Year Ended				
	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
Township's Proportion of the Net Pension Liability (Asset)	0.0715933000%	0.0673934134%	0.0681993180%	0.0697519851%	0.0798331531%
Township's Proportionate Share of the Net Pension Liability (Asset)	\$ 14,096,364	\$ 15,688,109	\$ 20,198,682	\$ 15,657,923	\$ 14,946,950
Township's Covered-Employee Payroll	4,624,823	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	304.80%	316.16%	440.98%	330.85%	313.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.59%	48.10%	40.14%	47.92%	52.08%
Measurement Date	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014

SCHEDULE OF TOWNSHIP CONTRIBUTIONS - PERS  
Last Five Fiscal Years

	Year Ended				
	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
Contractually Required Contribution	\$ 624,328	\$ 605,873	\$ 599,680	\$ 658,133	\$ 620,394
Contributions in Relation to the Contractually Required Contribution	624,328	605,873	599,680	658,133	620,394
Contribution Deficiency (Excess)	None	None	None	None	None
Township's Covered-Employee Payroll	\$ 4,624,823	\$ 4,962,065	\$ 4,580,430	\$ 4,732,651	\$ 4,773,466
Contributions as a Percentage of Covered-Employee Payroll	13.50%	12.21%	13.09%	13.91%	13.00%
Measurement Date	6/30/2018	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 Five Fiscal Years

	Year Ended				
	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
Township's Proportion of the Net Pension Liability (Asset)	0.1176193052%	0.1159202942%	0.1092735978%	0.1070225868%	0.1116161341%
Township's Proportionate Share of the Net Pension Liability (Asset)	\$ 15,915,831	\$ 17,895,852	\$ 20,874,052	\$ 17,826,232	\$ 14,040,274
Township's Covered-Employee Payroll	3,932,006	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	404.78%	472.33%	562.02%	523.10%	414.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.47%	58.60%	52.01%	56.30%	62.41%
Measurement Date	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014

SCHEDULE OF TOWNSHIP CONTRIBUTIONS - PFRS  
Last Five Fiscal Years

	Year Ended				
	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
Contractually Required Contribution	\$ 1,025,916	\$ 890,952	\$ 869,934	\$ 857,289	\$ 774,685
Contributions in Relation to the Contractually Required Contribution	1,025,916	890,952	869,934	857,289	774,685
Contribution Deficiency (Excess)	None	None	None	None	None
Township's Covered-Employee Payroll	\$ 3,932,006	\$ 3,788,839	\$ 3,714,130	\$ 3,407,833	\$ 3,384,014
Contributions as a Percentage of Covered-Employee Payroll	26.09%	23.52%	23.42%	25.16%	22.89%
Measurement Date	6/30/2018	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 Five Fiscal Years

	Year Ended				
	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
Township's Proportion of the Net Pension Liability (Asset)	0.1176193052%	0.1159202942%	0.1092735978%	0.1070225868%	0.1116161341%
Township's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,161,902	\$ 2,004,486	\$ 1,752,903	\$ 1,563,301	\$ 1,511,902
Township's Covered-Employee Payroll	3,932,006	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	54.98%	52.91%	47.20%	45.87%	44.68%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.47%	58.60%	52.01%	56.30%	62.41%
Measurement Date	6/30/2018	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 Five Fiscal Years

	Year Ended				
	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
Contractually Required Contribution	\$ 128,037	\$ 100,233	\$ 67,166	\$ 81,378	\$ 62,778
Contributions in Relation to the Contractually Required Contribution	128,037	100,233	67,166	81,378	62,778
Contribution Deficiency (Excess)	None	None	None	None	None
Township's Covered-Employee Payroll	\$ 3,932,006	\$ 3,788,839	\$ 3,714,130	\$ 3,407,833	\$ 3,384,014
Contributions as a Percentage of Covered-Employee Payroll	3.26%	2.65%	1.81%	2.39%	1.86%
Measurement Date	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014

## **SUPPLEMENTARY INFORMATION**

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028  
(856) 881-1600 • Fax (856) 881-6860

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Denise R. Nevico, CPA  
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, 2018, 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 August 20, 2019, which contained an adverse opinion on those financial statements due to being presented in accordance with the New Jersey regulatory basis of accounting. The financial statements of the Length of Service Award Program (LOSAP) have not been audited, and we were not engaged to audit the LOSAP financial statements as part of the audit of the Township of Monroe's financial statements.

#### ***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.

#### ***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 2018-001 and 2018-002.

#### ***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

August 20, 2019

# PETRONI & ASSOCIATES LLC

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## **REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB 15-08**

### **Independent Auditor's Report**

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

#### ***Report on Compliance for Each Major State Program***

We have audited the Township of West Deptford's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Township of West Deptford's major state programs for the year ended December 31, 2018. The Township of West Deptford's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Township of West Deptford's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2, U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards and Uniform Guidance and New Jersey OMB's 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Township of West Deptford's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Township of West Deptford's compliance.

### ***Opinion on Each Major State Program***

In our opinion, the Township of West Deptford complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2018.

### ***Report on Internal Control Over Compliance***

Management of the Township of West Deptford is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township of West Deptford's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with Uniform Guidance and New Jersey OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of West Deptford's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance and New Jersey OMB 15-08. Accordingly, this report is not suitable for any other purpose.

### ***Report on Schedule of Expenditures of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08***

We have audited the financial statements of 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, 2018, and have issued our report thereon dated August 20, 2019, which contained an adverse opinion on those financial statements due to being presented in accordance with the New Jersey regulatory basis of accounting. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance are presented for purposes of additional analysis as required by Uniform Guidance and New Jersey OMB 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was

derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

PETRONI & ASSOCIATES LLC

A handwritten signature in black ink, appearing to read "Nick L. Petroni", with a stylized flourish at the end.

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

August 20, 2019

TOWNSHIP OF WEST DEPTFORD  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2018

State Funding Department/Program	Grant Period		Grantor's Number	Award Amount	Current Expenditures	Cumulative Expenditures
	From	To				
Department of Community Affairs						
Clean Communities Grant	01/01/12	N/A	4900-765-042-4900-004	\$ 35,145.00	\$ 7,471.64	\$ 35,145.00
Clean Communities Grant	01/01/17	N/A	4900-765-042-4900-004	44,818.57	29,388.93	43,802.59
Clean Communities Grant	01/01/18	N/A	4900-765-042-4900-004	42,867.25	27,255.71	27,255.71
Municipal Alliance for Drug & Alcohol Abuse	07/01/18	06/30/19	N/A	24,900.00	24,900.00	24,900.00
Municipal Alliance for Drug & Alcohol Abuse	07/01/17	06/30/18	N/A	24,900.00	2,140.38	24,900.00
Recycling Tonnage Grant	01/01/15	N/A	4900-752-042-4900-001-V424-6020	58,583.54	5,110.15	41,690.04
Recycling Tonnage Grant	01/01/16	N/A	4900-752-042-4900-001-V424-6020	76,349.96	6,132.85	76,349.96
Recycling Tonnage Grant	01/01/17	N/A	4900-752-042-4900-001-V424-6020	48,988.00	29,804.80	48,988.00
Recycling Tonnage Grant	01/01/18	N/A	4900-752-042-4900-001-V424-6020	59,075.62	59,075.62	59,075.62
Department of Transportation						
Alcohol Education and Rehabilitation	01/01/13	N/A	9735-760-098-Y900	1,888.00	1,717.00	1,888.00
Alcohol Education and Rehabilitation	01/01/14	N/A	9735-760-098-Y900	473.00	473.00	473.00
Alcohol Education and Rehabilitation	01/01/16	N/A	9735-760-098-Y900	664.75	37.75	664.75
Alcohol Education and Rehabilitation	01/01/17	N/A	9735-760-098-Y900	514.72	214.72	514.72
Alcohol Education and Rehabilitation	01/01/18	N/A	9735-760-098-Y900	952.02	557.53	557.53
Drunk Driving Enforcement	01/01/15	N/A	6400-100-078-6400	15,738.98	2,243.00	4,435.06
NJ Transportation Trust	0101/18	N/A	6320-480-078-6320-Z50-TCAP-6010	230,000.00	230,000.00	230,000.00
NJ Transportation Trust	0101/18	N/A	6320-480-078-6320-Z50-TCAP-6010	270,000.00	270,000.00	270,000.00
NJ Transportation Trust	0101/16	N/A	6320-480-078-6320-Z50-TCAP-6010	362,000.00	12,094.61	353,829.60
Department of Environmental Protection						
New Jersey Environmental Infrastructure	1/2018	N/A	S340947-05	1,400,000.00	1,291,892.85	1,291,892.85
					<u>\$ 2,000,510.54</u>	<u>\$ 2,536,362.43</u>

See accompanying notes to Schedule of Expenditures of Federal Assistance and State Awards.



**TOWNSHIP OF WEST DEPTFORD  
NOTES TO SCHEDULE OF EXPENDITURES OF  
STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**NOTE 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of state awards include the state grant activity of the Township of West Deptford for the year ended December 31, 2018. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance and New Jersey OMB Circular Letter 15-08. Because the schedule presents only a selected portion of the operations of the Township of West Deptford, it is not intended to and does not present the financial position or changes in fund balance of the Township of West Deptford.

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

The accompanying schedules of expenditures of state awards includes the state grant activity of the Township of West Deptford and is presented on the accrual basis of accounting. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related state financial reports.

**NOTE 4: INDIRECT COST RATE**

The Township of West Deptford has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**TOWNSHIP OF WEST DEPTFORD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

***Section I – Summary of Auditor's Results***

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified?        Yes   X   no

2) Significant deficiencies identified that are not considered to be material weaknesses?        Yes   X   no

Noncompliance material to general-purpose financial statements noted?        X        no

**Federal Awards**

**N/A**

Internal control over major programs:

1) Material weakness(es) identified?               no

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

Type of auditor's report issued on compliance for major programs:       

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516?               no

Identification of Major Programs:

<u>Federal</u>	<u>Name of Federal Program</u>
<u>CFDA Number</u>	

Dollar threshold used to distinguish between type A and B programs: \$       

Auditee qualified as low-risk auditee?        yes        no

**TOWNSHIP OF WEST DEPTFORD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

***Section I – Summary of Auditor’s Results (Continued)***

**State Awards**

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_yes      X  no

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

Unmodified

Internal control over major programs:

1) Material weakness(es) identified?

\_\_\_\_\_yes      X  no

2) Significant deficiencies identified that are not considered to be material weaknesses?

\_\_\_\_\_yes      X  no

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08?

\_\_\_\_\_yes      X  no

Identification of Major Programs:

State Grant Number  
S340947-05

Name of State Program  
New Jersey Environmental Infrastructure

***Section II – Financial Statement Findings***

**Finding 2018-001:** There was an overexpenditure of an appropriation in the Utility Fund appropriation reserves.

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

**Finding 2018-002:** There are interfunds existing at year-end.

**Recommendation:** Interfund receivables and payables be cleared.

**Finding 2018-003:** There were grant revenue balances that were not properly reflected in the grant subsidiary ledger.

**Recommendation:** The grant reports be corrected to record all grant revenue and receivable balances.

**TOWNSHIP OF WEST DEPTFORD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

***Section II – Financial Statement Findings (Continued)***

**Finding 2018-004:** 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.

***Section III – Federal and State Awards Findings and Questioned Costs***

**Federal Awards**

N/A

**State Awards**

None

**TOWNSHIP OF WEST DEPTFORD  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

None

## **CURRENT FUND**

## SCHEDULE OF CURRENT FUND CASH - TREASURER

	Ref.	Current	Grants
Balance December 31, 2017	A	<u>\$ 11,241,960.73</u>	<u>\$ 347,060.23</u>
Increased by Receipts:			
Taxes Receivable	A-6	69,646,115.72	
Tax Title Liens	A-7	41,725.78	
Prepaid Taxes	A	463,612.59	
Tax Overpayments		35,584.21	
Grants Receivable	A-16		571,347.57
Revenue Accounts Receivable	A-10	10,421,530.36	
Due State of New Jersey - Senior Citizen and Veterans Deductions	A-9	214,250.08	
Due State of New Jersey Registrar Fees		2,500.00	
Construction DCA Fees		138,752.00	
Due County - PILOT		248,653.64	
		<u>81,212,724.38</u>	<u>571,347.57</u>
		<u>92,454,685.11</u>	<u>918,407.80</u>
Decreased by Disbursements:			
Current Year Budget Appropriations	A-3	29,563,404.59	
Appropriation Reserves	A-11	324,476.99	
Encumbrances Payable	A-12	785,187.23	94,965.20
Accounts Payable	A-13	5,250.00	
Reserve for Grants - Appropriated	A-17		293,236.35
Tax Overpayments		19,460.08	
County Taxes	A-6	15,816,662.91	
Due County Added & Omitted Taxes		32,645.39	
Local District School Tax	A-14	33,673,492.52	
Due County - PILOT		252,884.09	
Due State of New Jersey Registrar Fees		2,725.00	
Construction DCA Fees		142,148.00	
Prior Year Refunds	A-1	88,489.58	
		<u>80,706,826.38</u>	<u>388,201.55</u>
Balance December 31, 2018	A	<u><u>\$ 11,747,858.73</u></u>	<u><u>\$ 530,206.25</u></u>

## SCHEDULE OF CHANGE FUND

Balance December 31, 2017	Ref. A	<u>\$ 1,500.00</u>
Balance December 31, 2018	A	<u><u>\$ 1,500.00</u></u>



## SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2017	Levy	Added Taxes	Collected		Overpayments Applied	Canceled	Transferred to Tax Title Liens	Balance
				2017	2018				Dec. 31, 2018
2008	\$ 1,923.18				\$ 1,923.18				
2010	72.86				72.86				
2013	1,396.85				1,396.85				
2014	148.10				148.10				
2015	3,667.15				3,667.15				
2016	6,076.23		\$ 103,314.68		109,390.91				
2017	719,455.53		117,094.89		815,366.38		\$ 500.00	\$ 15,856.18	\$ 4,827.86
	732,739.90		220,409.57		931,965.43		500.00	15,856.18	4,827.86
2018		\$ 72,774,680.81		\$ 1,503,667.59	68,937,775.29	\$ 14,466.55	1,144,333.65	185,923.35	988,514.38
	<u>\$ 732,739.90</u>	<u>\$ 72,774,680.81</u>	<u>\$ 220,409.57</u>	<u>\$ 1,503,667.59</u>	<u>\$ 69,869,740.72</u>	<u>\$ 14,466.55</u>	<u>\$ 1,144,833.65</u>	<u>\$ 201,779.53</u>	<u>\$ 993,342.24</u>
Ref.	A							A-7	A

	Ref.	
Cash - Treasurer	A-4	\$ 68,993,870.53
Homestead Rebate	A-4	652,245.19
Due State of New Jersey	A-9	223,625.00
		<u>\$ 69,869,740.72</u>

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

**Analysis of Property Tax Levy**

**Tax Yield**

General Purpose Tax:			
Business Personalty Tax	\$	156,722.47	
General Property Tax		72,436,877.89	
		<hr/>	
	\$	72,593,600.36	
Added Taxes (54:4-63.1 et seq.)		181,080.45	
		<hr/>	
	\$	72,774,680.81	
		<hr/>	

**Tax Levied**

	Ref.		
Local District School Tax (Abstract)	A-14	\$	34,078,504.00
County Taxes:			
County Tax (Abstract)		\$	14,885,841.55
Due County for Open Space			930,821.36
Due County for Added Taxes (54:4-63.1 et seq.)			85,847.71
Total County Taxes			15,902,510.62
Local Tax for Municipal Purposes	A-2	21,917,596.74	
Minimum Library Tax	A-2	766,427.84	
Add: Additional Taxes Levied		109,641.61	
		<hr/>	
		22,793,666.19	
		<hr/>	
	\$	72,774,680.81	
		<hr/>	

## EXHIBIT A-7

## SCHEDULE OF TAX TITLE LIENS RECEIVABLE

Balance December 31, 2017	Ref. A		\$ 1,828,721.67
Increased by:			
Transfers from Taxes Receivable	A-6	\$ 201,779.53	
Interest and Costs		<u>14,470.89</u>	
			<u>216,250.42</u>
			<u>2,044,972.09</u>
Decreased by:			
Cash Receipts	A-4	41,725.78	
Canceled		<u>31,516.61</u>	
			<u>73,242.39</u>
Balance December 31, 2018	A		<u><u>\$ 1,971,729.70</u></u>

## EXHIBIT A-8

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)

Balance December 31, 2017	Ref. A	<u>\$ 764,800.00</u>
Balance December 31, 2018	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, 2017	Ref. A		\$ 18,970.28
Increased By:			
Current Year Deductions Per Tax Duplicate		\$ 223,375.00	
Current Year Deductions Allowed by Collector		4,000.00	
Current Year Deductions Disallowed by Collector		(3,750.00)	
		<hr/>	
	A-6	223,625.00	
Prior Year Deductions Disallowed by Collector	A-1	(7,124.92)	
		<hr/>	
			216,500.08
			<hr/>
			235,470.36
Decreased by:			
Cash Receipts	A-4		214,250.08
			<hr/>
Balance December 31, 2018	A		<u><u>\$ 21,220.28</u></u>

## SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2017	Accrued in 2018	Collected	Balance Dec. 31, 2018
<b>Miscellaneous Revenue Anticipated</b>				
Licenses:				
Alcoholic Beverages		\$ 20,150.00	\$ 20,150.00	
Fees and Permits		85,780.00	85,780.00	
Fines and Costs:				
Municipal Court	\$ 18,591.00	255,077.33	259,381.12	\$ 14,287.21
Interest and Costs on Taxes		192,055.07	192,055.07	
Interest on Investments and Deposits		100,135.60	100,133.95	1.65
Consolidated Municipal Property Tax Relief		62,592.00	62,592.00	
Energy Receipts Tax		1,946,649.00	1,946,649.00	
Borough of National Park Police		556,615.00	556,615.00	
City of Woodbury Construction Code Official		110,000.00	110,000.00	
Uniform Construction Code Fees		1,233,808.50	1,233,808.50	
Riverwinds Fees		1,832,573.95	1,832,573.95	
Uniform Fire Safety Act		155,016.70	155,016.70	
Franchise Fees - Cable Television		352,321.88	352,321.88	
Host Community Benefit Agreement		424,238.64	424,238.64	
Reserve for Tax Defeasance		389,866.20	389,866.20	
Payment in Lieu of Taxes		77,699.68	77,699.68	
Rental of Buildings & Grounds		374,690.60	374,690.60	
LS Power Pilot		1,544,840.72	1,544,840.72	
NJMV Resource Officer		135,720.00	135,720.00	
<b>Miscellaneous Revenue Not Anticipated</b>				
Refunds		18,766.74	18,766.74	
Insurance Refunds		3,500.00	3,500.00	
Donations		1,500.00	1,500.00	
Fuel Purchases		9,827.47	9,827.47	
Off Duty Administrative Fees		43,223.93	43,223.93	
Senior Citizen Administrative Fee		4,365.00	4,365.00	
Vacant Property Fees		120,300.00	120,300.00	
Other Fees		11,823.44	11,823.44	
Sale of Municipal Assets		5,528.73	5,528.73	
Recreation Fees		8,220.00	8,220.00	
Scrap Metal		1,414.20	1,414.20	
Street Openings		84,361.28	84,361.28	
Riverwinds Streetfest Sponsor		11,500.00	11,500.00	
Rivergate Parking		17,051.00	17,051.00	
Player Development Building		5,745.00	5,745.00	
Dumpster Fees		14,250.00	14,250.00	
Premiums		21,900.00	21,900.00	
School Resource Officer		56,741.13	56,741.13	
Miscellaneous		87,185.67	87,185.67	
Property Maintenance Liens		40,193.76	40,193.76	
	<u>\$ 18,591.00</u>	<u>\$ 10,417,228.22</u>	<u>\$ 10,421,530.36</u>	<u>\$ 14,288.86</u>
Ref.	A		A-4	A

## SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2017	Balance After Transfers	Paid or Charged	Balance Lapsed
General Administration				
Salaries & Wages	\$ 2,679.33	\$ 2,679.33		\$ 2,679.33
Other Expenses	45,401.61	45,401.61	\$ 105.26	45,296.35
Mayor and Township Council				
Other Expenses	2,993.12	2,993.12	450.00	2,543.12
Municipal Clerk				
Salaries & Wages	3,003.12	3,003.12		3,003.12
Other Expenses	40,855.02	40,855.02	6,872.43	33,982.59
Financial Administration				
Salaries & Wages	13,742.24	13,742.24		13,742.24
Other Expenses	19,365.13	19,365.13	4,098.88	15,266.25
Audit Services				
Other Expenses	3,040.37	3,040.37		3,040.37
Computerized Data Processing				
Other Expenses	4,689.37	4,689.37		4,689.37
Revenue Administration (Tax Collection)				
Salaries & Wages	3,707.07	3,707.07		3,707.07
Other Expenses	25,038.12	25,038.12		25,038.12
Legal Services & Costs				
Other Expenses	35,424.71	35,424.71		35,424.71
Engineering Services & Costs				
Salaries & Wages	5,000.00	5,000.00		5,000.00
Other Expenses	109,915.30	109,915.30	15,605.91	94,309.39
Planning Board				
Salaries & Wages	2.58	2.58		2.58
Other Expenses	39,846.59	39,846.59		39,846.59
Zoning Board and Board of Adjustment				
Salaries & Wages	2,057.27	2,057.27		2,057.27
Other Expenses	5,261.25	5,261.25		5,261.25
Rental Control Commission				
Other Expenses	73.75	73.75		73.75
Liability Insurance	9,710.24	9,710.24		9,710.24
Workmen's Compensation Insurance	3,262.79	3,262.79		3,262.79
Group Plans for Employees	242,146.20	242,146.20	6,491.01	235,655.19
Police				
Salaries & Wages	50,756.60	50,756.60		50,756.60
Other Expenses	20,150.86	20,150.86	17,206.70	2,944.16
Emergency Management Services				
Salaries & Wages	243.90	243.90		243.90
Aid to Volunteer Fire Companies				
Other Expenses	39,705.32	39,705.32	52.35	39,652.97
Fire Department				
Salaries & Wages	579.53	579.53		579.53
Other Expenses	4,649.20	4,649.20		4,649.20
Prosecutor				
Other Expenses	465.00	465.00		465.00
Road Repairs & Maintenance				
Salaries & Wages	42,587.26	42,587.26	6,719.72	35,867.54
Other Expenses	105,950.67	105,950.67	5,200.00	100,750.67
Snow Removal				
Salaries & Wages	23,137.66	23,137.66		23,137.66
Other Expenses	13,347.23	13,347.23		13,347.23
Other Public Works Functions (Leaf Collection)				
Salaries & Wages	27,491.44	27,491.44		27,491.44
Other Expenses	107.65	107.65		107.65
Solid Waste Collection				
Salaries & Wages	71,550.76	71,550.76	34,785.92	36,764.84
Other Expenses	21,557.09	21,557.09		21,557.09
Public Buildings & Grounds				
Salaries & Wages	500.00	500.00		500.00
Other Expenses	22,350.82	22,350.82	2,018.17	20,332.65

SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2017	Balance After Transfers	Paid or Charged	Balance Lapsed
Vehicle Maintenance				
Other Expenses	39,122.07	39,122.07		39,122.07
Public Health Services (Board of Health)				
Salaries & Wages	1.00	1.00		1.00
Other Expenses	1,534.46	1,534.46		1,534.46
Environmental Commission (40:56A et seq.)				
Salaries & Wages	1.00	1.00		1.00
Other Expenses	2,148.49	2,148.49		2,148.49
Animal Control Services				
Salaries & Wages	240.94	240.94		240.94
Commission of Disabled				
Salaries & Wages	1.00	1.00		1.00
Other Expenses	144.41	144.41		144.41
Beautification Committee				
Salaries & Wages	1.00	1.00		1.00
Other Expenses	4,217.58	4,217.58		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 Services & Programs				
Salaries & Wages	98,398.06	98,398.06	9,465.33	88,932.73
Other Expenses	74,601.87	74,601.87	7,459.25	67,142.62
Electricity	2,125.20	2,125.20	2,063.42	61.78
Street Lighting	23,171.47	23,171.47	743.32	22,428.15
Gas Propane	5,000.00	5,000.00		5,000.00
Telephone	6,136.16	6,136.16		6,136.16
Telecommunications	17,500.00	17,500.00		17,500.00
Gasoline	35,973.62	35,973.62		35,973.62
Landfill/Solid Waste Disposal Costs				
Other Expenses	220,784.44	220,784.44	134,592.99	86,191.45
Municipal Court				
Salaries & Wages	12,862.44	12,862.44		12,862.44
Other Expenses	9,279.16	9,279.16		9,279.16
Accumulated Absence Management	39,062.11	39,062.11	30,718.17	8,343.94
State Uniform Construction Code				
Construction Official				
Salaries & Wages	4,641.39	4,641.39		4,641.39
Other Expenses	7,410.00	7,410.00		7,410.00
Plumbing Sub-Code Official				
Salaries & Wages	11,792.74	11,792.74		11,792.74
Electrical Sub-Code Official				
Salaries & Wages	3,689.41	3,689.41		3,689.41
Housing Official				
Salaries & Wages	9,982.44	9,982.44		9,982.44
Other Expenses	42,744.22	42,744.22		42,744.22
Social Security System (OASI)	52,951.56	52,951.56	3,776.40	49,175.16
Police and Firemen's Retirement System of NJ	0.12	0.12		0.12
New Jersey Disability Insurance	560.31	560.31	29.06	531.25
Defined Compensation Retirement System	7,043.62	7,043.62		7,043.62
Length of Service Awards Program (P.L. 1997, c. 388)	80,000.00	80,000.00	58,650.00	21,350.00
Township of Logan (Administrator)				
Other Expenses	1,100.00	1,100.00		1,100.00
Riverwinds				
Salaries and Wages	79,143.09	79,143.09		79,143.09
Other Expenses	73,687.34	73,687.34	6,792.61	66,894.73
	<u>\$ 2,032,799.89</u>	<u>\$ 2,032,799.89</u>	<u>\$ 353,896.90</u>	<u>\$ 1,678,902.99</u>
Ref. A		Ref. A-13	\$ 29,419.91	
Accounts Payable		A-4	324,476.99	
Disbursed			<u>\$ 353,896.90</u>	

## SCHEDULE OF ENCUMBRANCES PAYABLE

	Ref.	Current	Grants
Balance December 31, 2017	A	\$ 826,948.70	\$ 94,965.20
Increased by:			
Charges to Current Year Appropriations	A-3:A-17	463,295.99	472,641.34
		<u>1,290,244.69</u>	<u>567,606.54</u>
Decreased by:			
Payments	A-4	785,187.23	94,965.20
Transfer to Accounts Payable	A-13	26,166.09	
Canceled	A-1	15,595.38	
		<u>826,948.70</u>	<u>94,965.20</u>
Balance December 31, 2018	A	<u>\$ 463,295.99</u>	<u>\$ 472,641.34</u>

## SCHEDULE OF ACCOUNTS PAYABLE

Balance December 31, 2017	Ref. A		\$ 9,316.80
Increased by:			
Transfer from Appropriation Reserves	A-11	\$ 29,419.91	
Transfer from Encumbrances Payable	A-12	<u>26,166.09</u>	
			<u>55,586.00</u>
			64,902.80
Decreased by:			
Canceled	A-1	4,066.80	
Payments	A-4	<u>5,250.00</u>	
			<u>9,316.80</u>
Balance December 31, 2018	A		<u>\$ 55,586.00</u>



## SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Balance December 31, 2017	Ref.		
School Tax Payable	A	\$ 1,604,107.85	
School Tax Deferred		<u>13,540,017.68</u>	
			\$ 15,144,125.53
Increased by:			
2018 Calendar Year School Levy	A-6		34,078,504.00
Decreased by:			
Payments	A-4		<u>33,673,492.52</u>
Balance December 31, 2018	Ref.		
School Tax Payable	A	2,009,119.33	
School Tax Deferred		<u>13,540,017.68</u>	
			<u>\$ 15,549,137.01</u>
2018 Tax Liability for Local District School Tax:			
School Tax Payable December 31, 2017	A		\$ (1,604,107.85)
Tax Paid/Encumbered	A-14		33,673,492.52
School Tax Payable December 31, 2018	A		<u>2,009,119.33</u>
Amount Charged to 2018 Operations	A-1		<u>\$ 34,078,504.00</u>

## SCHEDULE OF RESERVE FOR REVALUATION

Balance December 31, 2017	Ref. A	<u>\$ 6,805.45</u>
Balance December 31, 2018	A	<u><u>\$ 6,805.45</u></u>

## SCHEDULE OF GRANTS RECEIVABLE

	Balance Dec. 31, 2017	Budget Revenue Realized	Received	From Grants Unappropriated	Balance Dec. 31, 2018
<b>Federal Grants:</b>					
Bulletproof Vest Program		\$ 11,005.00	\$ 6,541.11		\$ 4,463.89
U Text U Drive U Pay		4,400.00	4,400.00		
Click It or Ticket		1,760.00	1,760.00		
Drive Sober or Get Pulled Over		1,540.00	1,540.00		
CDBG		50,000.00			50,000.00
		<u>68,705.00</u>	<u>14,241.11</u>		<u>54,463.89</u>
<b>State Grants:</b>					
Clean Communities		42,867.25	42,867.25		
Municipal Alliance Youth Service		19,920.00	13,668.33	\$ 6,251.67	
Recycling Tonnage Grant		59,075.62		59,075.62	
Body Armor		3,954.84		6.84	3,948.00
Drunk Driving Enforcement		10,887.38	4,696.63	6,190.75	
Safe and Secure	\$ 30,000.00	60,000.00	60,000.00		30,000.00
Municipal Court Alcohol Education		952.02	952.02		
NJ Transportation Trust	80,187.77	500,000.00	434,922.23		145,265.54
	<u>110,187.77</u>	<u>697,657.11</u>	<u>557,106.46</u>	<u>71,524.88</u>	<u>179,213.54</u>
	<u>\$ 110,187.77</u>	<u>\$ 766,362.11</u>	<u>\$ 571,347.57</u>	<u>\$ 71,524.88</u>	<u>\$ 233,677.43</u>
Ref.	A	A-2	A-4	A-18	A

## SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

	Balance Dec. 31, 2017	Transferred from Budget Appropriation	Paid	Encumbered	Balance Dec. 31, 2018
<b>Federal Grants:</b>					
Click It or Ticket		\$ 1,760.00	\$ 1,760.00		
Drive Sober or Get Pulled Over		1,540.00	1,100.00		\$ 440.00
U Text U Drive U Pay		4,400.00	4,400.00		
Bulletproof Vest Program		11,005.00			11,005.00
CDBG		50,000.00	50,000.00		
		<u>68,705.00</u>	<u>57,260.00</u>		<u>11,445.00</u>
<b>State Grants:</b>					
Clean Communities	\$ 218,313.01	42,867.25	64,116.28		197,063.98
Municipal Alliance Youth Service	2,140.38	24,900.00	27,040.38		
Recycling Tonnage Grant	57,941.30	59,075.62	98,063.42	\$ 2,060.00	16,893.50
Body Armor		3,954.84			3,954.84
Drunk Driving Enforcement	21,488.92	10,887.38	2,243.00		30,133.30
Safe and Secure	30,000.00	60,000.00			90,000.00
Municipal Court Alcohol Education	2,443.47	952.02	3,000.00		395.49
NJ Transportation Trust	20,265.01	500,000.00	41,513.27	470,581.34	8,170.40
	<u>352,592.09</u>	<u>702,637.11</u>	<u>235,976.35</u>	<u>472,641.34</u>	<u>346,611.51</u>
	<u>\$ 352,592.09</u>	<u>\$ 771,342.11</u>	<u>\$ 293,236.35</u>	<u>\$ 472,641.34</u>	<u>\$ 358,056.51</u>
Ref.	A	A-3	A-4	A-12	A

## SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

	Balance Dec. 31, 2017	To Grants Receivable	Balance Dec. 31, 2018
<b>State Grants:</b>			
Municipal Alliance	\$ 6,251.67	\$ 6,251.67	
Drunk Driving	6,193.41	6,190.75	\$ 2.66
Recycling Tonnage Grant	59,076.27	59,075.62	0.65
Body Armor	6.84	6.84	
	<u>\$ 71,528.19</u>	<u>\$ 71,524.88</u>	<u>\$ 3.31</u>
Ref.	A	A-16	A

## SCHEDULE OF DEFERRED CHARGES

	Balance Dec. 31, 2017	Raised in 2018 Budget
Overexpenditure of Appropriations	\$ 629.00	\$ 629.00
	<u>\$ 629.00</u>	<u>\$ 629.00</u>
Ref.	A	A-3

## TRUST FUND

## SCHEDULE OF TRUST FUND CASH - TREASURER

Balance December 31, 2017	Ref. B		\$ 2,282,375.53
Increased by Receipts:			
Payroll Taxes Payable	B-3	\$ 11,731,995.15	
Dog License Fees:			
Municipal Share	B-2	3,044.00	
State Share		498.00	
Forfeited Funds	B-3	3,431.71	
Off-Duty Police Fees	B-3	222,292.44	
Tax Sale Premiums	B-3	68,928.43	
Tax Sale Redemptions	B-3	930,789.65	
POAA Fees	B-3	34.00	
K-9 Donations	B-3	28,166.00	
Drainage Basin	B-3	82.63	
Public Defender Fees	B-3	7,530.00	
Street Openings	B-3	42,324.21	
Riverwinds Tax Defeasance	B-3	418,780.34	
Uniform Fire Safety	B-3	500.00	
Environmental Resources	B-3	1,500.00	
Donations Dante Finocchi Memorial	B-3	1,000.00	
Imperial Way Roadway Improvements	B-3	58.66	
Municipal Open Space	B-3	1,701.46	
Affordable Housing	B-3	1,327,608.27	
Unemployment Trust	B-3	40,624.02	
Recreation	B-3	69,195.50	
Adopt a Bench	B-3	275.00	
Escrow Fees	B-3	683,342.34	
			<u>15,583,701.81</u>
			<u>17,866,077.34</u>
Decreased by Disbursements:			
Payroll Taxes Payable	B-3	11,696,759.10	
Due to State of New Jersey		504.60	
Expenditures Under RS 4:19-15.11	B-2	1,205.16	
Escrow Fees	B-3	722,418.32	
Forfeited Funds	B-3	24,511.07	
K-9 Donations	B-3	28,166.00	
Drainage Basin	B-3	82.63	
Off-Duty Police Fees	B-3	351,921.63	
Tax Sale Premiums	B-3	372,000.00	
Tax Sale Redemptions	B-3	843,560.06	
Street Opening	B-3	92,937.99	
Public Defender	B-3	700.00	
Municipal Open Space	B-3	97,021.43	
Uniform Fire Safety	B-3	755.99	
Unemployment Compensation	B-3	13,834.00	
Recreation	B-3	70,179.11	
Adopt a Bench	B-3	75.00	
Riverwinds Tax Defeasance	B-3	418,212.87	
			<u>14,734,844.96</u>
Balance December 31, 2018	B		<u>\$ 3,131,232.38</u>



## SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

Balance December 31, 2017	Ref. B		\$ 8,527.60
Increased by:			
Municipal Share of Dog License Fees	B-1		3,044.00
			<u>11,571.60</u>
Decreased by:			
Expenditures Under RS 4:19-15.11	B-1	\$ 1,205.16	
Excess Fees due Current Fund		<u>3,109.24</u>	
			4,314.40
Balance December 31, 2018	B		<u>\$ 7,257.20</u>

## License Fees Collected

Year	Amount
2016	\$ 3,881.00
2017	<u>3,376.20</u>
	<u>\$ 7,257.20</u>

## SCHEDULE OF MISCELLANEOUS TRUST RESERVES

	Balance Dec. 31, 2017	Receipts	Disbursements	Due to Current Fund	Encumbered	Balance Dec. 31, 2018
Tax Sale Redemption	\$ 4,705.19	\$ 930,789.65	\$ 843,560.06	\$ (294.11)		\$ 91,640.67
Tax Sale Premium	607,800.00	68,928.43	372,000.00	(2,428.43)	\$ 15,000.00	287,300.00
Open Space	354,258.42	1,701.46	97,021.43			258,938.45
Forfeited Funds	26,506.27	3,431.71	24,511.07			5,426.91
Storm Recovery	1,684.10					1,684.10
POAA Fees	1,762.17	34.00				1,796.17
K-9 Donations	473.00	28,166.00	28,166.00			473.00
Street Opening	115,080.28	42,324.21	92,937.99			64,466.50
Affordable Housing	171,721.33	1,327,608.27				1,499,329.60
Drainage Basin	77,329.02	82.63	82.63			77,329.02
Riverwinds Tax Defeasance	186.87	418,780.34	418,212.87			754.34
Police Off-Duty	195,770.69	222,292.44	351,921.63		\$ 3,868.76	62,272.74
Public Defender	14,212.00	7,530.00	700.00			21,042.00
Unemployment Compensation	111,204.79	40,624.02	13,834.00	16,704.97		154,699.78
Mayor's Food & Holiday Drive	1,879.00					1,879.00
Developer's Escrow Fund	453,699.75	683,342.34	722,418.32		10,650.73	403,973.04
Uniform Fire Safety	1,871.74	500.00	755.99			1,615.75
Environmental Resources	1,500.00	1,500.00			(2,500.00)	5,500.00
Beautification Committee	10,000.00					10,000.00
Recreation	69,709.99	69,195.50	70,179.11			68,726.38
Donations Field of Dreams	1,379.00					1,379.00
Donations Flag Pole	5,000.00					5,000.00
Donations Dante Finocchi Memorial	500.00	1,000.00				1,500.00
Adopt a Bench		275.00	75.00			200.00
Imperial Way Roadway Improvements	10,009.30	58.66				10,067.96
Payroll Taxes Payable	2,704.34	11,731,995.15	11,696,759.10	(16,704.97)		21,235.42
	<u>\$ 2,240,947.25</u>	<u>\$ 15,580,159.81</u>	<u>\$ 14,733,135.20</u>	<u>\$ (2,722.54)</u>	<u>\$ 27,019.49</u>	<u>\$ 3,058,229.83</u>
Ref.	B	B-1	B-1		B-4	B

## SCHEDULE OF ENCUMBRANCES PAYABLE

Balance December 31, 2017	Ref. B		\$ 11,237.78
Increased by Charges for:			
Developers Escrow	B-3	\$ 10,650.73	
Police Off Duty	B-3	3,868.76	
Premium	B-3	15,000.00	
			<u>29,519.49</u>
			40,757.27
Decreased by:			
Encumbrances Canceled	B-3		<u>2,500.00</u>
Balance December 31, 2018	B		<u><u>\$ 38,257.27</u></u>

## **GENERAL CAPITAL FUND**

## EXHIBIT C-2

## SCHEDULE OF GENERAL CAPITAL CASH - TREASURER

Balance December 31, 2017	Ref. C		\$ 3,256,505.60
Increased by:			
Budget Appropriation			
Capital Improvement Fund	C-6	\$ 400,000.00	
Bond Anticipation Notes	C-10	3,431,750.00	
Miscellaneous Receipts		0.01	
Premium	C-3 :C-13	62,271.12	
			<u>3,894,021.13</u>
			7,150,526.73
Decreased by:			
Encumbrances Payable	C-11	2,714,905.42	
Improvement Authorizations	C-7	1,061,408.81	
			<u>3,776,314.23</u>
Balance December 31, 2018	C		<u><u>\$ 3,374,212.50</u></u>

## ANALYSIS OF GENERAL CAPITAL FUND CASH

	Balance Dec. 31, 2017	Receipts		Disbursements		Transfers To/(From)	Balance Dec. 31, 2018
		Miscellaneous	Bond Anticipation Note	Improvement Authorizations	Miscellaneous		
Due Current Fund	\$ 172,449.84	\$ 0.01				\$ (69,960.00)	\$ 102,489.85
Capital Improvement Fund	116,275.00	400,000.00				(274,889.12)	241,385.88
Reserve for Down Payment on Improvements	36,302.00						36,302.00
Reserve for Payment of Debt Service	33,176.28	62,271.12					95,447.40
Encumbrances Payable	2,756,893.21				\$ 2,714,905.42	849,374.71	891,362.50
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	(29,985.00)					29,984.00	(1.00)
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	(559,669.50)					39,976.00	(519,693.50)
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					41,987.79	82,042.34
2014-19 Various Capital Improvements	8,945.64						8,945.64
2017-08 Purchase of a Grapple Truck	54,360.88					(54,360.88)	
2017-13 Various Capital Improvements	230,693.92			\$ 121,370.58			109,323.34
2018-04 Various Capital Improvements			\$ 1,505,750.00	675,348.00		(812,112.50)	18,289.50
2018-10 RW Pool Resurfacing				222,234.42		250,000.00	27,765.58
2018-15 Various Capital Improvements			1,926,000.00	42,455.81			1,883,544.19
	<u>\$ 3,256,505.60</u>	<u>\$ 462,271.13</u>	<u>\$ 3,431,750.00</u>	<u>\$ 1,061,408.81</u>	<u>\$ 2,714,905.42</u>		<u>\$ 3,374,212.50</u>
Ref.	C-2	C-2	C-10	C-7	C-2		C-2

## EXHIBIT C-4

## SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance December 31, 2017	Ref. C	\$ 86,174,268.00
Decreased by:		
Payments on General Serial Bonds	C-8	<u>5,818,757.00</u>
Balance December 31, 2018	C	<u><u>\$ 80,355,511.00</u></u>

## SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance Dec. 31, 2017	2018 Authorizations	Funded By Budget Appropriation	Balance Dec. 31, 2018	Analysis of Balances Dec. 31, 2018	
						Financed by Bond Anticipation Notes	Expenditures
2008-09	Acquisition, Construction, Repair, and Installation of Various Capital Improvements	\$ 582,109.06		\$ 38,150.00	\$ 543,959.06	\$ 543,959.06	
2009-13	Acquisition, Construction, Repair, and Installation of Various Capital Improvements	98,312.94		4,500.00	93,812.94	93,812.94	
2010-08	Refunding Bond Issuance Costs	29,985.00		29,984.00	1.00		\$ 1.00
2012-07	Tax Appeal Refunding	559,669.50		39,976.00	519,693.50		519,693.50
2014-14	Various Capital Improvements	1,888,105.00		104,895.00	1,783,210.00	1,783,210.00	
2017-13	Various Capital Improvements	2,898,345.00			2,898,345.00	2,898,345.00	
2018-04	Various Capital Improvements		\$ 1,505,750.00		1,505,750.00	1,505,750.00	
2018-15	Various Capital Improvements - Riverwinds		1,926,000.00		1,926,000.00	1,926,000.00	
		<u>\$ 6,056,526.50</u>	<u>\$ 3,431,750.00</u>	<u>\$ 217,505.00</u>	<u>\$ 9,270,771.50</u>	<u>\$ 8,751,077.00</u>	<u>\$ 519,694.50</u>
Ref.		C	C-7	C-9:C-10	C	C-10	C-3



## SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.		
Balance December 31, 2017	C		\$ 116,275.00
Increased by:			
Budget Appropriation	C-2	\$ 400,000.00	
Cancelled Funded Preliminary Expenses Authorization		186,500.00	
Cancelled Funded Improvement Authorization	C-7	<u>54,360.88</u>	
			<u>640,860.88</u>
			757,135.88
Decreased by:			
Appropriated for Preliminary Engineering		186,500.00	
Down Payments on Improvement Authorizations	C-7	<u>329,250.00</u>	
			<u>515,750.00</u>
Balance December 31, 2018	C		<u><u>\$ 241,385.88</u></u>

## SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2017		2018 Authorizations		Canceled	Encumbrance Canceled	Paid or Charged	Encumbrance	Balance December 31, 2018	
		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	
2010-11	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	
2012-11	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					\$ 41,987.79			82,042.34	
2014-19	Various Capital Improvements	9/4/2014	1,008,000.00	8,945.64								8,945.64	
2017-08	Purchase of a Grapple Truck	4/19/2017	220,000.00	54,360.88				\$ 54,360.88					
2017-13	Various Capital Improvements	9/6/2017	3,050,890.00		\$ 230,693.92					\$ 121,370.58		\$ 109,323.34	
2018-04	Various Capital Improvements	2/21/2018	1,585,000.00			\$ 79,250.00	\$ 1,505,750.00			675,348.00	\$ 891,362.50		18,289.50
2018-10	Pool Improvements	7/2/2018	250,000.00			250,000.00				222,234.42		27,765.58	
2018-15	Various Capital Improvements - Riverwinds	9/19/2018	1,926,000.00				1,926,000.00			42,455.81			1,883,544.19
				\$ 480,242.56	\$ 230,693.92	\$ 329,250.00	\$ 3,431,750.00	\$ 54,360.88	\$ 41,987.79	\$ 1,061,408.81	\$ 891,362.50	\$ 495,635.05	\$ 2,011,157.03
Ref.			C	C	C-6	C-9	C-9	C-9	C-11	C-2	C-11	C	C

## SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2017	Decreased	Balance Dec. 31, 2018
			Outstanding December 31, 2018					
			Date	Amount				
	10/01/01	\$ 9,945,000.00	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%	\$ 5,610,000.00	\$ 435,000.00	\$ 5,175,000.00
General Obligation Refunding Bonds, Series 2008	09/01/08	5,918,380.00				1,176,240.00	1,176,240.00	
General Obligation Refunding Bonds, Series 2010	09/15/10	8,385,000.00	9/1/2019	1,155,000.00	3.00%	2,265,000.00	1,110,000.00	1,155,000.00
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%	10,800,000.00		10,800,000.00

SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2017	Decreased	Balance Dec. 31, 2018	
			Outstanding December 31, 2018						
			Date	Amount					
General Obligation Refunding Bonds, Series 2012, Series B	11/20/12	8,298,673.00	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%	5,618,000.00	635,000.00	4,983,000.00	
General Obligation Refunding Bonds, Series 2012, Series C	11/20/12	3,180,000.00	9/1/2019	485,000.00	2.917%	960,000.00	475,000.00	485,000.00	
General Obligation Refunding Bonds, Series 2014	11/13/14	50,776,834.00	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%	45,754,379.00	1,609,640.00	44,144,739.00	
			General Obligation Refunding Bonds, Series 2017	05/18/17	14,040,223.00	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%							
						13,990,649.00	377,877.00	13,612,772.00	
						\$ 86,174,268.00	\$ 5,818,757.00	\$ 80,355,511.00	
						Ref.	C	C-4	C

## SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2017	2018 Authorization	Issued	Funded by Budget Appropriation	Balance Dec. 31, 2018
2010-08	Refunding Bond Issuance Costs	\$ 29,985.00			\$ 29,984.00	\$ 1.00
2012-07	Tax Appeal Refunding	559,669.50			39,976.00	519,693.50
2018-04	Various Capital Improvements		\$ 1,505,750.00	\$ 1,505,750.00		
2018-15	Various Capital Improvements - Riverwinds		1,926,000.00	1,926,000.00		
		<u>\$ 589,654.50</u>	<u>\$ 3,431,750.00</u>	<u>\$ 3,431,750.00</u>	<u>\$ 69,960.00</u>	<u>\$ 519,694.50</u>
	Ref.		C-7	C-10	A-3	

## 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, 2017	Issued	Decreased	Balance Dec. 31, 2018
2008-09	Acquisition, Construction, Repair, and Installation of Various Capital Improvements	\$ 940,946.00	4/28/2010	4/11/2018	4/10/2019	2.75%	\$ 582,109.06		\$ 38,150.00	\$ 543,959.06
2009-13	Acquisition, Construction, Repair, and Installation of Various Capital Improvements	147,250.00	4/28/2010	4/11/2018	4/10/2019	2.75%	98,312.94		4,500.00	93,812.94
2014-14	Various Capital Improvements	1,993,000.00	12/4/2014	4/11/2018	4/10/2019	2.75%	1,888,105.00		104,895.00	1,783,210.00
2017-13	Various Capital Improvements	2,898,345.00	10/17/2017	4/11/2018	4/10/2019	2.75%	2,898,345.00			2,898,345.00
2018-04	Various Capital Improvements	1,585,000.00	4/11/2018	4/11/2018	4/10/2018	2.75%		\$ 1,505,750.00		1,505,750.00
2018-15	Various Capital Improvements - Riverwinds	1,926,000.00	10/17/2018	10/17/2018	4/10/2018	3.00%		1,926,000.00		1,926,000.00
							<u>\$ 5,466,872.00</u>	<u>\$ 3,431,750.00</u>	<u>\$ 147,545.00</u>	<u>\$ 8,751,077.00</u>
Ref.							C	C-9	C-5	C

## SCHEDULE OF ENCUMBRANCES PAYABLE

	Ref.		
Balance December 31, 2017	C		\$ 2,756,893.21
Increased by:			
Charges to Improvement Authorizations	C-7		<u>891,362.50</u>
			3,648,255.71
Decreased by:			
Payments	C-2	\$ 2,714,905.42	
Cancellation	C-7	<u>41,987.79</u>	
			<u>2,756,893.21</u>
Balance December 31, 2018	C		<u><u>\$ 891,362.50</u></u>

EXHIBIT C-12

SCHEDULE OF RESERVE FOR DOWN PAYMENTS ON IMPROVEMENTS

Balance December 31, 2017	Ref. C	\$ 36,302.00
Balance December 31, 2018	C	\$ 36,302.00

EXHIBIT C-13

SCHEDULE OF RESERVE TO PAY DEBT SERVICES - BANS

Balance December 31, 2017	Ref. C	\$ 33,176.28
Add: Premium	C-2	62,271.12
Balance December 31, 2018	C	\$ 95,447.40



## **WATER AND SEWER UTILITY FUND**

## EXHIBIT D-5

## SCHEDULE OF WATER AND SEWER UTILITY FUND CASH

	Ref.	Operating	Capital
Balance December 31, 2017	D	<u>\$ 2,777,949.24</u>	<u>\$ 384,070.40</u>
Increased by:			
Consumer Accounts Receivable	D-7	11,331,521.99	
Miscellaneous Revenues	D-3	186,483.23	
Other Revenues	D-20:D-22		333,751.77
Utility Rent Overpayments	D	18,678.89	
		<u>11,536,684.11</u>	<u>333,751.77</u>
		<u>14,314,633.35</u>	<u>717,822.17</u>
Decreased by:			
Budget Appropriations	D-4	10,745,271.71	
Appropriation Reserves	D-11	211,572.95	
Encumbrances Payable	D-12	252,210.12	10,056.65
Accrued Interest Paid	D-13	337,593.77	
Improvement Authorizations	D-16		224,154.58
Reserve to Pay Debt Service	D-20		158,576.99
Refund of Prior Year Revenue	D-1	810.69	
Miscellaneous Refunds	D-1	988.69	
		<u>11,548,447.93</u>	<u>392,788.22</u>
Balance December 31, 2018	D	<u><u>\$ 2,766,185.42</u></u>	<u><u>\$ 325,033.95</u></u>

## ANALYSIS OF WATER AND SEWER UTILITY CAPITAL FUND CASH

		Receipts	Disbursements		Transfers	Balance
			Improvement	Miscellaneous	(From)/To	Dec. 31, 2018
		Balance Dec. 31, 2017	Miscellaneous	Authorizations		Dec. 31, 2017
Fund Balance		\$ 41,846.32				\$ 41,846.32
Capital Improvement Fund		13,087.38				13,087.38
Encumbrances Payable		10,056.65			\$ 1,069,753.79	1,069,753.79
Down Payment on Improvements		96,250.00				96,250.00
Reserve for Debt Payment		167,504.90	\$ 131,551.77			140,479.68
Note Receivable			202,200.00	158,576.99	(1,400,000.00)	(1,197,800.00)
Improvement Authorizations:						
Ordinance						
Number						
2005-14	Various Capital Improvements	14,006.40				14,006.40
2016-11	Extension of Water System	40,106.75	\$ 2,015.52			38,091.23
2017-03	Sewer Utility Improvements		222,139.06		330,246.21	108,107.15
2017-05	Kings Highway Water Waterline	1,212.00				1,212.00
		<u>\$ 384,070.40</u>	<u>\$ 333,751.77</u>	<u>\$ 224,154.58</u>		<u>\$ 325,033.95</u>
Ref.		D	D-5:D-20	D-16	D-5	D

## EXHIBIT D-7

## SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance December 31, 2017	Ref. D		\$ 1,333,742.75
Increased by:			
Utility Rents Levied			11,487,434.78
			<u>12,821,177.53</u>
Decreased by:			
Collections	D-5	\$ 11,331,521.99	
Overpayments Applied	D-3	19,137.45	
Transfer to Liens	D-8	1,622.91	
Canceled		10,012.06	
			<u>11,362,294.41</u>
Balance December 31, 2018	D		<u>\$ 1,458,883.12</u>

## EXHIBIT D-8

## SCHEDULE OF UTILITY LIENS RECEIVABLE

Balance December 31, 2017	Ref. D		\$ 12,549.85
Increased by:			
Transfer from Consumer Accounts Receivable	D-7		1,622.91
Interest and Costs on Sale			321.62
			<u>1,944.53</u>
Balance December 31, 2018	D		<u>\$ 14,494.38</u>

## SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2017	Additions	Balance Dec. 31, 2018
Wells	\$ 110,775.70		\$ 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	\$ 120,408.50	11,543,476.31
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	23,874.90	37,374,327.53
Improvements Along Waterfront	1,997,720.00		1,997,720.00
Improvements to Kings Highway	85,178.91		85,178.91
Meters and Fittings	1,043,824.34	52,035.00	1,095,859.34
Sewer System	4,201,049.98		4,201,049.98
Office Machinery and Equipment	246,139.63		246,139.63
Trucks	208,625.86	88,376.00	297,001.86
Miscellaneous	528,572.07	18,236.50	546,808.57
	<u>\$ 59,197,321.77</u>	<u>\$ 302,930.90</u>	<u>\$ 59,500,252.67</u>
Ref.	D	D-15	D

## SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Purpose	Ordinance		Balance	Balance
		Date	Amount	Dec. 31, 2017	Dec. 31, 2018
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
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>\$ 2,144,117.40</u>	<u>\$ 2,144,117.40</u>
Ref.				D	D

## SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2017	Balance After Transfers	Paid or Charged	Encumbered	Overexpenditure	Balance Lapsed
Operating:						
Salaries and Wages	\$ 58,495.25	\$ 58,495.25	\$ 50,014.84			\$ 8,480.41
Other Expenses	1,445,959.73	1,445,959.73	157,762.00	\$ 4,545.47		1,283,652.26
Capital Improvements:						
Capital Outlay	7.14	7.14				7.14
Shared Service Agreements						
Logan Township Administrator	1,100.00	1,100.00				1,100.00
Statutory Expenditures:						
Social Security System (OASI)	2,780.30	2,780.30	3,796.11		\$ 1,015.81	
	<u>\$ 1,508,342.42</u>	<u>\$ 1,508,342.42</u>	<u>\$ 211,572.95</u>	<u>\$ 4,545.47</u>	<u>\$ 1,015.81</u>	<u>\$ 1,293,239.81</u>
Ref.	D		D-5	D-12	D	D-1

## SCHEDULE OF ENCUMBRANCES PAYABLE

	Ref.	Operating Fund	Capital Fund
Balance December 31, 2017	D	<u>\$ 254,139.12</u>	<u>\$ 10,056.65</u>
Increased by:			
Charges to:			
Current Appropriations	D-4	213,461.65	
Appropriation Reserves	D-11	4,545.47	
Improvement Authorizations	D-16		1,069,753.79
		<u>472,146.24</u>	<u>1,079,810.44</u>
Decreased by:			
Canceled	D-1	6,474.47	
Payments	D-5	252,210.12	10,056.65
Balance December 31, 2018	D	<u><u>\$ 213,461.65</u></u>	<u><u>\$ 1,069,753.79</u></u>



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

	Ref.	NJEIT Loans	Notes	Bonds
Balance December 31, 2017	D	\$ 64,861.98	\$ 13,712.87	\$ 80,289.23
Increased by:				
Budget Appropriation for:				
Interest on Bonds and Notes	D-4	68,686.34	22,724.10	223,987.14
		133,548.32	36,436.97	304,276.37
Decreased by:				
Interest Paid	D-5	79,950.46	20,797.05	236,846.26
Balance December 31, 2018	D	\$ 53,597.86	\$ 15,639.92	\$ 67,430.11

**Analysis of Accrued Interest December 31, 2018**

		Payment Due	From	To	Period	Amount
Serial Bonds						
2012 Bonds		\$ 44,164.00	9/01/2018	12/31/2018	4 Months	\$ 29,442.67
2014 Bonds		51,912.68	9/01/2018	12/31/2018	4 Months	34,608.45
2017 Bonds		3,378.98	7/01/2018	12/31/2018	6 Months	3,378.98
						<u>\$ 67,430.11</u>
NJEIT						
2004A Clean Water		\$ 14,628.27	8/1/2018	12/31/2018	5 Months	\$ 12,190.23
2004A Drinking Water		5,914.16	8/1/2018	12/31/2018	5 Months	4,928.47
2007A Clean Water		38,600.00	8/1/2018	12/31/2018	5 Months	32,166.67
2007A Drinking Water		5,175.00	8/1/2018	12/31/2018	5 Months	4,312.50
						<u>\$ 53,597.86</u>
Notes						
2018 Note		\$ 20,853.22	4/11/2018	12/31/2018	9 Months	\$ 15,639.92
2018 Note		\$ 20,853.22	4/11/2018	12/31/2018	9 Months	<u>\$ 15,639.92</u>

## SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2017	Ref. D	<u>\$ 13,087.38</u>
Balance December 31, 2018	D	<u><u>\$ 13,087.38</u></u>

## SCHEDULE OF RESERVE FOR AMORTIZATION

Balance December 31, 2017	Ref. D		\$ 45,543,546.65
Increased by:			
Serial Bonds Paid by Operating Budget	D-17	\$ 1,151,243.00	
Bond Anticipation Note Paid by Operating Budget	D-18	7,900.00	
NJ Wastewater Loans Paid by Operating Budget	D-19	706,510.06	
Payments in Capital Outlay	D-9	302,930.90	
Bond Anticipation Note Paid with Reserve for Debt Service	D-18	158,576.99	
			<u>2,327,160.95</u>
Balance December 31, 2018	D		<u>\$ 47,870,707.60</u>

## SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Purpose	Date	Amount	Balance Dec. 31, 2017		Paid or Charged	Encumbered	Balance Dec. 31, 2018	
				Funded	Unfunded			Funded	Unfunded
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	40,106.75		\$ 2,015.52		38,091.23	
2017-03	Sewer Utility Improvements	04/05/17	1,400,000.00		\$ 1,400,000.00	222,139.06	\$ 1,069,753.79		\$ 108,107.15
2017-05	Kings Highway Water Waterline	04/05/17	70,482.00	1,212.00				1,212.00	
				<u>\$ 55,325.15</u>	<u>\$ 1,400,000.00</u>	<u>\$ 224,154.58</u>	<u>\$ 1,069,753.79</u>	<u>\$ 53,309.63</u>	<u>\$ 108,107.15</u>
			Ref.	D	D	D-5	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		Balance Dec. 31, 2018
			Date	Amount		Dec. 31, 2017	Decreased	
09/01/08	Refunding Bonds of 2008	\$ 2,836,620.00				\$ 563,760.00	\$ 563,760.00	
11/20/12	Refunding Bonds of 2012	5,986,327.00	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%	4,047,000.00	460,000.00	\$ 3,587,000.00
11/13/14	Refunding Bonds of 2014	3,008,166.00	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%	2,710,621.00	95,360.00	2,615,261.00
05/18/17	Refunding Bonds of 2017	174,777.00	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%	174,351.00	32,123.00	142,228.00
						<u>\$ 7,495,732.00</u>	<u>\$ 1,151,243.00</u>	<u>\$ 6,344,489.00</u>
					Ref.	D	D-15	D

## 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, 2017	Decreased	Balance Dec. 31, 2018
2006-18	Various Improvements to Sanitary Sewer Utility	06/22/11	04/11/18	04/10/19	2.75%	\$ 576,888.00	\$ 7,900.00	\$ 568,988.00
2016-11	Extension of Township Water System	07/15/16	04/11/18	04/10/19	2.75%	350,000.00	158,576.99	191,423.01
						<u>\$ 926,888.00</u>	<u>\$ 166,476.99</u>	<u>\$ 760,411.01</u>
					Ref.	D	D-15	D

## SCHEDULE OF NEW JERSEY WASTEWATER LOANS PAYABLE

Balance December 31, 2017	Ref. D	\$ 5,975,272.52
Decreased by:		
NJ Wastewater Loans Paid by Operating Budget	D-15	706,510.06
Balance December 31, 2018	D	<u>\$ 5,268,762.46</u>

## SCHEDULE OF RESERVE FOR DEBT SERVICE

Balance December 31, 2017	Ref. D	\$ 167,504.90
Increased by:		
NJ DEP Reimbursement - Potable Wells	D-5	131,551.77
		<u>299,056.67</u>
Decreased by:		
Reduction in BAN Rollover		158,576.99
		<u>158,576.99</u>
Balance December 31, 2018	D	<u><u>\$ 140,479.68</u></u>

## SCHEDULE OF RESERVE FOR DOWN PAYMENTS ON IMPROVEMENTS

Balance December 31, 2017	Ref. D	\$ 96,250.00
Balance December 31, 2018	D	<u><u>\$ 96,250.00</u></u>



## SCHEDULE OF NOTE RECEIVABLE

	Ref.	
Increased by:		
Authorization	D-23	\$ 1,400,000.00
Decreased by:		
Receipts	D-5	<u>202,200.00</u>
Balance December 31, 2018	D	<u><u>\$ 1,197,800.00</u></u>

## SCHEDULE OF NOTE PAYABLE

Ordinance Number	Purpose	Authorized	Balance Dec. 31, 2018
2017-3	Sewer Utility Improvements	\$ 1,400,000.00	\$ 1,400,000.00
		\$ 1,400,000.00	\$ 1,400,000.00
	Ref.	D-22	D

## SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Purpose	Balance Dec. 31, 2017	Issued
2017-3	Sewer Utility Improvements	\$ 1,400,000.00	\$ 1,400,000.00
		<u>\$ 1,400,000.00</u>	<u>\$ 1,400,000.00</u>

**PART II**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2018**

## **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:

- Municipal Building Roof Replacement
- Installation of Chlorine Contact Tank at Well 5
- Grandview Pump Wastewater Force Main
- Cold Water Meters
- Riverwinds Community Center 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 3, 2018, adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, RS 54:4-67 provides that the governing body of the municipality may fix a rate of interest to be charged for nonpayment of taxes, assessments, or other municipal liens or charges, unless otherwise provided by law, on or before the date when they would become delinquent subject to any abatements and discount for the late payment of taxes or assessments as provided by law and may provide that no interest shall be

**Collection of Interest on Delinquent Taxes and Assessments (Continued)**

charged if a payment on an installment is made within the tenth calendar day following the date upon which same became payable; and

WHEREAS, the said statute provides that the rate so fixed by the governing body shall not exceed 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00, to be calculated from the date the tax was payable until the date of actual payment; and

WHEREAS, the said statute further provides that the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00, if he fails to pay that delinquency prior to the end of the calendar year and that said penalty shall not exceed 6% of the amount of the delinquency; and

WHEREAS, the West Deptford Township Committee deems it to be in the interest of the township to impose the maximum rate of interest and penalty of delinquent taxes and assessments; and

WHEREAS, the statutes of the State of New Jersey, expressly NJSA et. seq., provide for the enforcement and collection of such delinquencies through a tax lien sale; and

WHEREAS, the Tax Collector is empowered by statute to conduct and preside over the sale of liens;

NOW, THEREFORE, BE IT RESOLVED, that pursuant to NJSA. 54:4-67 the West Deptford Township Committee hereby fixes a rate of interest to be charged for nonpayment of taxes assessments or other municipal liens or charges, unless otherwise provided by law on or before the date when they would become delinquent, at 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00, to be calculated from the date that the tax was payable until the date of the actual payment. A penalty shall be charged to a taxpayer with delinquency in excess of \$10,000.00 who fails to pay the delinquency prior to the end of the calendar year. The penalty so fixed shall be 6% of the amount of the delinquency as provided by NJSA 54:4-67; and

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 10, 2018, and was complete.

The following comparison is made of the number of tax title liens receivable on December 31 of the current and previous two years.

<u>Year</u>	<u>Number of Liens</u>
2018	108
2017	115
2016	112

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**

	2018	2017	2016
Tax Rate	3.226	3.151	3.063
Apportionment of Tax Rate:			
Municipal	1.008	0.988	0.95
County	0.704	0.68	0.67
Local School	1.514	1.483	1.443
Assessed Valuation	2,250,266,605	2,243,764,051	2,248,313,928

**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.

	2018	2017	2016
Tax Levy	\$ 72,774,680.81	\$ 70,843,977.16	\$ 68,938,439.14
Cash Collections	70,455,909.43	69,869,491.05	67,885,202.92
Percentage of Collections	96.81%	98.62%	98.47%

**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 previous two years.

	2018	2017	2016
Amount of Tax Title Liens	\$ 1,971,729.70	\$ 1,828,721.67	\$ 1,636,112.44
Delinquent Taxes	993,342.24	732,739.90	791,810.63
Total Delinquent	\$ 2,965,071.94	\$ 2,561,461.57	\$ 2,427,923.07
Percentage of Tax Levy	4.07%	3.62%	3.52%

**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:

	2018	2017	2016
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 current and previous two years.

WATER & SEWER	2018	2017	2016
Balance January 1	\$ 1,333,742.75	\$ 1,372,636.06	\$ 1,288,630.12
Levy	11,487,434.78	11,460,779.91	12,194,790.98
Cash Collections	11,350,659.44	11,453,062.92	11,974,630.59
Percentage of Collections	88.53%	89.24%	88.81%

## 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 2017 audit.

## STATUS OF PRIOR RECOMMENDATIONS

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

**Current Status:** This has not been corrected.

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

**Current Status:** This has been corrected.

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

**Current Status:** This has not been corrected.

**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.

**Current Status:** This has been corrected

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

**Current Status:** This has been corrected.



## STATUS OF PRIOR RECOMMENDATIONS (CCONTINUED)

**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.

**Current Status:** This has been corrected.

## FINDINGS AND RECOMMENDATIONS

**Finding 2018-001:** There was an overexpenditure of an appropriation in the Utility Fund appropriation reserves.

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

**Finding 2018-002:** There are interfunds existing at year-end.

**Recommendation:** Interfund receivables and payables be cleared.

\*\*\*\*\*

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