

**TOWNSHIP OF BORDENTOWN  
COUNTY OF BURLINGTON**

**REPORT OF AUDIT**

**WITH  
SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED  
DECEMBER 31, 2018**

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**TOWNSHIP OF BORDENTOWN**

**PART I**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
DECEMBER 31, 2018**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Committee  
Township of Bordentown  
Bordentown, New Jersey 08505

### **Report on the Financial Statements**

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Bordentown, in the County of Burlington, State of New Jersey (Township), as of December 31, 2018 and 2017, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township'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 financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

**Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America**

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

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

**Adverse Opinion on Accounting Principles Generally Accepted in the United States of America**

In our opinion, because of the significance of the matter discussed in the "*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Bordentown, in the County of Burlington, State of New Jersey, as of December 31, 2018 and 2017, or the results of its operations and changes in fund balance for the years then ended.

**Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Bordentown, in the County of Burlington, State of New Jersey, as of December 31, 2018 and 2017, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2018, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

**Emphasis of Matter***Adoption of New Accounting Principles*

As discussed in note 1 to the financial statements, during the year ended December 31, 2018, the Township of Bordentown adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The adoption of this new accounting principle resulted in a material note disclosure (see note 8). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only required financial statement note disclosures. Our opinions are not modified with respect to this matter.

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**Other Matters**

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental statements presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements.

The supplemental statements presented for the various funds are the responsibility of management and were derived from and relate 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 statements and schedules described in the previous paragraph are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 1, 2019 on our consideration of the Township of Bordentown, in the County of Burlington, State of New Jersey, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's 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's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Kirk N. Applegate  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees New Jersey  
August 1, 2019

**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**

The Honorable Mayor and  
Members of the Township Committee  
Township of Bordentown  
Bordentown, New Jersey 08505

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Township of Bordentown, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township of Bordentown's basic financial statements, and have issued our report thereon dated August 1, 2019. That report indicated that the Township of Bordentown's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting pronouncement.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Township of Bordentown's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Bordentown's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Bordentown'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 of Bordentown's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Purpose of this Report**

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

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Kirk N. Applegate  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees New Jersey  
August 1, 2019

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
 As of December 31, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>Dec. 31, 2018</u>	<u>Dec. 31, 2017</u>
Regular Fund:			
Cash--Treasurer	SA-1	\$ 5,209,644.03	\$ 5,746,106.07
Cash--Change Fund	A	625.00	625.00
Total Regular Fund		<u>5,210,269.03</u>	<u>5,746,731.07</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	1,492,507.70	509,910.60
Tax Title Liens Receivable	SA-4	158,963.07	17,026.45
Property Acquired for Taxes--Assessed Valuation	A	515,200.00	515,200.00
Revenue Accounts Receivable	SA-5	37,015.16	42,106.46
Due From:			
Trust - Open Space Fund	SB-2		296,715.07
General Capital Fund	SC-6	311,853.71	455,003.42
Total Receivable & Other Assets With Full Reserves		<u>2,515,539.64</u>	<u>1,835,962.00</u>
Total		<u>7,725,808.67</u>	<u>7,582,693.07</u>
Federal and State Grant Fund:			
Federal & State Grants Receivable	SA-15	473,573.10	478,667.99
Due from Current Fund	A	400,271.05	397,452.26
Total Federal & State Grants		<u>873,844.15</u>	<u>876,120.25</u>
Total Assets		<u>\$ 8,599,652.82</u>	<u>\$ 8,458,813.32</u>

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**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
 As of December 31, 2018 and 2017

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Dec. 31, 2018</u>	<u>Dec. 31, 2017</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3 & SA-7	\$ 249,293.82	\$ 934,253.95
Encumbrances Payable	A-3 & SA-7	210,722.59	214,380.08
Due to State of New Jersey:			
Senior Citizens' and Veterans' Deductions	SA-2	34,860.56	34,360.56
Training Fees for New Construction	SA-8	10,812.00	17,857.00
Marriage License Fees	SA-9	425.00	350.00
Prepaid Taxes	SA-10	346,304.39	1,213,053.25
Payroll Deductions Payable	SA-12	69,551.11	22,163.38
Due County for Added and Omitted Taxes and PILOT Payments	SA-13	217,516.24	17,880.77
Reserve for:			
EMS Billings Refund	SA-6		50.00
Revenue Reimbursement	SA-6		1,121.15
Elevator Inspection	SA-6		212.00
Insurance Reimbursement	SA-6		2,000.00
EMS Operating Surplus	SA-6		0.62
SBI Fingerprinting	SA-6		3,252.00
Key Deposit	SA-6	1,000.00	9,354.00
Due to Outside Lien Holder	SA-6	10,528.92	439,950.32
Tax Sale Premiums	SA-6	121,800.00	172,100.00
Codification of Ordinance	SA-6	2,860.02	2,860.02
Master Plan Re-Examination	SA-6	1,620.70	1,620.70
Tax Appeals	SA-6	542,137.19	247,980.88
Due to:			
Federal & State Grant Fund	A	400,271.05	397,452.26
Trust - Open Space Fund	SA-11	23,265.56	
Trust - Animal Control Fund	SB-3	906.38	453.19
Trust - Other Fund	SB-3	59,796.18	20,645.17
Total Liabilities		2,303,671.71	3,753,351.30
Reserves for Receivables and Other Assets	A	2,515,539.64	1,835,962.00
Fund Balance	A-1	2,906,597.32	1,993,379.77
Total Regular Fund (Carried Forward)		7,725,808.67	7,582,693.07

(Continued)

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
 As of December 31, 2018 and 2017

<u>LIABILITIES, RESERVES AND FUND BALANCE (CONT'D)</u>	<u>Ref.</u>	<u>Dec. 31, 2018</u>	<u>Dec. 31, 2017</u>
Total Regular Fund (Brought Forward)		<u>\$ 7,725,808.67</u>	<u>\$ 7,582,693.07</u>
State & Federal Grants:			
Unappropriated Reserves	SA-16		14,293.48
Due to General Capital	SA-17	195,215.30	
Encumbrances Payable	SA-17	3,939.17	1,912.46
Appropriated Reserves	SA-17	<u>674,689.68</u>	<u>859,914.31</u>
Total State & Federal Grants		<u>873,844.15</u>	<u>876,120.25</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 8,599,652.82</u>	<u>\$ 8,458,813.32</u>

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

**TOWNSHIP OF BORDENTOWN**  
CURRENT FUND

Statements of Operations and Changes in Fund Balance - Regulatory Basis  
For the Years Ended December 31, 2018 and 2017

<u>Revenue and Other Income Realized</u>	<u>Year 2018</u>	<u>Year 2017</u>
Fund Balance Utilized	\$ 1,215,000.00	\$ 2,000,000.00
Miscellaneous Revenues Anticipated	5,719,164.86	4,855,826.14
Receipts from Delinquent Taxes	425,906.66	412,030.82
Receipts from Current Taxes	39,826,136.89	38,475,210.67
Non-Budget Revenue	532,001.81	856,720.13
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	366,582.64	272,883.85
Cancellation of Tax Overpayments		210,747.55
Liquidation of Reserves for:		
Insurance Claim Receivable		175,000.00
Due from Trust - Open Space Fund	296,715.07	
Due from General Capital Fund	143,149.71	
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Total Income	48,524,657.64	47,258,419.16
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<u>Expenditures</u>		
Budget & Emergency Appropriations:		
Appropriations--Within "CAPS":		
Operations:		
Salaries and Wages	4,224,630.92	3,812,488.89
Other Expenses	3,909,578.82	3,684,359.98
Deferred Charges and Statutory Expenditures Municipal--Within "CAPS"	1,127,339.93	992,799.05
Operations--Excluded from "CAPS":		
Salaries and Wages	267,569.45	281,800.00
Other Expenses	821,575.30	1,385,855.61
Capital Improvements--Excluded from "CAPS"	420,000.00	415,000.00
Municipal Debt Service--Excluded from "CAPS"	1,676,588.85	1,670,129.12
Deferred Charges--Excluded from "CAPS"		190,010.49
County Taxes Payable	5,538,363.62	5,386,301.83
Due County for Added and Omitted	217,516.24	16,705.10
Regional School District Taxes	24,633,306.00	24,232,263.00
Special District Taxes Payable:		
Fire District No 1 & 2	3,111,352.00	2,692,367.00
Municipal Open Space Taxes	363,107.67	349,088.69
Creation of Reserve for:		
Due from Capital Fund		455,031.33
Due from Trust - Open Space Fund		296,715.07
Cancellation of Accounts Receivable	85,511.29	
Refund of Prior Year Revenue		332,039.19
	<hr/>	
Total Expenditures	46,396,440.09	46,192,954.35
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**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
 Statements of Operations and Changes in Fund Balance - Regulatory Basis  
 For the Years Ended December 31, 2018 and 2017

	<u>Year 2018</u>	<u>Year 2017</u>
Excess in Revenue	\$ 2,128,217.55	\$ 1,065,464.81
Adjustment to Income Before Fund Balance:		
Expenditures Included above which are by Statute Deferred Charges to Budget of Succeeding Year	-	-
Statutory Excess to Fund Balance	2,128,217.55	1,065,464.81
Fund Balance Jan. 1	1,993,379.77	2,927,914.96
Total	4,121,597.32	3,993,379.77
Decreased by:		
Utilized as Revenue	1,215,000.00	2,000,000.00
Fund Balance Dec. 31	<u>\$ 2,906,597.32</u>	<u>\$ 1,993,379.77</u>

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

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2018

	Anticipated Budget	Special NJSA 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 1,215,000.00	\$ -	\$ 1,215,000.00	\$ -
Miscellaneous Revenues:				
Licenses--Clerk	86,240.00		84,485.00	(1,755.00)
Fees and Permits -- Other	65,648.00		49,408.00	(16,240.00)
Fines and Costs--Municipal Court	446,935.06		354,985.72	(91,949.34)
Interest and Costs on Taxes	95,598.66		125,508.01	29,909.35
Interest on Investments and Deposits	500.00		6,637.29	6,137.29
Comcast Franchise Fee	99,399.50		99,399.50	
Verizon FIOS Franchise Fee	68,339.22		68,339.22	
Consolidated Municipal Property Tax Relief Act	38,185.00		16,142.00	(22,043.00)
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	852,289.00		874,332.00	22,043.00
Garden State Trust Fund	3,558.00		3,558.00	
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S. 40A:4-36 and N.J.A.C. 5:23-4.17)				
Uniform Construction Code Fees	485,000.00		636,844.00	151,844.00
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services:				
Inter-local Service Agreements Offset With Appropriations:				
Inter-Local Service Agreement--School Solid Waste Collection	35,300.37		34,786.19	(514.18)
Inter-Local Service Agreement--School Safe Resource Officer	40,000.00		40,000.00	
Additional Revenue Offset with Appropriations (N.J.S. 40A:4-445.3h)				
EMS Billing Fees	440,000.00		417,819.46	(22,180.54)
Public and Private Revenues Offset with Appropriations:				
Municipal Alliance on Alcoholism & Drug Abuse	14,804.00		14,804.00	
Drunk Driving Enforcement Grant	8,979.34		8,979.34	
Distracted Driving Enforcement Grant	6,600.00	6,600.00	13,200.00	
FEMA Crosswicks Road Generator	193,500.00		193,500.00	
Body Armor Replacement Grant	6,322.76		6,322.76	
Impaired Driving	5,500.00		5,500.00	
Recycling Tonnage Grant	6,043.82		6,043.82	
Clean Communities Grant		21,810.80	21,810.80	

(Continued)

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2018

	<u>Anticipated Budget</u>	<u>Special NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Miscellaneous Revenues (Continued):				
Public and Private Revenues Offset with Appropriations:				
Click It or Ticket		\$ 5,500.00	\$ 5,500.00	
Community Development Block Grant		78,000.00	78,000.00	
Municipal Alcohol Education & Rehabilitation Program		2,270.21	2,270.21	
Other Special Items:				
Reserve for Payment of Debt	\$ 375,000.00		375,000.00	
Reserve for Payment of Debt - Waterfront	150,987.52		150,987.52	
Reserve for Payment of Debt - Quickchek	37,825.00		37,825.00	
Reserve for Payment of Debt - Open Space	300,000.00		300,000.00	
Hotel & Motel Occupancy Fees	317,000.00		366,488.59	\$ 49,488.59
NJ DMV Motor Vehicle Inspections	15,000.00		2,641.50	(12,358.50)
PILOT - Affordable Housing	67,000.00		67,496.85	496.85
PILOT - Waterfront	97,009.68		110,061.88	13,052.20
PILOT - Quickchek	18,833.85		26,892.60	8,058.75
PILOT - Grainger	793,436.87		1,113,595.60	320,158.73
	<u>5,170,835.65</u>	<u>114,181.01</u>	<u>5,719,164.86</u>	<u>434,148.20</u>
Receipts from Delinquent Taxes	<u>462,500.00</u>	<u>-</u>	<u>425,906.66</u>	<u>(36,593.34)</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Taxes	<u>6,284,547.88</u>	<u>-</u>	<u>6,545,847.86</u>	<u>261,299.98</u>
Budget Totals	<u>13,132,883.53</u>	<u>114,181.01</u>	<u>13,905,919.38</u>	<u>658,854.84</u>
Non-Budget Revenue	<u>-</u>	<u>-</u>	<u>532,001.81</u>	<u>532,001.81</u>
Total Revenue	<u>\$ 13,132,883.53</u>	<u>\$ 114,181.01</u>	<u>\$ 14,437,921.19</u>	<u>\$ 1,190,856.65</u>

(Continued)

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2018

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 39,826,136.89
Less:	
Allocated to:	
School, County and Special District Taxes	33,863,645.53
Balance for Support of Municipal Budget Appropriations	5,962,491.36
Add: Appropriation "Reserve for Uncollected Taxes"	583,356.50
Amount for Support of Municipal Budget Appropriations	\$ 6,545,847.86

Receipts from Delinquent Taxes

Taxes Receivable	\$ 425,906.66
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Licenses--Clerk:

Alcoholic Beverages	\$ 24,180.00
Other	60,305.00
	\$ 84,485.00

Analysis of Non-Budget Revenue

Miscellaneous	\$ 21,622.76
JIF Safety Reimbursement	1,365.00
PILOT Fees	305,041.56
Insurance Dividends	128,290.00
Vacant Property Registration	12,550.00
Sale of Assets	46,080.32
Homestead, Senior and Veterans Admin Fee	2,112.40
	517,062.04
Cancellation of Other Reserves	14,939.77
	\$ 532,001.81

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

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS--WITHIN "CAPS"</u>						
<u>General Government Functions</u>						
Administrative & Executive						
Salaries and Wages	\$ 122,400.00	\$ 122,400.00	\$ 122,397.66			\$ 2.34
Other Expenses	86,675.00	86,675.00	81,293.33	\$ 4,881.67	\$ 500.00	
Mayor & Committee						
Salaries and Wages	65,000.00	68,000.00	67,514.72			485.28
Other Expenses	2,300.00	2,300.00	1,699.48			600.52
Municipal Clerk						
Salaries and Wages	130,000.00	133,500.00	132,812.37			687.63
Other Expenses	17,485.00	18,485.00	17,746.58	284.10	454.32	
Financial Administration (Treasury)						
Salaries and Wages	93,500.00	94,500.00	93,723.02			776.98
Other Expenses	74,550.00	52,550.00	49,329.55	2,059.38	1,161.07	
Annual Audit						
Other Expenses	35,000.00	34,200.00	34,200.00			
Revenue Administration (Tax Collection)						
Salaries and Wages	101,500.00	98,500.00	96,329.77			2,170.23
Other Expenses	15,795.00	10,795.00	8,900.31		894.69	1,000.00
Tax Assessment Administration						
Salaries and Wages	42,500.00	42,500.00	42,449.68			50.32
Other Expenses	52,450.00	52,450.00	41,115.88	8,200.00		3,134.12
Legal Services (Legal Department)						
Other Expenses	250,000.00	279,000.00	246,674.42	5,642.32	26,683.26	
Engineering Services						
Other Expenses	30,000.00	8,000.00	5,274.50			2,725.50
Economic Development Commission						
Other Expenses	1,500.00	1,500.00	625.99			874.01
Planning Board						
Other Expenses	7,095.00	7,095.00	5,338.37			1,756.63
Township Planner	1,000.00	1,000.00				1,000.00

(Continued)

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>General Government Functions (Cont'd)</u>						
Zoning Board of Adjustments						
Other Expenses	\$ 3,800.00	\$ 3,800.00	\$ 294.45			\$ 3,505.55
Community Development						
Salaries and Wages	117,000.00	76,500.00	67,580.04			8,919.96
Other Expenses	73,675.00	73,675.00	29,398.89	\$ 40,313.25	\$ 509.69	3,453.17
Municipal Court						
Salaries and Wages	252,500.00	252,500.00	248,999.29			3,500.71
Other Expenses	45,000.00	45,000.00	20,293.44	577.87	128.69	24,000.00
Municipal Prosecutor's Office						
Other Expenses	27,000.00	27,000.00	27,000.00			
Public Defender						
Other Expenses	18,000.00	20,511.98	18,000.00		2,511.98	
<u>Public Works Functions</u>						
Road Repairs and Maintenance						
Salaries and Wages	633,000.00	613,000.00	606,038.26			6,961.74
Other Expenses	165,950.00	154,166.79	133,018.98	4,629.60	6,518.21	10,000.00
Solid Waste Collection						
Contractual	274,699.63	301,423.63	264,721.57		35,300.37	1,401.69
Other Expenses	1,724.00					
Buildings and Grounds						
Other Expenses	47,350.00	47,350.00	39,682.04	2,625.83	1,042.13	4,000.00
Vehicle Maintenance (Including Police Vehicles)						
Salaries and Wages	71,500.00	56,500.00	46,152.75			10,347.25
Other Expenses	120,500.00	120,500.00	93,193.05	22,055.20	251.75	5,000.00
Sewerage Processing & Disposal						
Other Expenses	5,000.00	7,500.00	5,598.98		1,901.02	
Landfill / Solid Waste Disposal Costs						
Other Expenses	350,000.00	385,000.00	344,617.42		40,382.58	

(Continued)

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>Health &amp; Welfare</u>						
Public Health Services (Board of Health)						
Other Expenses	\$ 250.00	\$ 250.00				\$ 250.00
Environmental Health Services						
Other Expenses	1,310.00	1,310.00	\$ 1,161.12			148.88
Green Team Advisory Committee						
Other Expenses	8,690.00	4,690.00	2,635.41			2,054.59
<u>Insurance</u>						
General Liability Insurance	112,635.00	112,635.00	112,635.00			
Workers Compensation Insurance	273,000.00	267,223.00	267,223.00			
Employee Group Health	806,399.00	798,399.00	777,361.36		\$ 20,598.64	439.00
Health Benefits Waiver	23,500.00	65,786.16	65,786.16			
<u>Public Safety Functions</u>						
Office of Emergency Management						
Salaries and Wages	26,500.00	26,500.00	26,262.11			237.89
Other Expenses	8,150.00	8,150.00	3,011.34	\$ 5,116.08		22.58
Police Department						
Salaries and Wages	2,420,425.78	2,420,425.78	2,377,536.10		40,628.12	2,261.56
Other Expenses	178,112.00	178,112.00	98,827.58	70,802.81	3,481.61	5,000.00
<u>Parks &amp; Recreation Functions</u>						
Senior Community Center						
Other Expenses	10,000.00	10,000.00	5,309.23			4,690.77
Community Services Act (Condominium Community Costs)						
Other Expenses	130,000.00	145,000.00	129,996.07		15,003.93	
Document Scanning	102,000.00					
Maintenance of Parks						
Salaries and Wages	25.00	25.00				25.00
Other Expenses	50.00	50.00				50.00

(Continued)

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>Parks &amp; Recreation Functions (Cont'd)</u>						
Celebration of Public Events						
Other Expenses	\$ 55,000.00	\$ 55,000.00	\$ 45,886.65	\$ 696.02		\$ 8,417.33
Recreation						
Other Expenses	25.00	25.00				25.00
<u>Uniform Construction Code</u>						
Construction Official						
Salaries and Wages	285,500.00	260,500.00	256,207.03			4,292.97
Other Expenses	42,250.00	137,897.20	125,137.31	546.64		12,213.25
<u>Utility Expenses and Bulk Purchases</u>						
Traffic Signals & Control Devices	50.00	50.00				50.00
Electricity	52,500.00	52,500.00	42,558.66	9,557.32	\$ 384.02	
Street Lighting	190,000.00	190,000.00	179,600.73	10,399.27		
Telecommunication Costs	70,000.00	73,000.00	67,735.06	4,670.60	594.34	
Water	5,000.00	5,000.00	4,793.16			206.84
Gas (Natural or Propane)	25,000.00	25,000.00	20,255.81	1,167.86	3,576.33	
Gasoline, Diesel and Oil	105,000.00	120,000.00	96,920.17	8,675.05	14,404.78	
<u>Other Common Operating Functions (Unclassified)</u>						
Veterans Advisory Committee						
Other Expenses	500.00	543.49	543.49			
Certificate of Fire Compliance						
Other Expenses	10,000.00	15,000.00	12,360.00	1,000.00	1,640.00	
<b>Total Operations including Contingent--Within "CAPS"</b>	<b>8,277,320.41</b>	<b>8,270,949.03</b>	<b>7,711,757.34</b>	<b>203,900.87</b>	<b>218,551.53</b>	<b>136,739.29</b>
Detail:						
Salaries and Wages	4,361,350.78	4,265,350.78	4,184,002.80	-	40,628.12	40,719.86
Other Expenses	3,915,969.63	4,005,598.25	3,527,754.54	203,900.87	177,923.41	96,019.43

(Continued)

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
<b><u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u></b>						
<b><u>MUNICIPAL-- WITHIN "CAPS"</u></b>						
Statutory Expenditures:						
Public Employees' Retirement System	\$ 212,089.58	\$ 212,089.93	\$ 212,089.93			
Social Security System (O.A.S.I.)	350,000.00	362,000.00	343,782.71		\$ 18,217.29	
Police and Fireman's Retirement System of NJ	554,238.97	553,250.00	553,250.00			
Defined Contribution Retirement Plan	25.00	25.00				\$ 25.00
Disability/Unemployment Compensation Insurance	4,640.00					
<b>Total Deferred Charges and Statutory Expenditures -- Municipal -- Within "CAPS"</b>	<b>1,120,993.55</b>	<b>1,127,364.93</b>	<b>1,109,122.64</b>	<b>\$ -</b>	<b>18,217.29</b>	<b>25.00</b>
<b>Total General Appropriations for Municipal Purposes Within--"CAPS"</b>	<b>9,398,313.96</b>	<b>9,398,313.96</b>	<b>8,820,879.98</b>	<b>203,900.87</b>	<b>236,768.82</b>	<b>136,764.29</b>
<b><u>OPERATIONS EXCLUDED FROM "CAPS"</u></b>						
<b><u>Mandated Expenditures Per N.J.S.A.40A:4-45.3g</u></b>						
<b><u>Excluded from "CAPS"</u></b>						
Tax Appeals						
Other Expenses	303,000.00	303,000.00	303,000.00			
Interest on Tax Appeals						
Other Expenses	25.00	25.00			25.00	
Recycling Tax Appropriations						
Recycling Tax (NJSA 13:1E-96.5)	12,500.00	12,500.00			12,500.00	
SFSP Fire District Payments	3,012.00	3,012.00	3,012.00			
<b><u>Interlocal Services Agreement</u></b>						
School Safe Resource Officer						
Salaries and Wages	40,000.00	40,000.00	40,000.00			
Solid Waste Collection - Regional						
Salaries and Wages	35,300.37	35,300.37	35,300.37			

(Continued)

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
<u>Mandated Expenditures Per N.J.S.A.40A:4-45.3g</u>						
<u>Excluded from "CAPS" - (CONT'D)</u>						
<u>Additional Appropriations Offset by Revenues</u>						
EMS Services						
Salaries and Wages	\$ 315,000.00	\$ 315,000.00	\$ 267,569.45			\$ 47,430.55
Other Expenses	83,003.00	83,003.00	44,181.28	\$ 6,821.72		32,000.00
<u>State and Federal Programs Offset by Revenues</u>						
Municipal Alliance on Alcoholism & Drug Abuse Grant	11,103.00	11,103.00	11,103.00			
Matching Funds for Grant	14,804.00	14,804.00	14,804.00			
Bordentown City	3,701.00	3,701.00	3,701.00			
NJDEP - Recreation Trails	6,000.00	6,000.00	6,000.00			
Recycle Tonnage Grant	6,043.82	6,043.82	6,043.82			
NJ Body Armor Replacement Fund Grant	6,322.76	6,322.76	6,322.76			
Distracted Driving Crackdown (N.J.S.A. 40A:4-87, \$6,600.00+)	6,600.00	13,200.00	13,200.00			
Drunk Driving Enforcement Grant	8,979.34	8,979.34	8,979.34			
FEMA - Crosswicks Road Generator	193,500.00	193,500.00	193,500.00			
Impaired Driving Grant	5,500.00	5,500.00	5,500.00			
Click It or Ticket (N.J.S.A. 40A:4-87, \$5,500.00+)		5,500.00	5,500.00			
Community Development Block Grant (N.J.S.A. 40A:4-87, \$78,000.00+)		78,000.00	78,000.00			
Municipal Alcohol Education & Rehabilitation Program (N.J.S.A. 40A:4-87, \$2,270.21+)		2,270.21	2,270.21			
NJDEP - Clean Communities Program (N.J.S.A. 40A:4-87, \$21,810.80+)		21,810.80	21,810.80			
<b>Total Operations--Excluded from "CAPS"</b>	<b>1,054,394.29</b>	<b>1,168,575.30</b>	<b>1,069,798.03</b>	<b>6,821.72</b>	<b>\$ 12,525.00</b>	<b>79,430.55</b>
Detail:						
Salaries and Wages	315,000.00	315,000.00	267,569.45	-	-	47,430.55
Other Expenses	739,394.29	853,575.30	802,228.58	6,821.72	12,525.00	32,000.00

(Continued)

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	\$ 420,000.00	\$ 420,000.00	\$ 420,000.00	\$ -	\$ -	\$ -
<u>MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	1,075,000.00	1,075,000.00	1,075,000.00			
Interest on Bonds	412,981.26	412,981.26	412,776.33			204.93
Principal on Waterfront Bonds	45,000.00	45,000.00	45,000.00			
Interest on Waterfront Bonds	143,812.52	143,812.52	143,812.52			
Total Municipal Debt Service--Excluded from "CAPS"	1,676,793.78	1,676,793.78	1,676,588.85	-	-	204.93
<u>DEFERRED CHARGES--EXCLUDED FROM "CAPS"</u>						
Judgements (N.J.S.A. 40A:4-45.3cc)	25.00	25.00	-	-	-	25.00
Total General Appropriations for Municipal Purposes--Excluded from "CAPS"	3,151,213.07	3,265,394.08	3,166,386.88	6,821.72	12,525.00	79,660.48
Subtotal General Appropriations	12,549,527.03	12,663,708.04	11,987,266.86	210,722.59	249,293.82	216,424.77
Reserve for Uncollected Taxes	583,356.50	583,356.50	583,356.50	-	-	-
Total General Appropriations (Carried Forward)	\$ 13,132,883.53	\$ 13,247,064.54	\$ 12,570,623.36	\$ 210,722.59	\$ 249,293.82	\$ 216,424.77

(Continued)

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
Total General Appropriations (Brought Forward)	\$ 13,132,883.53	\$ 13,247,064.54	\$ 12,570,623.36	\$ 210,722.59	\$ 249,293.82	\$ 216,424.77
Adopted Budget		\$ 13,132,883.53				
Appropriated by N.J.S.A. 40A:4-87		<u>114,181.01</u>				
		<u>\$ 13,247,064.54</u>				
Reserve for Uncollected Taxes			\$ 583,356.50			
Budget Refund - Due from Trust Other Fund			(19,484.87)			
Reserve for Tax Appeals			210,098.00			
Reserve for Federal and State Grants			376,734.93			
Payroll Deductions Payable			6,038,772.46			
Disbursed			<u>5,381,146.34</u>			
			<u>\$ 12,570,623.36</u>			

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

**TOWNSHIP OF BORDENTOWN**  
**TRUST FUND**  
 Statements of Assets, Liabilities and Reserves - Regulatory Basis  
 As of December 31, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>Dec. 31, 2018</u>	<u>Dec. 31, 2017</u>
Animal Control Fund:			
Cash--Treasurer	SB-1	\$ 7,191.63	\$ 7,382.51
Accounts Receivable - Share Service Agreement	SB-3	2,592.50	
Due from Current Fund	SB-2	906.38	453.19
		<u>10,690.51</u>	<u>7,835.70</u>
Open Space Trust Fund:			
Cash--Treasurer	SB-1	243,160.03	517,866.09
Due from Current Fund	SB-2	23,265.56	
		<u>266,425.59</u>	<u>517,866.09</u>
Other Trust Funds:			
Cash--Treasurer	SB-1	3,887,217.61	4,723,178.45
Due from Trust - Open Space Fund	SB-1		1,155.27
Due from Current Fund	SB-2	59,796.18	20,645.17
Due from Vendors - Off Duty Police	SB-6	35,895.00	32,887.50
		<u>3,982,908.79</u>	<u>4,777,866.39</u>
		<u>\$ 4,260,024.89</u>	<u>\$ 5,303,568.18</u>

(Continued)

**TOWNSHIP OF BORDENTOWN**  
**TRUST FUND**  
 Statements of Assets, Liabilities and Reserves - Regulatory Basis  
 As of December 31, 2018 and 2017

<u>LIABILITIES AND RESERVES</u>	<u>Ref.</u>	<u>Dec. 31, 2018</u>	<u>Dec. 31, 2017</u>
Animal Control Fund:			
Account Payable	SB-1		\$ 1,897.23
Reserve for Animal Control	SB-3	\$ 10,549.51	5,811.87
Due to State of NJ	SB-4	141.00	126.60
		<hr/>	
		10,690.51	7,835.70
Open Space Trust Fund:			
Encumbrances Payable	B-3	185.00	21,515.41
Due to Trust - Other Fund	SB-1		1,155.27
Due to Current Fund	SB-2		296,715.07
Reserve - Municipal Open Space	SB-5	266,240.59	198,480.34
		<hr/>	
		266,425.59	517,866.09
Other Funds:			
Account Payable - Due to Officers for Off Duty Police	SB-6	5,878.06	1,886.64
Encumbrances Payable	SB-6	2,931.90	279,412.08
Reserve - Builders Trust	SB-6	1,990,008.31	2,000,885.38
Reserve - UC & TDI Fund	SB-6	78,440.57	73,263.87
Reserve - Street Opening Fund	SB-6	50,527.50	46,734.50
Reserve - Special Law Enforcement Fund	SB-6	187,750.33	179,654.11
Reserve - Federal Forfeit Trust Fund	SB-6	9,970.90	15,057.79
Reserve - First Aid Contributions	SB-6	4,185.00	4,185.00
Reserve - Public Defender Fees	SB-6	6,849.50	0.00
Reserve - POAA	SB-6	1,402.00	1,292.00
Reserve - Affordable Housing	SB-6	1,401,731.50	1,969,259.29
Reserve - Sign Donations	SB-6	2,520.00	2,520.00
Reserve - READ Foundation	SB-6	5,150.32	3,854.21
Reserve - Roadway Contrib Dunns/Rising	SB-6	77,580.00	77,580.00
Reserve - Storm Recovery Trust Fund	SB-6	64,992.28	34,514.44
Reserve - Community Map Donations	SB-6	3,050.00	3,050.00
Reserve - Fourth of July Donations	SB-6	20,000.00	3,395.67
Reserve - Civic Events Donations	SB-6	1,600.30	5,572.23
Reserve - Veteran's Day Ceremony	SB-6	2,772.71	2,607.71
Reserve - Veteran's Park Donations	SB-6	1,059.39	6,189.39
Reserve - Developers Tree Planting Donations	SB-6	7,305.00	9,430.00
Reserve - Recycling Program	SB-6	262.50	581.36
Reserve - Dog Park Donations	SB-6	359.26	359.26
Reserve - Recreation Donations	SB-6	56,581.46	56,581.46
		<hr/>	
		3,982,908.79	4,777,866.39
		<hr/>	
		\$ 4,260,024.89	\$ 5,303,568.18

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

**TOWNSHIP OF BORDENTOWN**  
**TRUST - OPEN SPACE**  
 Statements of Operations and Changes in Reserve for Future Use - Regulatory Basis  
 For the Years Ended December 31, 2018 and 2017

	<u>Year 2018</u>	<u>Year 2017</u>
<b>REVENUE REALIZED:</b>		
Amount to be Raised by Taxation	\$ 363,107.67	\$ 349,088.69
Reserves Utilized	160,182.13	190,933.59
Farmland Lease	7,440.00	7,440.00
Miscellaneous Revenue Not Anticipated	37.21	
Cancellation of Prior Year Encumbrances	21,515.41	
	<hr/>	<hr/>
Total Income	552,282.42	547,462.28
<b>EXPENDITURES:</b>		
Budget Appropriations:		
Payment of Bond Principal	300,000.00	300,000.00
Reserve for Future Use	24,340.04	48,981.94
	<hr/>	<hr/>
Total Budget Appropriations	324,340.04	348,981.94
	<hr/>	<hr/>
Statutory Excess to Reserve For Future Use	227,942.38	198,480.34
<b>RESERVE FOR FUTURE USE:</b>		
Balance January 1	198,480.34	190,933.59
	<hr/>	<hr/>
Decreased by:		
Utilized as Revenue	160,182.13	190,933.59
	<hr/>	<hr/>
Balance December 31	\$ 266,240.59	\$ 198,480.34
	<hr/> <hr/>	<hr/> <hr/>

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

**TOWNSHIP OF BORDENTOWN**  
**TRUST - OPEN SPACE**  
 Statement of Revenues - Regulatory Basis  
 For the Year Ended December 31, 2018

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	<u>Adopted Budget</u>	<u>Realized</u>	<u>Excess</u>
Amount to be Raised by Taxation	\$ 349,088.69	\$ 363,107.67	
Reserve for Future Use	160,182.13	160,182.13	
Farmland Lease	7,440.00	7,440.00	
Miscellaneous Revenue Not Anticipated		37.21	\$ 37.21
	<u>\$ 516,710.82</u>	<u>\$ 530,767.01</u>	<u>\$ 37.21</u>

Analysis of Realized Revenues

Miscellaneous Revenue Not Anticipated:  
 Interest on Deposits

\$ 37.21

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

**TOWNSHIP OF BORDENTOWN**  
**TRUST - OPEN SPACE**  
 Statement of Expenditures - Regulatory Basis  
 For the Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Disbursed</u>	<u>Encumbered</u>	
Payment of Bond Principal	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00		
Reserve for Future Use	216,710.82	216,710.82	24,155.04	\$ 185.00	\$ 192,370.78
	<u>\$ 516,710.82</u>	<u>\$ 516,710.82</u>	<u>\$ 324,155.04</u>	<u>\$ 185.00</u>	<u>\$ 192,370.78</u>

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



**TOWNSHIP OF BORDENTOWN**  
**GENERAL FIXED ASSET GROUP OF ACCOUNTS**  
Statement of General Fixed Asset Group of Accounts - Regulatory Basis  
For the Year Ended December 31, 2018

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	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
General Fixed Assets:				
Land	\$ 9,645,000.00	\$ 656,599.00		\$ 10,301,599.00
Buildings	4,778,400.00			4,778,400.00
Equipment & Vehicles	4,040,269.00	272,006.00	\$ 533,025.00	3,779,250.00
Total General Fixed Assets	<u>\$ 18,463,669.00</u>	<u>\$ 928,605.00</u>	<u>\$ 533,025.00</u>	<u>\$ 18,859,249.00</u>
Total Investment in General Fixed Assets	<u>\$ 18,463,669.00</u>	<u>\$ 928,605.00</u>	<u>\$ 533,025.00</u>	<u>\$ 18,859,249.00</u>

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

**TOWNSHIP OF BORDENTOWN**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2018**

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Financial Reporting Entity** - The Township of Bordentown ("Township"), in the County of Burlington, incorporated in 1852, is located in the center of New Jersey approximately seven miles from Trenton. The population according to the latest census is 11,367 with a land area of 10 square miles. The Township provides to its citizens the following services: public safety, sanitation, recreation, public improvements, planning and zoning and general administrative services.

The Township is governed by an elected committee ("Committee") consisting of five members who serve three-year terms. The Mayor is chief executive officer of the Township and is annually appointed by the Committee at the beginning of each fiscal year. The functions of the Committee, as the governing body, are legislative.

Administrative responsibilities are assigned to the Township Administrator. The Committee establishes policy. The Administrator is responsible for the day-to-day operations of the Township and implementing and administering policy.

**Component Units** - The financial statements of the component units of the Township are not presented in accordance with Governmental Accounting Standards Board (GASB) Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. If the provisions of the aforementioned GASB Statements had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Bordentown Sewerage Authority  
954 Farnsworth Ave  
Bordentown, NJ 08505

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation** - The financial statements of the Township contain all funds and account groups in accordance with the *Requirements of Audit* ("Requirements") as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the *Requirements* are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these *Requirements*. In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this note.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

In accordance with the *Requirements*, the Township accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

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

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

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

**General Fixed Asset Group of Accounts** - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

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

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements.

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Cash, Cash Equivalents and Investments (Cont'd)** - N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the Township requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

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

**Inventories 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 statements of assets, liabilities, reserves and fund balance.

**General Fixed Assets** - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Township's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that include accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Foreclosed Property** - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

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

**Liens Sold for Other Governmental Units** - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

**Fund Balance** - Fund Balance included in the current fund represents amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

**Revenues** - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

**Property Tax Revenues** - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Burlington, Bordentown Regional School District and Township of Bordentown Fire Districts No. 1 and No. 2. Unpaid property taxes are subject to tax sale in accordance with the statutes.

**School Taxes** - The municipality is responsible for levying, collecting and remitting school taxes for the Bordentown Regional School District. Operations is charged for the Township's share of the amount required to be raised by taxation for the period from January 1 to December 31. The Township does not defer any school taxes.

**County Taxes** - The municipality is responsible for levying, collecting and remitting county taxes for the County of Burlington. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

**Fire District Taxes** - The municipality is responsible for levying, collecting, and remitting Fire District Taxes for Township of Bordentown Fire Districts No. 1 and No. 2. Operations is charged for the full amount required to be raised from taxation to operate the Fire District for the period from January 1 to December 31.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

**Expenditures** - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

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

**Appropriation Reserves** - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end 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.

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

**Compensated Absences** - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis.

**Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

For the year ended December 31, 2018, the Township adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of adopting Statement No. 75, the Township was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their postemployment benefits plan. As a result of the regulatory basis of accounting previously described in note 1, the implementation of this Statement only required financial statement disclosures. There exists no impact on the financial statements of the Township.

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2018, the Township's bank balances of \$18,701,299.79 were exposed to custodial credit risk as follows:

Insured by FDIC	\$ 750,000.00
Insured by GUDPA	15,907,439.04
Uninsured and Uncollateralized	<u>2,043,860.75</u>
Total	<u>\$ 18,701,299.79</u>

**Note 3: PROPERTY TAXES**

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

**Comparative Schedule of Tax Rates**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Apportionment of Tax Rate:					
Municipal	\$0.542	\$0.541	\$0.540	\$0.540	\$0.544
Municipal Open Space	0.030	0.030	0.030	0.030	0.030
County	0.480	0.466	0.450	0.450	0.416
Regional School District	<u>2.128</u>	<u>2.090</u>	<u>2.038</u>	<u>1.978</u>	<u>1.873</u>
Total Tax Rate (1)	<u>\$3.180</u>	<u>\$3.127</u>	<u>\$3.058</u>	<u>\$2.998</u>	<u>\$2.863</u>
Special District Rates:					
Fire District No. 1	\$0.270	\$0.260	\$0.252	\$0.206	\$0.194
Fire District No. 2	0.274	0.220	0.213	0.203	0.194

(1) Excludes Special District Rates

**Assessed Valuation**

<u>Year</u>	<u>Assessed Valuation</u>
2018	\$ 1,157,607,035.00
2017	1,159,322,203.00
2016	1,160,103,244.00
2015	1,159,654,679.00
2014	1,177,714,026.00

**Note 3: PROPERTY TAXES (CONT'D)**

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

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy (Net of Appeals)</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2018	\$ 41,393,070.17	\$ 39,826,136.89	96.21%
2017	39,047,532.85	38,475,210.67	98.53%
2016	38,234,984.13	37,817,282.33	98.91%
2015	37,418,377.58	36,517,398.26	97.59%
2014	36,246,899.75	34,879,814.31	96.23%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2018	\$ 158,963.07	\$ 1,492,507.70	\$ 1,651,470.77	3.99%
2017	17,026.45	509,910.60	526,937.05	1.35%
2016	23,094.99	431,513.68	454,608.67	1.19%
2015	33,814.86	881,828.63	915,643.49	2.45%
2014	45,454.22	349,188.66	394,642.88	1.09%

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

<u>Year</u>	<u>Number of Tax Title Liens Receivable</u>
2018	14
2017	6
2016	4
2015	7
2014	5

**Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

<u>Year</u>	<u>Amount</u>
2018	\$ 515,200.00
2017	515,200.00
2016	515,200.00
2015	515,200.00
2014	515,200.00

**Note 5: FUND BALANCES APPROPRIATED**

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

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2018	\$ 2,906,597.32	\$ 2,185,000.00	75.17%
2017	1,993,379.77	1,215,000.00	60.95%
2016	2,927,914.96	2,000,000.00	68.31%
2015	1,571,557.02	1,250,000.00	79.54%
2014	1,955,225.27	1,393,500.00	71.27%

**Note 6: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2018:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 311,853.71	\$ 484,239.17
Federal and State Grant Fund	400,271.05	195,215.30
Trust-Animal Control	906.38	
Trust-Other Funds	59,796.18	
Truth-Open Space	23,265.56	
Capital Fund	195,215.30	311,853.71
	<u>\$ 991,308.18</u>	<u>\$ 991,308.18</u>

The interfund receivables and payables above predominately resulted from cash received and payments made by certain funds on behalf of other funds. During 2019, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 7: PENSION PLANS**

A substantial number of the Township's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, employees have the option to participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plan's fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

**Note 7: PENSION PLANS (CONT'D)****General Information about the Pension Plans****Plan Descriptions**

**Public Employees' Retirement System** - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Township, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

**Police and Firemen's Retirement System** - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Township. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

**Vesting and Benefit Provisions**

**Public Employees' Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

**Tier Definition**

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

**Note 7: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

**Police and Firemen's Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

**Tier Definition**

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

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

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

**Note 7: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions**

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.34% in State fiscal year 2018. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) was 10% in State fiscal year 2018. Employers' contribution are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2018 was 12.48% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2018, the Township's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$197,323.00, and was payable by April 1, 2019. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$206,270.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$121,940.51.

**Police and Firemen's Retirement System** - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the active member contribution rate was 10% in State fiscal year 2018. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

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

The Township's contractually required contribution rate for the year ended December 31, 2018 was 25.29% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

**Note 7: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Police and Firemen's Retirement System (Cont'd)** - Based on the most recent PFRS measurement date of June 30, 2018, the Township's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$556,749.00, and was payable by April 1, 2019. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$553,250.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$231,370.90.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2018 was 2.82% of the Township's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2018 is \$61,992.00, and was payable by April 1, 2019. Based on the PFRS measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2017 was \$54,053.00, which was paid on April 1, 2018.

**Defined Contribution Retirement Program** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the year ended December 31, 2018, there were no employees participating in DCRP.

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

**Public Employees' Retirement System** - At December 31, 2018, the Township's proportionate share of the PERS net pension liability was \$3,905,983.00. 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 July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. 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. For the June 30, 2018 measurement date, the Township's proportion was 0.0198378987%, which was a decrease of 0.0024280246% from its proportion measured as of June 30, 2017.

At December 31, 2018, the Township's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is \$269,675.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the Township's contribution to PERS was \$206,270.00, and was paid on April 1, 2018.

**Note 7: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Police and Firemen's Retirement System** - At December 31, 2018, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 7,705,981.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	1,046,730.00
	<u>\$ 8,752,711.00</u>

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 July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. 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 and the State of New Jersey, actuarially determined. For the June 30, 2018 measurement date, the Township's proportion was .0569478360%, which was a decrease of .0055649845% from its proportion measured as of June 30, 2017. Likewise, at June 30, 2018, the State of New Jersey's proportion, on-behalf of the Township, was .0569478360%, which was a decrease of .0055649845% from its proportion, on-behalf of the Township, measured as of June 30, 2017.

At December 31, 2018, the Township's proportionate share of the PFRS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is \$755,720.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the Township's contribution to PFRS was \$553,250.00, and was paid on April 1, 2018.

At December 31, 2018, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the Plan as of the June 30, 2018 measurement date is \$123,984.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Note 7: **PENSION PLANS (CONT'D)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources** - At December 31, 2018, the Township had deferred outflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>		
	<b><u>PERS</u></b>	<b><u>PFRS</u></b>	<b><u>Total</u></b>
Differences between Expected and Actual Experience	\$ 74,488.00	\$ 78,398.00	\$ 152,886.00
Changes of Assumptions	643,641.00	661,455.00	1,305,096.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	356,550.00	814,861.00	1,171,411.00
Township Contributions Subsequent to the Measurement Date	98,662.00	278,375.00	377,037.00
	<b><u>\$ 1,173,341.00</u></b>	<b><u>\$ 1,833,089.00</u></b>	<b><u>\$ 3,006,430.00</u></b>

\$98,662.00 and \$278,375.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2018. These amounts were based on an estimated April 1, 2020 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2018 to the Township's year end of December 31, 2018.

**Note 7: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - At December 31, 2018, the Township had deferred inflows of resources related to pensions from the following sources (Cont'd):

	<u>Deferred Inflows of Resources</u>		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 20,141.00	\$ 31,889.00	\$ 52,030.00
Changes of Assumptions	1,248,926.00	1,974,910.00	3,223,836.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	36,638.00	42,159.00	78,797.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	457,131.00	743,262.00	1,200,393.00
Township Contributions Subsequent to the Measurement Date	-	-	-
	<u>\$ 1,762,836.00</u>	<u>\$ 2,792,220.00</u>	<u>\$ 4,555,056.00</u>

**Note 7: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - The Township will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	5.00	-	5.00	-
June 30, 2016	5.00	-	5.00	-
June 30, 2017	-	5.00	-	5.00
June 30, 2018	-	5.00	-	5.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73

**Note 7: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<b><u>Year Ending Dec 31,</u></b>	<b><u>PERS</u></b>	<b><u>PFRS</u></b>	<b><u>Total</u></b>
2019	\$ 78,630.00	\$ 213,196.00	\$ 291,826.00
2020	(6,713.00)	(144,919.00)	(151,632.00)
2021	(310,877.00)	(613,611.00)	(924,488.00)
2022	(313,210.00)	(454,671.00)	(767,881.00)
2023	(135,987.00)	(237,501.00)	(373,488.00)
	<u>\$ (688,157.00)</u>	<u>\$ (1,237,506.00)</u>	<u>\$ (1,925,663.00)</u>

**Actuarial Assumptions**

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 July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<b><u>PERS</u></b>	<b><u>PFRS</u></b>
Inflation Rate	2.25%	2.25%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	2.10% - 8.98% Based on Age
Thereafter	2.65% - 5.15% Based on Age	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013

**Note 7: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

For PERS, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Postretirement 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 mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent modified 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).

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

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2018 are summarized in the following table:

Note 7: PENSION PLANS (CONT'D)Actuarial Assumptions (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability at June 30, 2018 was 5.66% for PERS and 6.51% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension Plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current Plan members through 2046 for PERS and through 2062 for PFRS; therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2046 for PERS and through 2062 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

**Note 7: PENSION PLANS (CONT'D)****Sensitivity of Township's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Public Employees' Retirement System (PERS)** - The following presents the Township's proportionate share of the net pension liability at June 30, 2018, the Plan's measurement date, calculated using a discount rate of 5.66%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>PERS</b>		
	<b>1% Decrease (4.66%)</b>	<b>Current Discount Rate (5.66%)</b>	<b>1% Increase (6.66%)</b>
Township's Proportionate Share of the Net Pension Liability	\$ 4,911,324.00	\$ 3,905,983.00	\$ 3,062,567.00

**Police and Firemen's Retirement System (PFRS)** - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Township's annual required contribution. As such, the net pension liability as of June 30, 2018, the Plan's measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 6.51%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>PFRS</b>		
	<b>1% Decrease (5.51%)</b>	<b>Current Discount Rate (6.51%)</b>	<b>1% Increase (7.51%)</b>
Township's Proportionate Share of the Net Pension Liability	\$ 10,313,499.00	\$ 7,705,981.00	\$ 5,555,253.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	1,400,918.21	1,046,730.00	754,589.24
	<u>\$ 11,714,417.21</u>	<u>\$ 8,752,711.00</u>	<u>\$ 6,309,842.24</u>

**Pension Plan Fiduciary Net Position**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS and PFRS, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

**Note 7: PENSION PLANS (CONT'D)****Supplementary Pension Information**

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS Pension Plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

***Schedule of the Township's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Six Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Proportion of the Net Pension Liability	0.0198378987%	0.0222659233%	0.0213569395%
Township's Proportionate Share of the Net Pension Liability	\$ 3,905,983.00	\$ 5,183,151.00	\$ 6,325,313.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,353,592.00	\$ 1,524,500.00	\$ 1,431,748.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	288.56%	339.99%	441.79%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%
	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0204036886%	0.0179287412%	0.0180858254%
Township's Proportionate Share of the Net Pension Liability	\$ 4,580,219.00	\$ 3,356,502.00	\$ 3,456,561.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,234,980.00	\$ 1,170,896.00	\$ 1,213,268.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	370.87%	286.66%	284.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

Note 7: PENSION PLANS (CONT'D)Supplementary Pension Information (Cont'd)*Schedule of the Township's Contributions - Public Employees' Retirement System (PERS) (Last Six Years)*

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Contractually Required Contribution	\$ 197,323.00	\$ 206,270.00	\$ 189,732.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(197,323.00)</u>	<u>(206,270.00)</u>	<u>(189,732.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,581,027.00	\$ 1,433,721.00	\$ 1,495,628.00
Township's Contributions as a Percentage of Covered Payroll	12.48%	14.39%	12.69%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 175,417.00	\$ 147,791.00	\$ 136,273.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(175,417.00)</u>	<u>(147,791.00)</u>	<u>(136,273.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,411,198.00	\$ 1,283,427.00	\$ 1,189,360.00
Township's Contributions as a Percentage of Covered Payroll	12.43%	11.52%	11.46%

**Note 7: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Township's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Six Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Proportion of the Net Pension Liability	0.0569478360%	0.0625128205%	0.0563235786%
Township's Proportionate Share of the Net Pension Liability	\$ 7,705,981.00	\$ 9,650,771.00	\$ 10,759,244.00
State's Proportionate Share of the Net Pension Liability associated with the Township	1,046,730.00	1,080,968.00	903,510.00
Total	<u>\$ 8,752,711.00</u>	<u>\$ 10,731,739.00</u>	<u>\$ 11,662,754.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 1,889,272.00	\$ 2,023,520.00	\$ 1,800,240.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	407.88%	476.93%	597.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.48%	58.60%	52.01%
	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0566224423%	0.0512673947%	0.0508483163%
Township's Proportionate Share of the Net Pension Liability	\$ 9,431,325.00	\$ 6,448,963.00	\$ 6,759,825.00
State's Proportionate Share of the Net Pension Liability associated with the Township	827,096.00	694,445.00	630,098.00
Total	<u>\$ 10,258,421.00</u>	<u>\$ 7,143,408.00</u>	<u>\$ 7,389,923.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 1,793,128.00	\$ 1,685,872.00	\$ 1,551,388.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	525.97%	382.53%	435.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

**Note 7: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Township's Contributions - Police and Firemen's Retirement System (PFRS)  
(Last Six Years)***

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Contractually Required Contribution	\$ 556,749.00	\$ 553,250.00	\$ 459,229.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(556,749.00)</u>	<u>(553,250.00)</u>	<u>(459,229.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 2,201,025.00	\$ 1,936,569.00	\$ 2,024,689.00
Township's Contributions as a Percentage of Covered Payroll	25.29%	28.57%	22.68%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 460,256.00	\$ 393,769.00	\$ 370,978.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(460,256.00)</u>	<u>(393,769.00)</u>	<u>(370,978.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,854,013.00	\$ 1,843,205.00	\$ 1,684,852.00
Township's Contributions as a Percentage of Covered Payroll	24.82%	21.36%	22.02%

**Note 7: PENSION PLANS (CONT'D)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***Changes in Benefit Terms

None

Changes in Assumptions

The Discount Rate changed at June 30th over the following years, 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017 and 5.66% 2018.

The Long-term Expected Rate of Return changed at June 30<sup>th</sup> over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the Plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter.

For 2015, the social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually.

***Police and Firemen's Retirement System (PFRS)***Changes in Benefit Terms

In 2017, Chapter 26, P.L. 2016 increased the accidental death benefit payable to children if there is no surviving spouse to 70% of final compensation.

Changes in Assumptions

The Discount Rate changed at June 30th over the following years, 6.32% 2014, 5.79% 2015, 5.55% 2016, 6.14% 2017 and 6.51% 2018.

The Long-term Expected Rate of Return changed at June 30<sup>th</sup> over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018.

For 2016, the mortality improvement scale incorporated the Plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter.

For 2015, demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study.

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)****General Information about the OPEB Plan**

**Plan Description and Benefits Provided** - The Township does not provide postemployment benefits to its retirees, however, the State of New Jersey (the "State") provides these benefits to certain Township retirees and their dependents under a special funding situation as described below.

The State of New Jersey, on-behalf of the Township, contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug benefit coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. 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.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**Contributions** - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)****General Information about the OPEB Plan (Cont'd)**

**Contributions (Cont'd) - Special Funding Situation Component** - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997, as disclosed below. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB plan.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80% of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. 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.

Therefore, the Township is considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the Township 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 in the financial statements of the local participating employers related to this legislation. However, the Township is required disclose:

- a) the State's proportion (percentage) of the collective net OPEB liability that is associated with the Township,
- b) the State's proportionate share of the collective net OPEB liability that is associated with the Township, and
- c) the State's proportionate share of the OPEB expense that is associated with the Township.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Township, is not known, however, under the Special Funding Situation, the State's OPEB expense, on-behalf of the Township, is \$271,401.00 for the year ended December 31, 2018 representing 12.33% of the Township's covered payroll.

**OPEB Liability and OPEB Expense**

**OPEB Liability** - At December 31, 2018 the State's proportionate Share of the Net OPEB liability associated with the Township is \$8,965,646.00. 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 June 30, 2017, which was rolled forward to June 30, 2018.

The State's proportion of the net OPEB liability, on-behalf of the Township, was based on the ratio of the plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2017 through June 30, 2018. For the June 30, 2018 measurement date, the State's proportion on-behalf of the Township was .144285% which was an increase of .011359% from its proportion measured as of the June 30, 2017 measurement date.

**OPEB Expense** - At December 31, 2018, the State's proportionate share of the OPEB expense associated with the Township, calculated by the Plan as of the June 30, 2018 measurement date, is \$271,401.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****Actuarial Assumptions**

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2018 used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
Through 2026	1.65% - 8.98%
Thereafter	2.65% - 9.98%

\* Salary Increases are Based on the Defined Benefit Plan that the Member is Enrolled in and his or her Age.

Preretirement 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. Postretirement 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 July 1, 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). The PFRS 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.

All of the Plan's investments are in the State of New Jersey Cash Management Fund ("CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. Government and Agency Obligations, Commercial Paper, Corporate Obligations and Certificates of Deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) are the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

**Discount Rate** - The discount rate used to measure the OPEB Liability at June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Health Care Trend Assumptions** - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****Sensitivity of the net OPEB Liability to Changes in the Discount Rate**

As previously mentioned, the OPEB Plan has a special funding situation where the State of New Jersey pays the Township's contributions for certain eligible employees. As such, the proportionate share of the net OPEB liability as of June 30, 2018, the Plans measurement date, calculated using a discount rate of 3.87%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	<b>1% Decrease (2.87%)</b>	<b>Current Discount Rate (3.87%)</b>	<b>1% Increase (4.87%)</b>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>\$ 8,979,687.03</u>	<u>\$ 7,653,592.00</u>	<u>\$ 6,594,342.52</u>

**Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The net OPEB Liability as of June 30, 2018, the Plans measurement date, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>\$ 6,384,322.60</u>	<u>\$ 7,653,592.00</u>	<u>\$ 9,296,215.10</u>

**OPEB Plan Fiduciary Net Position**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about the Plan, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**Supplementary OPEB Information**

In accordance with GASBS No. 75, the information on the following page is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****Supplementary OPEB Information (Cont'd)*****Schedule of the State's Proportionate Share of the net OPEB Liability Associated with the Township (Last 2 Years)***

	<u>Measurement Date Ended June 30,</u>	
	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net OPEB Liability	0.000000%	0.000000%
State's Proportion of the Net Pension Liability Associated with the Township	<u>100.000000%</u>	<u>100.000000%</u>
	<u>100.000000%</u>	<u>100.000000%</u>
Township's Proportionate Share of the Net OPEB Liability \$	-	-
State's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>8,965,646.00</u>	<u>11,558,465.00</u>
Total	<u>\$ 8,965,646.00</u>	<u>\$ 11,558,465.00</u>
Township's Covered Payroll (Plan Measurement Period) \$	2,049,232.00	\$ 1,989,988.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	437.512%	580.831%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.97%	1.03%

***Schedule of the State's Contributions Associated with the Township (Last 2 Years)***

The amount of actual contributions that the State made on-behalf of the Township is not known.

**Other Notes to Supplementary OPEB Information****Changes in Benefit Terms**

None

**Changes in Assumptions**

In 2017, the discount rate changed to 3.58% from 2.85%. In 2018, the discount rate changed to 3.87% from 3.58%, there were changes in the census, claims and premiums experience and a decrease in the assumed health care cost trend and excise tax assumptions.

**Note 9: COMPENSATED ABSENCES**

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may not be accumulated.

The Township compensates employees for unused sick leave upon termination or retirement. The current policy provides one compensated day for every two days accumulated. There is a maximum pay-out of fifty days' pay, and is paid at the rate of pay upon termination or retirement up to \$12,000.00 for Police Officers and \$7,500.00 for all other employees.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2018, accrued benefits for compensated absences are valued at \$371,126.31.

**Note 10: DEFERRED COMPENSATION SALARY ACCOUNT**

The Township offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

**Note 11: LEASE OBLIGATIONS**

At December 31, 2018, the Township had lease agreements in effect for the following:

Operating:  
Six Photocopy Machines  
One Postage Machine

**Operating Leases** - Future minimum lease payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 21,985.08
2020	21,985.08
2021	21,985.08
2022	4,228.95
	<u>\$ 70,184.19</u>

Rental payments under operating leases for the year 2018 were \$21,985.08.

**Note 12: CAPITAL DEBT****General Obligation Bonds**

General Obligation Bonds, Series 2009 - On February 10, 2009, the Township issued \$4,000,000.00 in general obligation bonds, with interest rates ranging from 3.25% to 4.00%. The bonds were issued to finance the acquisition of various properties within the Township for the purpose of preserving open space. The final maturity of the bonds is February 15, 2028.

General Obligation Refunding Bonds, Series 2014 - On April 17, 2014, the Township issued \$8,181,000.00 in general obligation bonds, with interest rates ranging from 2.00% to 4.00%. The bonds were issued for the purpose of financing the cost of various capital improvements. The final maturity of the bonds is March 1, 2042.

General Obligation Refunding Bonds, Series 2016 - On June 1, 2016, the Township issued \$6,010,000.00 in general obligation bonds, with interest rates ranging from 1.00% to 3.00%. The bonds were issued for the purpose of financing the cost of various capital improvements. The final maturity of the bonds is March 1, 2041.

General Obligation Bonds, Series 2018 - On August 1, 2018, the Township issued \$6,175,000.00 in general obligation bonds, with a 3.00% rate of interest. The bonds were issued for the purpose of financing the cost of various capital improvements. The final maturity of the bonds is August 1, 2033.

**Burlington County Bridge Commission – Guaranteed Pooled Loan Revenue Refunding Bonds**

On March 11, 2013, the Township entered into a guaranteed pooled loan agreement with the Burlington County Bridge Commission with interest rates ranging from 2.00% to 5.00%. The proceeds were used to advance refund a 2004 loan with the Burlington County Bridge Commission. The final maturity of the loan is December 1, 2024.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,400,000.00	\$ 708,456.28	\$ 2,108,456.28
2020	1,430,000.00	664,618.78	2,094,618.78
2021	1,490,000.00	619,106.28	2,109,106.28
2022	1,525,000.00	571,306.28	2,096,306.28
2023	1,575,000.00	522,431.27	2,097,431.27
2024-2028	7,770,000.00	1,854,081.30	9,624,081.30
2029-2033	5,035,000.00	947,203.13	5,982,203.13
2034-2038	1,550,000.00	378,450.00	1,928,450.00
2039-2042	1,300,000.00	102,375.00	1,402,375.00
	<u>\$ 23,075,000.00</u>	<u>\$ 6,368,028.32</u>	<u>\$ 29,443,028.32</u>

**Note 12: CAPITAL DEBT (CONT'D)**

**Summary of Debt**

The following schedule represents the Township's summary of debt for the current and two previous years:

<b>Issued</b>	<u>Year 2018</u>	<u>Year 2017</u>	<u>Year 2016</u>
General:			
Bonds and Notes	\$ 23,075,000.00	\$ 18,020,000.00	\$ 19,623,000.00
<b>Authorized and Not Issued</b>			
General:			
Bonds and Notes	<u>14,855,905.00</u>	<u>10,390,905.00</u>	<u>7,720,405.00</u>
Total Issued and Authorized and Not Issued	37,930,905.00	28,410,905.00	27,343,405.00
<b>Deductions</b>			
Funds Temporarily Held to Pay Bonds and Notes	<u>2,928,869.79</u>	<u>3,275,869.79</u>	<u>2,806,201.79</u>
Net Debt	<u>\$ 35,002,035.21</u>	<u>\$ 25,135,035.21</u>	<u>\$ 24,537,203.21</u>

**Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 2.605%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District	\$ 30,704,000.00	\$ 30,704,000.00	
General	<u>37,930,905.00</u>	<u>2,928,869.79</u>	<u>\$ 35,002,035.21</u>
	<u>\$ 68,634,905.00</u>	<u>\$ 33,632,869.79</u>	<u>\$ 35,002,035.21</u>

Net Debt \$35,002,035.21 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$1,343,778,957.33 equals 2.605%.

3.5% of Equalized Valuation Basis (Municipal)	\$ 47,032,263.51
Net Debt	<u>35,002,035.21</u>
Remaining Borrowing Power	<u>\$ 12,030,228.30</u>

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

**Note 13: RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** - The Township maintains commercial insurance coverage for property, liability, vehicle, surety bonds, etc.

**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, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Prior Year Refunds</u>	<u>Expenses Paid</u>	<u>Ending Balance</u>
2018		\$ 7,076.86		\$ 1,900.16	\$ 78,440.57
2017		6,735.77		1,757.06	73,263.87
2016	\$ 5,000.00	6,481.56	\$24,344.93	1,035.50	68,285.16

**Joint Insurance Pool** - The Township is a member of several joint insurance funds. The Township maintains the following funds and coverage:

- Statewide Excess Liability Fund – Umbrella Liability Coverage
- Statewide Workers' Compensation Fund – Workers' Compensation Coverage

Contributions to the Fund, including a reserve for contingencies, are payable in various installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Funds publish their own financial reports for the year ended December 31, 2018, which can be obtained from:

Burlington County Municipal Joint Insurance Fund  
6000 Sagemore Drive, Suite 6203  
Marlton, New Jersey 08053

**Note 14: 1986 SERVICE CONTRACT**

The Township entered into a service contract with the Bordentown Sewerage Authority and the City of Bordentown. Under the 1986 Service Contract, should certain items of expense exceed certain items of receipts during any fiscal year, then upon certification by the Authority to the City and Township not later than January 15, next succeeding the completion of such fiscal year of the amount of such excess, each municipality is obligated to pay to the Authority its proportionate share of such excess in an amount to be computed in accordance with the 1986 Service Contract.

At any time after five years from the date of the 1986 Service Contract, and after the payment in full of all obligations of the Authority, including all outstanding bonds, the 1986 Service Contract, upon two years notice to the Authority and to each of the municipalities, may be terminated by the Authority or either municipality.

**Note 15: OPEN SPACE PRESERVATION TRUST**

On November 2, 1999, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township authorized the establishment of the Township of Bordentown Open Space Preservation Trust Fund effective January 1, 2000, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of open space. As a result, the Township levies a tax not to exceed three cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Bordentown Open Space Preservation Trust Fund.

**Note 16: CONTINGENCIES**

**Grantor Agencies** - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Township expects such amount, if any, to be immaterial.

**Litigation** - The Township is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Township, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

**Note 17: CONCENTRATIONS**

The Township depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Township is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**Note 18: SUBSEQUENT EVENTS**

**Tax Appeals** - As of December 31, 2018, several tax appeals were on file against the Township. Based upon information provided by the tax assessor, if such appeals are not settled in favor of the Township, the estimated impact of the tax refunds could be material.

**Authorization of Debt** - Subsequent to December 31, the Township authorized additional bonds and notes as follows:

<u>Ordinance</u>	<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
2019-01	Refunding Bond Ordinance	2/11/2019	\$ 2,270,000.00
2019-08	Various Capital Improvements	6/24/2019	4,286,600.00
			\$ 6,556,600.00

## **SUPPLEMENTAL EXHIBITS**

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
Statement of Current Cash per N.J.S.A. 40A:5-5--Treasurer  
For the Year Ended December 31, 2018

	<u>Regular</u>	<u>Federal and State Grant Fund</u>
Balance Dec. 31, 2017	\$ 5,746,106.07	\$ -
Increased by Receipts:		
Revenue Accounts Receivable	\$ 1,215,388.94	
Interest and Cost on Taxes	125,508.01	
Verizon FIOS Franchise Fee	68,339.22	
Comcast Franchise Fee	99,399.50	
Consolidated Municipal Property Tax Relief Act	16,142.00	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	874,332.00	
Garden State Trust Fund	3,558.00	
EMS Fees	408,849.00	
Hotel & Motel Occupancy Fees	366,488.59	
Pilot Affordable Housing	67,496.85	
NJ DMV Motor Vehicle Inspections	2,641.50	
Miscellaneous Revenue Not Anticipated	517,062.04	
Due from State of New Jersey--Senior Citizens' and Veterans' Deductions	77,201.37	
Taxes Receivable	38,962,288.93	
Prepaid Taxes	346,304.39	
PILOT - Waterfront	110,061.88	
PILOT - Quickchek	26,892.60	
PILOT - Grainger	1,113,595.60	
Reserve for Payment of Debt	488,812.52	
Other Reserves	523,809.76	
Due to State of New Jersey--State Training Fees for New Construction	58,515.00	
Due to State of New Jersey--Marriage License Fees	1,625.00	
Due to Trust - Animal Control Fund	453.19	
Due to Trust - Other	148,125.41	
Due to Trust - Open Space	305,961.65	
Due to General Capital Fund	455,003.42	
County Share of PILOTS	93,898.67	
School Share of PILOTS	195,143.00	
Federal and State Grant Fund:		
Due from Current Fund		\$ 17,985.21
Federal and State Grants		316,660.35
	46,672,898.04	334,645.56
Carried Forward	52,419,004.11	334,645.56

(Continued)

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
Statement of Current Cash per N.J.S.A. 40A:5-5--Treasurer  
For the Year Ended December 31, 2018

	<u>Regular</u>	<u>Federal and State Grant Fund</u>
Brought Forward	\$ 52,419,004.11	\$ 334,645.56
Decreased by Disbursements:		
2018 Appropriations	\$ 5,381,146.34	
2017 Appropriation Reserves	450,012.20	
Payroll Deductions Payable	5,991,384.73	
County Taxes	5,538,363.62	
County Share of Added and Omitted Taxes and PILOT Payments	111,779.44	
Regional District School Taxes and PILOT Payments	24,828,449.00	
Special Fire District Taxes	3,111,352.00	
Municipal Open Space Taxes	349,088.69	
Due to State of New Jersey--State Training Fees for New Construction	65,560.00	
Due to State of New Jersey--Marriage License Fees	1,550.00	
Other Reserves	1,251,562.04	
Due to Federal and State Grant Fund	17,985.21	
Due to Trust - Other Fund	111,126.81	
Federal and State Grant Fund:		
Encumbrances Payable - Grants		\$ 1,912.46
Reserve for Federal and State Grant Funds--Appropriated		<u>332,733.10</u>
	<u>47,209,360.08</u>	<u>334,645.56</u>
Balance Dec. 31, 2018	<u>\$ 5,209,644.03</u>	<u>\$ -</u>

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
 Statement of Due to State of New Jersey for Senior Citizens' and Veterans' Deductions  
 For the Year Ended December 31, 2018

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Balance Dec. 31, 2017		\$ 34,360.56
Increased by:		
Collections		<u>77,201.37</u>
		111,561.93
Decreased by:		
Senior Citizens' Deductions per Tax Billings	\$ 9,250.00	
Veterans' Deductions per Tax Billings	71,250.00	
Senior Citizens' Deductions Disallowed by Tax Collector	(4,298.63)	
Veterans' Deductions Allowed by Tax Collector	<u>500.00</u>	
		<u>76,701.37</u>
Balance Dec. 31, 2018		<u><u>\$ 34,860.56</u></u>

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
Statement of Taxes Receivable and Analysis of Property Tax Levy  
For the Year Ended December 31, 2018

Year	Balance	2018 Levy	C o l l e c t i o n s		Due from	Canceled	Transfer to	Balance
	Dec. 31, 2017		2017	2018	State of New Jersey		Tax Title Liens	
2012	\$ 4,682.25							\$ 4,682.25
2013	6,565.62							6,565.62
2014	6,694.83							6,694.83
2015	7,010.19							7,010.19
2016	7,265.51			\$ 7.81			\$ 94.21	7,163.49
2016	477,692.20			425,898.85		\$ 3,450.38	40,999.26	7,343.71
	509,910.60	\$ -	\$ -	425,906.66	\$ -	3,450.38	41,093.47	39,460.09
2017	-	41,393,070.17	1,213,053.25	38,536,382.27	76,701.37	21,333.37	92,552.30	1,453,047.61
	\$ 509,910.60	\$ 41,393,070.17	\$ 1,213,053.25	\$ 38,962,288.93	\$ 76,701.37	\$ 24,783.75	\$ 133,645.77	\$ 1,492,507.70

Analysis of 2018 Tax Levy

Tax Yield

General Purpose Tax	\$ 39,916,658.20	
Added Taxes (54:4-63.1 et seq.)	1,491,849.36	
		\$ 41,408,507.56
Less: Reduction Due to Tax Appeals		(15,437.39)
		<u>\$ 41,393,070.17</u>

Tax Levy

Regional District School Tax		\$ 24,633,306.00
Municipal Open Space		363,107.67
Special Fire District		3,111,352.00
County Taxes:		
County Tax	\$ 5,538,363.62	
Due County for Added Taxes	217,516.24	
Total County Taxes		5,755,879.86
Local Tax for Municipal Purposes	6,284,547.88	
Add: Additional Tax Levied	1,244,876.76	
Local Tax for Municipal Purposes Levied		<u>7,529,424.64</u>
		<u>\$ 41,393,070.17</u>

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
Statement of Tax Title Liens Receivable  
For the Year Ended December 31, 2018

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Balance Dec. 31, 2017		\$ 17,026.45
Increased by:		
Transfer from Prior Year Taxes Receivable	\$ 41,093.47	
Transfer from 2018 Taxes Receivable	<u>92,552.30</u>	
	133,645.77	
Interest and Costs	<u>8,290.85</u>	
		<u>141,936.62</u>
Balance Dec. 31, 2018		<u><u>\$ 158,963.07</u></u>

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
Statement of Revenue Accounts Receivable  
For the Year Ended December 31, 2018

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Accrued in</u> <u>2018</u>	<u>Collections</u>	<u>Due From</u> <u>Trust - Other</u> <u>Fund</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Licenses:					
Alcoholic Beverages		\$ 24,180.00	\$ 24,180.00		
Other		60,305.00	60,305.00		
Fees and Permits		49,408.00	49,408.00		
Interlocal Service Agreement - School Waste Removal	\$ 17,136.00	35,300.37	34,786.19		\$ 17,650.18
Interlocal Service Agreement - School Resource Officer	16,000.00	42,000.00	40,000.00		18,000.00
Interlocal Service Agreement - Bordentown City EMS	8,970.46	1,364.98	8,970.46		1,364.98
Municipal Court					
Fines and Costs		354,985.72	354,985.72		
Construction Code Official					
Fees and Permits		636,844.00	636,844.00		
Interest on Investments and Deposits		6,637.29	5,909.57	\$ 727.72	
	<u>\$ 42,106.46</u>	<u>\$ 1,211,025.36</u>	<u>\$ 1,215,388.94</u>	<u>\$ 727.72</u>	<u>\$ 37,015.16</u>

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
Statement of Other Reserves  
For the Year Ended December 31, 2018

	Balance <u>Dec. 31, 2017</u>	<u>Increased</u>	Realized as <u>MRNA</u>	Cash <u>Disbursements</u>	Balance <u>Dec. 31, 2018</u>
Key Deposit	\$ 9,354.00	\$ 5,200.00	\$ 8,304.00	\$ 5,250.00	\$ 1,000.00
Codification of Ordinances	2,860.02				2,860.02
Master Plan Re-Examination	1,620.70				1,620.70
Tax Sale Premiums	172,100.00	309,500.00		359,800.00	121,800.00
Due to Outside Lien Holder	439,950.32	209,109.76		638,531.16	10,528.92
Tax Appeals	247,980.88	542,137.19		247,980.88	542,137.19
SBI Fingerprinting	3,252.00		3,252.00		
EMS Billings Refund	50.00		50.00		
Revenue Reimbursement	1,121.15		1,121.15		
Elevator Inspection	212.00		212.00		
Insurance Reimbursement	2,000.00		2,000.00		
EMS Operating Surplus	0.62		0.62		
	<u>\$ 880,501.69</u>	<u>\$ 1,065,946.95</u>	<u>\$ 14,939.77</u>	<u>\$ 1,251,562.04</u>	<u>\$ 679,946.83</u>
Cash Receipts		\$ 523,809.76			
Current Year Appropriations		210,098.00			
Appropriation Reserves		<u>332,039.19</u>			
		<u>\$ 1,065,946.95</u>			

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
Statement of Appropriation Reserves  
For the Year Ended December 31, 2018

	Balance December 31, 2017		Balance After Modification	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
<b><u>OPERATIONS--WITHIN "CAPS"</u></b>					
<b><u>General Government Functions</u></b>					
Administrative & Executive					
Other Expenses	\$ 4,780.10		\$ 4,839.60	\$ 4,839.60	
Mayor & Committee					
Salaries and Wages		\$ 212.56	212.56		\$ 212.56
Other Expenses	30.00	1,880.00	1,910.00	30.00	1,880.00
Municipal Clerk					
Other Expenses	699.12	3,771.71	4,470.83	699.12	3,771.71
Financial Administration (Treasury)					
Salaries and Wages		2,102.80	2,102.80		2,102.80
Other Expenses	422.66	2,036.89	2,459.55	1,922.66	536.89
Revenue Administration (Tax Collection)					
Salaries and Wages		581.22	581.22		581.22
Tax Assessment Administration					
Salaries and Wages		9.01	9.01		9.01
Other Expenses		618.30	618.30		618.30
Legal Services (Legal Department)					
Other Expenses		70,978.91	70,978.91	5,704.24	65,274.67
Economic Development Commission					
Other Expenses		364.01	364.01		364.01
Planning Board					
Other Expenses	440.00	5,137.25	5,577.25	4,801.31	775.94
Zoning Board of Adjustments					
Other Expenses		2,487.89	2,487.89	1,205.14	1,282.75
Community Development					
Salaries and Wages		298.73	298.73		298.73
Other Expenses	6,180.78	15,292.82	19,544.92	4,375.78	15,169.14
Municipal Court					
Salaries and Wages		2,161.29	2,161.29		2,161.29
Other Expenses	1,920.43	2,578.44	4,498.87	2,486.51	2,012.36
Municipal Prosecutor's Office					
Other Expenses	2,400.00	9,600.00	12,000.00	2,400.00	9,600.00
Public Defender					
Other Expenses		9,183.09	9,183.09		9,183.09
<b><u>Public Works Functions</u></b>					
Road Repairs and Maintenance					
Salaries and Wages		849.13	849.13		849.13
Other Expenses	24,120.74	5,056.59	29,177.33	27,886.57	1,290.76
Solid Waste Collection					
Contractual	5,738.00	2,178.35	8,607.00	8,088.15	518.85
Other Expenses	171.80	1,210.15	1,381.95		1,381.95
Buildings and Grounds					
Other Expenses	793.88	13,911.47	14,705.35	2,519.41	12,185.94
Vehicle Maintenance (Including Police Vehicles)					
Salaries and Wages		648.78	648.78		648.78
Other Expenses	2,805.64	15,305.46	18,111.10	9,516.29	8,594.81
Sewerage Processing & Disposal					
Other Expenses		5,532.44	5,532.44		5,532.44
Landfill / Solid Waste Disposal Costs					
Other Expenses		63,646.75	63,646.75	48,921.80	14,724.95

(Continued)

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
Statement of Appropriation Reserves  
For the Year Ended December 31, 2018

	Balance December 31, 2017		Balance After Modification	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
<b>OPERATIONS--WITHIN "CAPS" (CONT'D)</b>					
<u>Health &amp; Welfare</u>					
Environmental Health Services					
Other Expenses	\$ 73.00		\$ 73.00	\$ 73.00	
Green Team Advisory Committee					
Other Expenses	11.98	\$ 246.00	257.98	11.98	\$ 246.00
<u>Insurance</u>					
Workers Compensation Insurance		27,054.00	27,054.00	27,054.00	
Employee Group Health		14,369.14	14,369.14		14,369.14
<u>Public Safety Functions</u>					
Office of Emergency Management					
Salaries and Wages		184.00	184.00		184.00
Other Expenses	81.33	3,257.07	3,338.40	386.33	2,952.07
Police Department					
Salaries and Wages	4,076.67	44,646.34	48,723.01	5,929.13	42,793.88
Other Expenses	18,612.49	50,770.77	69,383.26	18,993.64	50,389.62
<u>Parks &amp; Recreation Functions</u>					
Senior Community Center					
Other Expenses		2,673.87	2,673.87	2,673.87	
Community Services Act (Condominium Community Costs)					
Other Expenses		11,578.23	11,578.23	11,169.24	408.99
Celebration of Public Events					
Other Expenses		1,782.26	1,782.26		1,782.26
<u>Uniform Construction Code</u>					
Construction Official					
Salaries and Wages		3,713.25	3,713.25		3,713.25
Other Expenses		9,614.18	9,614.18		9,614.18
<u>Utility Expenses and Bulk Purchases</u>					
Electricity	6,388.92	5.90	7,573.35	7,573.35	
Street Lighting	19,223.28	16,429.38	35,652.66	30,951.10	4,701.56
Telecommunication Costs	5,553.80	260.65	5,814.45	5,414.45	400.00
Water		2,170.29	2,170.29	1,766.95	403.34
Gas (Natural or Propane)	4,037.15	3,571.23	7,608.38	7,555.01	53.37
Gasoline, Diesel and Oil	888.80	7,808.97	8,697.77	6,825.66	1,872.11
<u>Other Common Operating Functions (Unclassified)</u>					
Veterans Advisory Committee					
Other Expenses	286.05	681.59	967.64	273.07	694.57
Certificate of Fire Compliance					
Other Expenses		3,000.00	3,000.00		3,000.00
<b>Total Operations including Contingent--Within "CAPS"</b>	<b>109,736.62</b>	<b>441,451.16</b>	<b>551,187.78</b>	<b>252,047.36</b>	<b>299,140.42</b>
Detail:					
Salaries and Wages	4,076.67	55,407.11	59,483.78	5,929.13	53,554.65
Other Expenses	105,659.95	386,044.05	491,704.00	246,118.23	245,585.77

(Continued)

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
 Statement of Appropriation Reserves  
 For the Year Ended December 31, 2018

	Balance December 31, 2017		Balance After Modification	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
<b><u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u></b>					
<b><u>MUNICIPAL-- WITHIN "CAPS"</u></b>					
Statutory Expenditures:					
Social Security System (O.A.S.I.)	\$ -	\$ 14,086.10	\$ 14,086.10	\$ 385.64	\$ 13,700.46
Total Deferred Charges and Statutory Expenditures -- Municipal -- Within "CAPS"	-	14,086.10	14,086.10	385.64	13,700.46
Total General Appropriations for Municipal Purposes Within--"CAPS"	109,736.62	455,537.26	565,273.88	252,433.00	312,840.88
<b><u>OPERATIONS EXCLUDED FROM "CAPS"</u></b>					
<b><u>Mandated Expenditures Per N.J.S.A.40A:4-45.3g</u></b>					
<b><u>Excluded from "CAPS"</u></b>					
Tax Appeals					
Other Expenses		435,352.05	435,352.05	435,352.05	
Interest on Tax Appeals					
Other Expenses		25.00	25.00		25.00
Recycling Tax Appropriations					
Recycling Tax (NJSA 13:1E-96.5)		11,500.00	11,500.00		11,500.00
<b><u>Additional Appropriations Offset by Revenues</u></b>					
EMS Services					
Salaries and Wages	807.66	3,848.82	4,656.48	807.66	3,848.82
Other Expenses	5,957.34	15,355.82	21,313.16	11,998.58	9,314.58
Total Operations--Excluded from "CAPS"	6,765.00	466,081.69	472,846.69	448,158.29	24,688.40
Detail:					
Salaries and Wages	807.66	3,848.82	4,656.48	807.66	3,848.82
Other Expenses	5,957.34	462,232.87	468,190.21	447,350.63	20,839.58
<b><u>CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"</u></b>					
Environmental Cleanup	97,878.46	12,635.00	110,513.46	81,460.10	29,053.36
Total Capital Improvements--Excluded from "CAPS"	97,878.46	12,635.00	110,513.46	81,460.10	29,053.36
Total General Appropriations for Municipal Purposes--Excluded from "CAPS"	104,643.46	478,716.69	583,360.15	529,618.39	53,741.76
Total General Appropriations	\$ 214,380.08	\$ 934,253.95	\$ 1,148,634.03	\$ 782,051.39	\$ 366,582.64
Disbursed				\$ 450,012.20	
Charged to Reserve for Tax Appeal				332,039.19	
				<u>\$ 782,051.39</u>	

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
 Statement of Due to New Jersey Department of Community Affairs  
 State Training Fees for New Construction  
 For the Year Ended December 31, 2018

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Balance Dec. 31, 2017	\$	17,857.00
Increased by:		
Training Fees Collected		58,515.00
		76,372.00
Decreased by:		
Training Fees Disbursed		65,560.00
Balance Dec. 31, 2018	\$	10,812.00

**Exhibit SA-9**

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
 Statement of Due to State of New Jersey - Youth and Family Services  
 State Fee for Marriage Licenses  
 For the Year Ended December 31, 2018

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Balance Dec. 31, 2017	\$	350.00
Increased by:		
State Fees Collected		1,625.00
		1,975.00
Decreased by:		
State Fees Disbursed		1,550.00
Balance Dec. 31, 2018	\$	425.00

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
 Statement of Prepaid Taxes  
 For the Year Ended December 31, 2018

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Balance Dec. 31, 2017 (2018 Taxes)	\$ 1,213,053.25
Increased by:	
Collections--2019 Taxes	346,304.39
	1,559,357.64
Decreased by:	
Application to 2018 Taxes Receivable	1,213,053.25
Balance Dec. 31, 2018 (2019 Taxes)	\$ 346,304.39

**Exhibit SA-11**

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
 Statement of Due from / to Municipal Open Space Trust Fund  
 For the Year Ended December 31, 2018

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Balance Dec. 31, 2017 - Due from	\$ 296,715.07
Increased by:	
Added and Omitted Tax Levy	\$ 14,018.98
Received in Current Fund	7,440.00
Interfund Advanced	1,806.58
	23,265.56
	319,980.63
Decreased by:	
Interfund Returned	296,715.07
Balance Dec. 31, 2018 - Due to	\$ 23,265.56

**TOWNSHIP OF BORDENTOWN**  
CURRENT FUND  
Statement of Payroll Deductions Payable  
For the Year Ended December 31, 2018

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Balance Dec. 31, 2017	\$ 22,163.38
Increased by:	
Receipts for Salaries and Payroll Deductions	<u>6,038,772.46</u>
	6,060,935.84
Decreased by:	
Disbursements	<u>5,991,384.73</u>
Balance Dec. 31, 2018	<u><u>\$ 69,551.11</u></u>

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
 Statement of Due County for Added and Omitted Taxes and PILOT Payments  
 For the Year Ended December 31, 2018

Balance Dec. 31, 2017:		
Omitted and Added Taxes (2017)	\$	450.90
Added Taxes (2018)		13,141.28
Omitted Taxes (2017)		3,112.92
PILOT Payments (2018)		<u>1,175.67</u>
		\$ 17,880.77
Increased by County Share of:		
Rollback Assesment (2016)	\$	69,882.93
Rollback Assesment (2017)		70,331.17
Rollback Assesment (2018)		72,284.17
Added Taxes (2018)		4,503.73
Omitted and Added Taxes (2017)		<u>514.24</u>
		217,516.24
PILOT Payments (2018)		<u>93,898.67</u>
		<u>311,414.91</u>
		329,295.68
Decreased by:		
Payments		<u>111,779.44</u>
Balance Dec. 31, 2018:		
Rollback Assesment (2016)		69,882.93
Rollback Assesment (2017)		70,331.17
Rollback Assesment (2018)		72,284.17
Added Taxes (2018)		4,503.73
Omitted and Added Taxes (2017)		<u>514.24</u>
		<u>\$ 217,516.24</u>

**Exhibit SA-14**

**TOWNSHIP OF BORDENTOWN**  
**CURRENT FUND**  
 Statement of Regional School Tax Payable  
 For the Year Ended December 31, 2018

Levy--Calendar Year 2018	\$	24,633,306.00
PILOT - Due to School		<u>195,143.00</u>
		\$ 24,828,449.00
Payments		<u>\$ 24,828,449.00</u>

**TOWNSHIP OF BORDENTOWN**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Federal and State Grants Receivable  
For the Year Ended December 31, 2018

<u>Program</u>	<u>Balance Dec. 31, 2017</u>	<u>2018 Revenue</u>	<u>Receipts</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2018</u>
Local Grants:					
Municipal Park Development Program	\$ 150,000.00	\$ -	\$ -	\$ -	\$ 150,000.00
Federal Grants:					
Click It or Ticket		5,500.00	5,500.00		
FEMA Crosswicks Road Generator		193,500.00	193,500.00		
	-	199,000.00	199,000.00	-	-
State Grants:					
Municipal Alliance on Alcoholism & Drug Abuse	8,667.99	14,804.00		23,471.99	
Drunk Driving Enforcement		8,979.34	8,979.34		
NJDOT - Municipal Aid - Dunns Mills Resurfacing	46,000.00				46,000.00
Bikeway Program - Phase IV	250,000.00				250,000.00
Clean Communities		21,810.80	21,810.80		
Recycling Tonnage		13,200.00	6,600.00	6,600.00	
Community Block Development		78,000.00	78,000.00		
NJDEP Recreation Trails	24,000.00				24,000.00
Municipal Alcohol Education & Rehabilitation Program		2,270.21	2,270.21		
Body Armor Replacement		3,573.10			3,573.10
	328,667.99	142,637.45	117,660.35	30,071.99	323,573.10
	\$ 478,667.99	\$ 341,637.45	\$ 316,660.35	\$ 30,071.99	\$ 473,573.10

**TOWNSHIP OF BORDENTOWN**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserve for Federal and State Grants - Unappropriated  
For the Year Ended December 31, 2018

<u>Program</u>	<u>Balance Dec. 31, 2017</u>	<u>Grants Receivable</u>	<u>Revenue 2018 Budget</u>
Federal Grants:			
Click It or Ticket		\$ 5,500.00	\$ 5,500.00
Impaired Driving	\$ 5,500.00		5,500.00
FEMA Crosswicks Road Generator		193,500.00	193,500.00
	<u>5,500.00</u>	<u>199,000.00</u>	<u>204,500.00</u>
State Grants:			
Municipal Alliance on Alcoholism & Drug Abuse		14,804.00	14,804.00
Drunk Driving Enforcement		8,979.34	8,979.34
Clean Communities Grant		21,810.80	21,810.80
Recycling Tonnage	6,043.82		6,043.82
Distracted Driving Crackdown		13,200.00	13,200.00
CDBG - ADA Barrier		78,000.00	78,000.00
Municipal Alcohol Education & Rehabilitation Program		2,270.21	2,270.21
Body Armor Replace	2,749.66	3,573.10	6,322.76
	<u>8,793.48</u>	<u>142,637.45</u>	<u>151,430.93</u>
	<u>\$ 14,293.48</u>	<u>\$ 341,637.45</u>	<u>\$ 355,930.93</u>

**TOWNSHIP OF BORDENTOWN**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserve for Federal, State and Local Grants - Appropriated  
For the Year Ended December 31, 2018

<u>Program</u>	<u>Balance Dec. 31, 2017</u>	<u>2018 Budget Appropriations</u>	<u>Paid or Charged</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2018</u>
<b>Local Grants:</b>					
Nuetro Inc. - Room to Run Dog Park Project Grant	\$ 16.23		\$ 16.23		
Burl. Cty - Municipal Park Development Program	123,460.00				\$ 123,460.00
Comcast Cable TV Technology Grant	493.46		493.46		
<b>Total Local Grants</b>	<b>123,969.69</b>	<b>\$ -</b>	<b>509.69</b>	<b>\$ -</b>	<b>123,460.00</b>
<b>Federal Grants:</b>					
Body Worn Camera Grant	40,146.00		40,146.00		
FEMA Crosswicks Road Generator		193,500.00	193,500.00		
<b>Total Federal Grants</b>	<b>40,146.00</b>	<b>193,500.00</b>	<b>233,646.00</b>	<b>-</b>	<b>-</b>
<b>State Grants:</b>					
Municipal Alliance on Alcoholism & Drug Abuse	52,318.00	29,608.00	1,060.80	23,471.99	57,393.21
NJDEP Rec. Trails	19,279.74	6,000.00			25,279.74
Drunk Driving Enforcement Grant	10,919.30	8,979.34	19,898.64		
Recycling Tonnage Grant	17,625.44	6,043.82	3,886.65		19,782.61
Body Armor Replacement Grant	5,109.04	6,322.76	11,431.80		
Municipal Alcohol Education & Rehabilitation Program	20,136.48	2,270.21	4,825.00		17,581.69
NJDOT - Municipal Aid - Dunns Mills Resurfacing	192,005.00		147,000.00		45,005.00
Bikeway program - Phase IV	250,000.00				250,000.00
Sustainable Jersey	50.00				50.00
Clean Communities Grant	117,908.68	21,810.80	3,582.05		136,137.43
Stop the Violence Against Women	693.44		693.44		
Compliance Inspection Fire Services	650.00		650.00		
Municipal Stormwater Program	233.50		233.50		
Police Appreciation	500.00		500.00		
Make It Click Grant	6,370.00	5,500.00	11,870.00		
Distracted Driving Crackdown		13,200.00	6,600.00	6,600.00	

(Continued)

**TOWNSHIP OF BORDENTOWN**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserve for Federal, State and Local Grants - Appropriated  
For the Year Ended December 31, 2018

<u>Program</u>	<u>Balance Dec. 31, 2017</u>	<u>2018 Budget Appropriations</u>	<u>Paid or Charged</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2018</u>
State Grants (Cont'd):					
Impaired Driving		\$ 5,500.00	\$ 5,500.00		
CDBG - ADA Barrier		78,000.00	78,000.00		
Buckle Up South Jersey Grant	\$ 2,000.00		2,000.00		
	<hr/>				
Total State Grants	695,798.62	183,234.93	297,731.88	\$ 30,071.99	\$ 551,229.68
	<hr/>				
	\$ 859,914.31	\$ 376,734.93	\$ 531,887.57	\$ 30,071.99	\$ 674,689.68
	<hr/>				
			Current Year Encumbrances	\$ 3,939.17	
			Due to General Capital Fund	195,215.30	
			Disbursed	332,733.10	
				<hr/>	
				\$ 531,887.57	
				<hr/>	

**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**

**TOWNSHIP OF BORDENTOWN**  
**TRUST FUND**  
Statement of Cash per N.J.S. 40A:5-5--Treasurer  
For Year Ended December 31, 2018

	<u>Animal Control</u>	<u>Open Space</u>	<u>Other</u>
Balance Dec. 31, 2017	\$ 7,382.51	\$ 517,866.09	\$ 4,723,178.45
Increased by Receipts:			
Due to State of NJ	\$ 1,245.60		
Dog License Fees	5,494.90		
Cat License Fees	625.00		
Chicken License Fees Collected	60.00		
Late Fees Collected	630.00		
Shared Service Agreement Fees Collected	25,508.41		
Due from Current Fund			\$ 13,970.53
Due To Trust - Open Space			1,155.27
Reserve - Open Space Trust Fund		\$ 349,125.90	
Accounts Receivable			10,522.50
Reserve - Builders Trust			450,242.46
Reserve - Federal Forfeit Trust Fund			1,274.95
Reserve - Off Duty Police Employment			168,332.23
Reserve - Special Law Enforcement Fund			11,066.22
Reserve - UC & TDI Fund			11.94
Reserve - Street Opening Fund			3,835.00
Reserve - Housing Fees COAH			44,354.13
	<u>33,563.91</u>	<u>349,125.90</u>	<u>704,765.23</u>
	40,946.42	866,991.99	5,427,943.68
Decreased by Disbursements:			
Due to State of NJ	1,231.20		
Accounts / Encumbrances Payable	1,897.23		277,517.77
Due to Current Fund	453.19	298,521.65	
Due To Trust - Other Fund		1,155.27	
Expenditures Under R.S.4:19-15.11	30,173.17		
Reserve - Open Space Trust Fund		324,155.04	
Reserve - Special Law Enforcement Fund			2,970.00
Reserve - Federal Forfeit Trust Fund			6,361.84
Reserve - Builders Trust			461,119.53
Reserve - Off Duty Police Employment			178,864.30
Reserve - Street Opening Fund			42.00
Reserve - UC & TDI Fund			1,900.16
Reserve - Housing Fees COAH			611,950.47
	<u>33,754.79</u>	<u>623,831.96</u>	<u>1,540,726.07</u>
Balance Dec. 31, 2018	<u>\$ 7,191.63</u>	<u>\$ 243,160.03</u>	<u>\$ 3,887,217.61</u>

**TOWNSHIP OF BORDENTOWN**  
**TRUST FUNDS**  
Statement of Due from / (to) Current Fund  
For Year Ended December 31, 2018

	Animal Control Fund	Open Space Trust Fund	Trust - Other Fund
Balance Dec. 31, 2017	\$ 453.19	\$ (296,715.07)	\$ 20,645.17
Increased by:			
Miscellaneous Trust Reserves - Cash Received in Current Fund			141,060.49
Interfund Advanced	453.19	1,806.58	
Due from Current Fund:			
Open Space Added and Omitted Taxes		14,018.98	
Farmland Lease		7,440.00	
Cancellation of Accounts Receivable			22,365.00
Employee Unemployment Contributions			7,064.92
	<u>453.19</u>	<u>23,265.56</u>	<u>170,490.41</u>
	906.38	(319,980.63)	191,135.58
Decreased by:			
Cash Disbursed by Current Fund for Miscellaneous Trust Reserves			97,884.00
Due to Current Fund:			
Budget Refund - Off Duty Police Employment Funds			19,484.87
Cash Receipts:			
Interest Earned on Deposits - Realized as Miscellaneous Revenue			727.72
Anticipated in Current Fund			727.72
Prior Year Employee Unemployment Contributions			13,242.81
Interfund Returned		296,715.07	13,242.81
	<u>-</u>	<u>296,715.07</u>	<u>131,339.40</u>
Balance Dec. 31, 2018	<u>\$ 906.38</u>	<u>\$ 23,265.56</u>	<u>\$ 59,796.18</u>

**TOWNSHIP OF BORDENTOWN**  
**TRUST - ANIMAL CONTROL**  
 Statement of Reserve for Animal Control Expenditures  
 For Year Ended December 31, 2018

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Balance Dec. 31, 2017		\$ 5,811.87
Increased by:		
Receipts:		
Dog License Fees Collected	\$ 5,494.40	
Dog License Replacement Fees Collected	0.50	
Cat License Fees Collected	625.00	
Chicken License Fees Collected	60.00	
Late Fees Collected	630.00	
Shared Service Agreement Fees Collected	25,508.41	
	\$ 32,318.31	
Shared Service Agreement Fees Receivable	2,592.50	
		34,910.81
		40,722.68
Decreased by:		
Expenditures Under R.S.4:19-15.11		30,173.17
Balance Dec. 31, 2018		\$ 10,549.51
<u>Animal License Fees Collected</u>		
<u>Year</u>	<u>Amount</u>	
2015	\$ 5,325.90	
2016	5,358.30	
	\$ 10,684.20	

**TOWNSHIP OF BORDENTOWN**  
**TRUST - ANIMAL CONTROL**  
 Statement of Due to State of New Jersey  
 For Year Ended December 31, 2018

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Balance Dec. 31, 2017		\$ 126.60
Increased by:		
Cash Receipts:		
State Fees Collected		1,245.60
		1,372.20
Decreased by:		
Disbursed to State		1,231.20
Balance Dec. 31, 2018		\$ 141.00

**TOWNSHIP OF BORDENTOWN**  
**TRUST - OPEN SPACE**  
 Statement of Reserve Open Space Trust Fund  
 For Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 198,480.34
Increased by:		
Received:		
Open Space Taxes	\$ 349,088.69	
Interest Receipts	<u>37.21</u>	
		\$ 349,125.90
Due from Current:		
Open Space Added and Omitted Taxes		14,018.98
Farmland Lease		7,440.00
Canceled Encumbrance Payables		<u>21,515.41</u>
		<u>392,100.29</u>
		590,580.63
Decreased by:		
Expended:		
Reserve for Future Use		24,155.04
Principal on Debt Service		<u>300,000.00</u>
		324,155.04
Reserved for Encumbrances		<u>185.00</u>
		<u>324,340.04</u>
Balance Dec. 31, 2018		<u><u>\$ 266,240.59</u></u>

**TOWNSHIP OF BORDENTOWN**  
**TRUST - OTHER**  
Statement of Miscellaneous Trust Reserves  
For Year Ended December 31, 2018

	Balance Dec. 31, 2017	Receipts	Disbursements	Due From (to) Other Funds		Accounts Receivable	Accounts / Encumbrances Payable	Balance Dec. 31, 2018
				Increase	Decrease			
Reserve - Builders Trust	\$2,000,885.38	\$ 450,242.46	\$ 461,119.53					\$ 1,990,008.31
Reserve - Off Duty Police Employment		168,332.23	178,864.30		\$ 19,484.87	\$ 35,895.00	\$ 5,878.06	
Reserve - UC & TDI Fund	73,263.87	11.94	1,900.16	\$ 7,064.92				78,440.57
Reserve - Street Opening Fund	46,734.50	3,835.00	42.00					50,527.50
Reserve - Special Law Enforcement Fund	179,654.11	11,066.22	2,970.00					187,750.33
Reserve - Federal Forfeit Trust Fund	15,057.79	1,274.95	6,361.84					9,970.90
Reserve - Public Defender Fees				25,774.50	18,925.00			6,849.50
Reserve - POAA	1,292.00			110.00				1,402.00
Reserve - Affordable Housing	1,969,259.29	44,354.13	611,950.47				(68.55)	1,401,731.50
Reserve - READ Foundation	3,854.21			3,078.00	1,781.89			5,150.32
Reserve - Storm Recovery Trust Fund	34,514.44			64,992.28	34,514.44			64,992.28
Reserve - Fourth of July Donations	3,395.67			44,232.62	27,628.29			20,000.00
Reserve - Civic Events Donations	5,572.23			2,023.09	6,025.52		(30.50)	1,600.30
Reserve - Veteran's Day Ceremony	2,607.71			400.00	235.00			2,772.71
Reserve - Developers Tree Planting Donations	9,430.00				2,875.00		(750.00)	7,305.00
Reserve - Recycling Program	581.36			450.00	768.86			262.50
Reserve - Roadway Contrib Dunns/Rising	77,580.00							77,580.00
Reserve - Community Map Donations	3,050.00							3,050.00
Reserve - Veteran's Park Donations	6,189.39				5,130.00			1,059.39
Reserve - Sign Donations	2,520.00							2,520.00
Reserve - First Aid Contributions	4,185.00							4,185.00
Reserve - Dog Park Donations	359.26							359.26
Reserve - Recreation Donations	56,581.46							56,581.46
	<u>\$4,496,567.67</u>	<u>\$ 679,116.93</u>	<u>\$ 1,263,208.30</u>	<u>\$148,125.41</u>	<u>\$117,368.87</u>	<u>\$ 35,895.00</u>	<u>\$ 5,029.01</u>	<u>\$3,974,098.83</u>
				Cash Received in Current Fund	\$141,060.49			
				Payroll Deductions Payable	<u>7,064.92</u>			
					<u>\$148,125.41</u>			
				Cash Disbursed in Current Fund	\$ 97,884.00			
				Interfund - Budget Refund	<u>19,484.87</u>			
					<u>\$117,368.87</u>			

**SUPPLEMENTAL EXHIBITS**

**GENERAL CAPITAL FUND**

**TOWNSHIP OF BORDENTOWN**  
**GENERAL CAPITAL FUND**  
Statement of General Capital Cash and Investments per N.J.S. 40A:5-5--Treasurer  
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 4,271,287.77
Increased by Receipts:		
Interest on Investments - Due to Current Fund	\$ 41.64	
General Obligation Bonds, Series 2018	6,175,000.00	
Community Block Development Grant	78,000.00	
Grants Receivable	351,900.00	
Capital Improvement Fund	<u>420,000.00</u>	
		<u>7,024,941.64</u>
		11,296,229.41
Decreased by Disbursements:		
Improvement Authorizations	1,597,917.68	
Due from Current Fund	455,045.06	
Encumbrances Payable	<u>345,703.26</u>	
		<u>2,398,666.00</u>
Balance Dec. 31, 2018		<u><u>\$ 8,897,563.41</u></u>

**TOWNSHIP OF BORDENTOWN**  
**GENERAL CAPITAL FUND**  
Statement of General Capital Cash and Investments  
For the Year Ended December 31, 2018

	Balance Dec. 31, 2017	Receipts		Disbursements		Transfers		Balance Dec. 31, 2018
		Serial Bonds	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 61.02							\$ 61.02
Grants Receivable	(2,003,594.29)		\$ 351,900.00				\$ 260,146.29	(1,391,548.00)
Capital Improvement Fund	4,315.00		420,000.00			\$ 210,000.00		214,315.00
Due to / (from) Current Fund	455,003.42				\$ 455,003.42	63,146.29	375,000.00	311,853.71
Due to / (from) Federal and State Grant Fund						195,215.30		(195,215.30)
Reserve for Encumbrances Payable	874,631.22				345,703.26	498,503.96	3,344,711.72	3,375,135.72
Reserve to Pay Debt	1,335,421.79		78,000.00			375,000.00	498,900.00	1,537,321.79
Reserve for Grants Receivables	1,940,448.00					548,900.00		1,391,548.00
General Improvement Authorizations:								
Ordinance								
<u>Number</u>								
2007-19, 2011-13	Improvements to Northern Community Park	11,676.25				11,176.25	16,303.96	16,803.96
2007-33 & 2009-17	Various Capital Improvements	46,717.75				46,717.75	2,562.58	2,562.58
2009-28	Various Capital Improvements	(46,748.50)						(46,748.50)
2011-22 / 2018-15	Improvements within the Waterfront Village Redevelopment Area	26,239.65						26,239.65
2012-6	Various Capital Improvements and Related Expenses	81,353.84				81,353.84		
2012-11	Repair and Resurfacing of Hedding Road	(32,383.11)						(32,383.11)
2013-03	Acquisition of Land and Building	87,288.88				87,288.88		
2013-08	Various Capital Improvements to the Public Works Building and Acquisition of Police Equipment	5,265.30		\$ 179.54			53,368.20	58,453.96
2014-6(a)	Various Capital Improvements to General Road and Public Works Equipment	32,623.92					11,600.85	44,224.77
2014-6(b) & 2015-6	Acquisition of Public Works Equipment	19,261.07				19,261.07		

(Continued)

**TOWNSHIP OF BORDENTOWN**  
**GENERAL CAPITAL FUND**  
Statement of General Capital Cash and Investments  
For the Year Ended December 31, 2018

	Balance Dec. 31, 2017	Receipts		Disbursements		Transfers		Balance Dec. 31, 2018	
		Serial Bonds	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
General Improvement Authorizations (Cont'd):									
Ordinance									
<u>Number</u>									
2015-13(a)	Acquisition of Public Works Equipment and Construction of Public Works Improvements	\$ 177,674.57						\$ 177,674.57	
2015-13(b)	Acquisition of Police Equipment	95.01				\$ 95.01	\$ 7,835.80	7,835.80	
2016-06(a)	Various Road and Street Improvements	282,333.92		\$ 94,923.38		186,142.16	340,844.50	342,112.88	
2016-06(b)	Renovations to Municipal Buildings	282,628.83		66,748.50		61,422.50	73,823.87	228,281.70	
2016-06(c)	Public Works Vehicles and Equipment	276,838.87		42,337.57		149,180.40		85,320.90	
2016-06(d)	Police Equipment	9,828.66		7,594.70		2,233.96	40,146.00	40,146.00	
2016-06(e)	Ambulance Improvements & Modifications	20,588.21						20,588.21	
2016-06(f)	Renovations to the Municipal Building	24,136.21		866.00				23,270.21	
2017-06	Repairs to Culvert under Orchard Avenue	(99,417.72)	\$ 737,500.00	775.00		637,307.28			
2017-10	Renovations and Improvements to Municipal Buildings	390,000.00						390,000.00	
2017-19	Various Road and Street Improvements; Renovations to Municipal Buildings; General Equipment and Other Improvements	69,000.00	680,000.00	103,382.00		621,368.00		24,250.00	
2018-02	Acquisition of Property		700,000.00	663,336.99				36,663.01	
2018-11	Acquisition of Equipment for Public Works; Acquisition of Vehicles and Equipment for Police Department		67,500.00	422,791.83		165,813.20	575,300.35	54,195.32	
2018-14	Various Township Improvements and Equipment		3,990,000.00	194,982.17		1,850,651.77	210,233.50	2,154,599.56	
		<u>\$ 4,271,287.77</u>	<u>\$ 6,175,000.00</u>	<u>\$ 849,900.00</u>	<u>\$ 1,597,917.68</u>	<u>\$ 800,706.68</u>	<u>\$ 5,810,777.62</u>	<u>\$ 5,810,777.62</u>	<u>\$ 8,897,563.41</u>

**TOWNSHIP OF BORDENTOWN**  
GENERAL CAPITAL FUND  
Statement of Deferred Charges to Future Taxation - Funded  
For the Year Ended December 31, 2018

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Balance Dec. 31, 2017	\$ 18,020,000.00
Increased by:	
General Obligation Bonds, Series 2018 Issued	<u>6,175,000.00</u>
	24,195,000.00
Decreased by:	
2018 Budget Appropriation:	
Bond Principal	<u>1,120,000.00</u>
Balance Dec. 31, 2018	<u><u>\$ 23,075,000.00</u></u>

**TOWNSHIP OF BORDENTOWN**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation - Unfunded  
For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	Balance Dec. 31, 2017	2018 Authorizations	Bonds Issued	Transferred	Balance Dec. 31, 2018	Analysis of Balance Dec. 31, 2018	
							Expenditures	Unexpended Improvement Authorizations
2009-28	Various Capital Improvements	\$ 46,748.50				\$ 46,748.50	\$ 46,748.50	
2011-22 / 2018-15	Improvements within the Waterfront Village Redevelopment Area	8,123,000.00	\$ 6,650,000.00			14,773,000.00		\$ 14,773,000.00
2012-6	Various Capital Improvements and Related Expenses	405.00			\$ (405.00)			
2012-11	Repair and Resurfacing of Hedding Road	100,000.00			(67,616.89)	32,383.11	32,383.11	
2015-13(a)	Acquisition of Public Works Equipment and Construction of Public Works Improvements	3,251.50				3,251.50		3,251.50
2017-06	Repairs to Culvert under Orchard Avenue	737,500.00		\$ 737,500.00				
2017-19	Various Road and Street Improvements; Renovations to Municipal Buildings; General Equipment and Other Improvements	1,380,000.00		680,000.00	(700,000.00)			
2018-02	Renovations to Municipal Buildings			700,000.00	700,000.00			
2018-11	Acquisition of Equipment for Public Works; Acquisition of Vehicles and Equipment for Police Department			67,500.00	68,021.89	521.89		521.89
2018-14	Various Township Improvements and Equipment		3,990,000.00	3,990,000.00				
		<u>\$ 10,390,905.00</u>	<u>\$ 10,640,000.00</u>	<u>\$ 6,175,000.00</u>	<u>\$ -</u>	<u>\$ 14,855,905.00</u>	<u>\$ 79,131.61</u>	<u>\$ 14,776,773.39</u>

**TOWNSHIP OF BORDENTOWN**  
**GENERAL CAPITAL FUND**  
 Statement of Grants Receivable  
 For the Year Ended December 31, 2018

<u>Grant Description</u>	<u>Balance Dec. 31, 2017</u>	<u>Decreased</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2018</u>
Department of Transportation Grant	\$ 246,000.00	\$ 147,000.00	\$ 50,000.00	\$ 49,000.00
Burlington County Open Space Grant	849,780.00	158,400.00		691,380.00
Federal Emergency Management Agency Grant	907,814.29	193,500.00	63,146.29	651,168.00
	<u>\$ 2,003,594.29</u>	<u>\$ 498,900.00</u>	<u>\$ 113,146.29</u>	<u>\$ 1,391,548.00</u>
Cash Received		\$ 351,900.00		
Due from Federal and State Grant Fund		<u>147,000.00</u>		
		<u>\$ 498,900.00</u>		

Exhibit SC-6

**TOWNSHIP OF BORDENTOWN**  
**GENERAL CAPITAL FUND**  
 Statement of Due to Current Fund  
 For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 455,003.42
Increased by:	
Miscellaneous Revenue Anticipated - Reserve to Pay Debt	\$ 375,000.00
Interest on Investments (Cash Received)	<u>41.64</u>
	<u>375,041.64</u>
	830,045.06
Decreased by:	
Interfund Returned (Cash Disbursed)	455,003.42
Cancellation of Grant Receivable	63,146.29
Interest Earned - Disbursed to Current Fund as Anticipated Revenue	<u>41.64</u>
	<u>518,191.35</u>
Balance Dec. 31, 2018	<u>\$ 311,853.71</u>

**TOWNSHIP OF BORDENTOWN**  
**GENERAL CAPITAL FUND**  
 Statement of Improvement Authorizations  
 For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2017		2018 Authorizations		Paid or Charged	Refund due from Federal and State Grant Fund	Reappropriated	Prior Year Encumbrances Cancelled	Balance Dec. 31, 2018		
				Funded	Unfunded	Capital Improvement Funded	Deferred Charges to Future Taxation-Unfunded					Funded	Unfunded	
General Improvements:														
2007-19, 2011-13	Improvements to Northern Community Park	9/24/2007	\$ 742,235.00	\$ 11,676.25							\$ (11,176.25)	\$ 16,303.96	\$ 16,803.96	
2007-33 & 2009-17	Roadway Restriping	11/26/2007	46,886.00	46,717.75						(46,717.75)	2,562.58	2,562.58		
2011-22 / 2018-15	Improvements within the Waterfront Village Redevelopment Area	12/12/2011 / 5/7/2018	12,500,000.00 / 6,650,000.00	26,239.65	\$ 8,123,000.00		\$ 6,650,000.00						26,239.65	\$ 14,773,000.00
2012-6	Various Capital Improvements and Related Expenses	5/21/2012	793,900.00	81,353.84	405.00					(81,758.84)				
2012-11	Repair and Resurfacing of Hedding Road	11/26/2012	250,000.00		67,616.89					(67,616.89)				
2013-3	Acquisition of Land and Building	1/28/2013	600,000.00	87,288.88						(87,288.88)				
2013-8	Various Capital Improvements to the Public Works Building and Acquisition of Police Equipment	5/6/2013	1,913,000.00	5,265.30				\$ 179.54			53,368.20		58,453.96	
2014-6(a)	Various Capital Improvements to General Road and Public Works Equipment	1/27/2014	2,033,181.00	32,623.92							11,600.85		44,224.77	
2014-6(b) & 2015-6	Acquisition of Public Works Equipment	1/27/2014 / 4/13/2015	55,000.00 / 59,262.00	19,261.07						(19,261.07)				
2015-13(a)	Acquisition of Public Works Equipment and Construction of Public Works Improvements	8/17/2015	545,953.54	177,674.57	3,251.50								177,674.57	3,251.50
2015-13(b)	Acquisition of Police Equipment	8/17/2015	108,669.19	95.01				95.01	\$ (7,835.80)				7,835.80	
2016-06(a)	Various Road and Street Improvements	4/18/2016	2,440,697.68	282,333.92				100,743.38		(180,322.16)	340,844.50		342,112.88	
2016-06(b)	Renovations to Municipal Buildings	4/18/2016	1,678,071.03	672,628.83				128,171.00		(390,000.00)	73,823.87		228,281.70	
2016-06(c)	Public Works Vehicles and Equipment	4/18/2016	669,158.91	276,838.87				42,337.57		(149,180.40)			85,320.90	
2016-06(d)	Police Equipment	4/18/2016	429,847.96	9,828.66				9,828.66		(40,146.00)			40,146.00	
2016-06(e)	Ambulance Improvements & Modifications	4/18/2016	155,588.21	20,588.21									20,588.21	
2016-06(f)	Renovations to the Municipal Building	4/18/2016	26,636.21	24,136.21				866.00					23,270.21	
2017-06	Repairs to Culvert under Orchard Avenue	4/24/2017	775,000.00		638,082.28			638,082.28						
2017-10	Renovations and Improvements to Municipal Buildings	6/12/2017	390,000.00							390,000.00			390,000.00	
2017-19	Various Road and Street Repairs; Renovations and Improvements to Municipal Buildings; Various Equipment and	10/16/2017	1,450,000.00	69,000.00	1,380,000.00			724,750.00		(700,000.00)			24,250.00	
2018-02	Acquisition of Property	2/26/2018	700,000.00					663,336.99		700,000.00			36,663.01	
2018-11	Acquisition of Equipment for Public Works; Acquisition of Vehicles and Equipment for Police Department	4/9/2018	643,322.24					588,605.03		643,322.24			54,195.32	521.89
2018-14	Various Township Improvements and Equipment	5/7/2018	4,200,000.00					\$ 210,000.00	3,990,000.00	2,045,633.94	(233.50)		2,154,599.56	
				<b>\$ 1,843,550.94</b>	<b>\$ 10,212,355.67</b>	<b>\$ 210,000.00</b>	<b>\$ 10,640,000.00</b>	<b>\$ 4,942,629.40</b>	<b>\$ (48,215.30)</b>	<b>\$ -</b>	<b>\$ 498,503.96</b>	<b>\$ 3,733,223.08</b>	<b>\$ 14,776,773.39</b>	
Disbursed								\$ 1,597,917.68						
Current Year Encumbrances Payable								3,344,711.72						
								<b>\$ 4,942,629.40</b>						

**TOWNSHIP OF BORDENTOWN**  
**GENERAL CAPITAL FUND**  
Statement of Reserve for Encumbrances  
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 874,631.22
Increased by:		
2018 Encumbrances		3,344,711.72
		4,219,342.94
Decreased by:		
Cash Disbursements	\$ 345,703.26	
Prior Year Encumbrances Canceled	498,503.96	
		844,207.22
Balance Dec. 31, 2018		\$ 3,375,135.72

Schedule of Encumbrances Dec. 31, 2018

<u>Ordinance Number</u>		<u>Amount</u>
2015-13(a)		\$ 30.00
2015-13(b)		95.01
2016-06(a)		5,820.00
2016-06(b)		68,336.50
2016-06(d)		2,233.96
2017-06		660,787.28
2017-19		621,368.00
2018-11		165,813.20
2018-14		1,850,651.77
		\$ 3,375,135.72

**Exhibit SC-9**

**TOWNSHIP OF BORDENTOWN**  
**GENERAL CAPITAL FUND**  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 4,315.00
Increased by:		
2018 Budget Appropriation		420,000.00
		424,315.00
Decreased by:		
Appropriated to Finance Improvement Authorizations		210,000.00
Balance Dec. 31, 2018		\$ 214,315.00

**TOWNSHIP OF BORDENTOWN**  
**GENERAL CAPITAL FUND**  
Statement of Reserve for Payment of Debt Service  
For the Year Ended December 31, 2018

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Balance Dec. 31, 2017		\$ 1,335,421.79
Increased by:		
Department of Transportation Grant Receivable	\$ 147,000.00	
County Open Space Grant Receivable	158,400.00	
Community Block Development Grant	78,000.00	
Federal Emergency Management Agency Grant Receivable	<u>193,500.00</u>	
		<u>576,900.00</u>
		1,912,321.79
Decreased by:		
Reserve to Pay Debt - Anticipated as Revenue in Current Fund		<u>375,000.00</u>
Balance Dec. 31, 2018		<u><u>\$ 1,537,321.79</u></u>

**TOWNSHIP OF BORDENTOWN**  
**GENERAL CAPITAL FUND**  
Statement of General Serial Bonds  
For the Year Ended December 31, 2018

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>
General Obligation Bonds, Series 2009	2-10-2009	\$ 4,000,000.00	2/15/19	\$ 230,000.00	3.50%				
			2/15/20	230,000.00	3.75%				
			2/15/21	230,000.00	4.00%				
			2/15/22	230,000.00	4.00%				
			2/15/23	230,000.00	4.00%				
			2/15/24	230,000.00	4.00%				
			2/15/25	230,000.00	4.00%				
			2/15/26	240,000.00	4.00%				
			2/15/27	250,000.00	4.00%				
			2/15/28	250,000.00	4.00%	\$ 2,580,000.00		\$ 230,000.00	\$ 2,350,000.00
County Guaranteed Pooled Loan Revenue Refunding Bonds, Series 2013A-1	3-11-2013	3,210,000.00	12/1/19	315,000.00	5.00%				
			12/1/20	330,000.00	5.00%				
			12/1/21	345,000.00	5.00%				
			12/1/22	350,000.00	5.00%				
			12/1/23	350,000.00	5.00%				
			12/1/24	350,000.00	4.00%	2,340,000.00	300,000.00	2,040,000.00	
General Obligation Bonds, Series 2014	4-17-2014	8,181,000.00	3/1/19	375,000.00	2.00%				
			3/1/20	385,000.00	2.00%				
			3/1/21	395,000.00	2.00%				
			3/1/22	420,000.00	2.00%				
			3/1/23	440,000.00	2.13%				
			3/1/24	460,000.00	2.25%				
			3/1/25	525,000.00	3.00%				
			3/1/26	535,000.00	3.00%				
			3/1/27	545,000.00	3.00%				
			3/1/28	100,000.00	3.00%				
			3/1/29	110,000.00	3.00%				
			3/1/30	115,000.00	3.00%				
			3/1/31	125,000.00	3.25%				
			3/1/32	140,000.00	3.25%				
			3/1/33	150,000.00	3.50%				
			3/1/34	160,000.00	3.50%				
			3/1/35	175,000.00	4.00%				
			3/1/36	190,000.00	4.00%				
			3/1/37	210,000.00	4.00%				
3/1/38	225,000.00	4.00%							

(Continued)

**TOWNSHIP OF BORDENTOWN**  
**GENERAL CAPITAL FUND**  
Statement of General Serial Bonds  
For the Year Ended December 31, 2018

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>
General Obligation Bonds, Series 2014 (Cont'd)	4-17-2014	\$ 8,181,000.00	3/1/39	\$ 245,000.00	4.00%				
			3/1/40	265,000.00	4.00%				
			3/1/41	290,000.00	4.00%				
			3/1/42	315,000.00	4.00%	\$ 7,260,000.00		\$ 365,000.00	\$ 6,895,000.00
General Obligation Bonds, Series 2016	6-1-2016	6,010,000.00	3/1/19	230,000.00	2.00%				
			3/1/20	235,000.00	2.00%				
			3/1/21	245,000.00	2.00%				
			3/1/22	250,000.00	2.00%				
			3/1/23	255,000.00	2.00%				
			3/1/24	260,000.00	2.00%				
			3/1/25	365,000.00	2.00%				
			3/1/26	365,000.00	2.00%				
			3/1/27	370,000.00	2.00%				
			3/1/28	370,000.00	2.00%				
			3/1/29	375,000.00	2.13%				
			3/1/30	375,000.00	2.50%				
			3/1/31	380,000.00	3.00%				
			3/1/32	380,000.00	3.00%				
			3/1/33	385,000.00	3.00%				
			3/1/34	375,000.00	3.00%				
			3/1/35	50,000.00	3.00%				
			3/1/36	50,000.00	3.00%				
			3/1/37	55,000.00	3.00%				
			3/1/38	60,000.00	3.00%				
3/1/39	60,000.00	3.00%							
3/1/40	60,000.00	3.00%							
3/1/41	65,000.00	3.00%		5,840,000.00		225,000.00	5,615,000.00		

(Continued)

**TOWNSHIP OF BORDENTOWN**  
**GENERAL CAPITAL FUND**  
Statement of General Serial Bonds  
For the Year Ended December 31, 2018

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>
General Obligation Bonds, Series 2018	8-1-2018	\$ 6,175,000.00	8/1/19	\$ 250,000.00	3.00%				
			8/1/20	250,000.00	3.00%				
			8/1/21	275,000.00	3.00%				
			8/1/22	275,000.00	3.00%				
			8/1/23	300,000.00	3.00%				
			8/1/24	325,000.00	3.00%				
			8/1/25	500,000.00	3.00%				
			8/1/26	500,000.00	3.00%				
			8/1/27	500,000.00	3.00%				
			8/1/28	500,000.00	3.00%				
			8/1/29	500,000.00	3.00%				
			8/1/30	500,000.00	3.00%				
			8/1/31	500,000.00	3.00%				
			8/1/32	500,000.00	3.00%				
			8/1/33	500,000.00	3.00%		\$ 6,175,000.00		\$ 6,175,000.00
						\$ 18,020,000.00	\$ 6,175,000.00	\$ 1,120,000.00	\$ 23,075,000.00

**TOWNSHIP OF BORDENTOWN**  
**GENERAL CAPITAL FUND**  
Statement of Bonds and Notes Authorized But Not Issued  
For the Year Ended December 31, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2017</u>	<u>2018 Authorizations</u>	<u>Transferred</u>	<u>Bonds Issued</u>	<u>Balance Dec. 31, 2018</u>
2009-28	Various Capital Improvements	\$ 46,748.50				\$ 46,748.50
2011-22 / 2018-15	Improvements within the Waterfront Village Redevelopment	8,123,000.00	\$ 6,650,000.00			14,773,000.00
2012-06	Various Capital Improvements and Related Expenses	405.00		\$ (405.00)		
2012-11	Repair and Resurfacing of Hedding Road	100,000.00		(67,616.89)		32,383.11
2015-13(a)	Acquisition of Public Works Equipment and Construction of Public Works Improvements	3,251.50				3,251.50
2017-06	Repairs to Culvert under Orchard Avenue	737,500.00			\$ 737,500.00	
2017-19	Various Road and Street Improvements; Renovations to Municipal Buildings; General Equipment and Other Improvements	1,380,000.00		(700,000.00)	680,000.00	
2018-02	Acquisition of Property			700,000.00	700,000.00	
2018-11	Acquisition of Equipment for Public Works; Acquisition of Vehicles and Equipment for Police Department			68,021.89	67,500.00	521.89
2018-14	Various Township Improvements and Equipment		3,990,000.00		3,990,000.00	
		<u>\$ 10,390,905.00</u>	<u>\$ 10,640,000.00</u>	<u>\$ -</u>	<u>\$ 6,175,000.00</u>	<u>\$ 14,855,905.00</u>

**TOWNSHIP OF BORDENTOWN**

**PART II**

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2018**

**TOWNSHIP OF BORDENTOWN**  
Schedule of Findings and Recommendations  
For the Year Ended December 31, 2018

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***Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**None.**

**TOWNSHIP OF BORDENTOWN**  
Summary Schedule of Prior Year Audit Findings  
and Recommendations as Prepared by Management

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This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

**FINANCIAL STATEMENT FINDINGS**

**None.**

**TOWNSHIP OF BORDENTOWN**  
 Officials in Office and Surety Bonds

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The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Surety Bond</u>
Steven Benowitz	Mayor	
Eugene Fuzy	Deputy Mayor	
Eric Holliday	Committee Member	
James Kostoplis	Committee Member	
Kenneth Mason	Committee Member	
Michael Theokas	Township Administrator	\$1,000,000.00(A)
Jeffery Elsasser	Chief Financial Officer / Tax Collector	1,000,000.00(A)
Colleen M. Eckert	Township Clerk	1,000,000.00(A)

(A) Public Employees' Dishonesty and Faithful Performance Blanket Position Bond, Multiple Coverage with Municipal Excess Joint Insurance Fund.

All Township employees, including court employees, are under the (A) Public Employees' Faithful Performance\Dishonesty Crime Coverage listed above. During the course of our examination, we reviewed all Bonds and found them to be properly executed.

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**APPRECIATION**

I express my appreciation for the assistance and courtesies rendered by the Township of Bordentown officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

A handwritten signature in black ink, appearing to read "Kirk N. Applegate". The signature is written in a cursive style with a large initial "K".

Kirk N. Applegate  
Certified Public Accountant  
Registered Municipal Accountant

