



TOWNSHIP OF PISCATAWAY
COUNTY OF MIDDLESEX

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY DATE AND INFORMATION
YEARS ENDED DECEMBER 31, 2018 AND 2017

WITH REPORT OF INDEPENDENT AUDITORS

HODULIK & MORRISON, P.A.

A division of



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

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MIDDLESEX COUNTY, NEW JERSEY**

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MIDDLESEX COUNTY, NEW JERSEY

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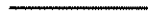
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MIDDLESEX COUNTY, NEW JERSEY**

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



**PART I
INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS – REGULATORY BASIS**

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying regulatory-basis financial statement of the various funds and governmental fixed assets account group of the Township of Piscataway, County of Middlesex, New Jersey, as of and for the years ended December 31, 2018 and 2017, and the statements of operations and changes in fund balance for the years then ended and the related statements of revenues and statements of expenditures of the various funds for the year ended December 31, 2018, and the related notes to the financial, which collectively comprise the basic financial statements of the Township, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As described in Note 2, these financial statements were prepared in conformity with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, United States of America, that demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These prescribed principles are designed primarily for determining compliance with legal provisions and budgetary restrictions, and as a means of reporting on the stewardship of public officials with respect to public funds. Accordingly, the accompanying financial statements - regulatory basis are not intended to present financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. The effect on the financial statements of the differences between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial positions of the Township of Piscataway, County of Middlesex, New Jersey, as of December 31, 2018, the changes in its financial position, and, where applicable, its cash flows for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory basis financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the various funds and governmental fixed assets account group of the Township of Piscataway, County of Middlesex, State of New Jersey as of December 31, 2018 and 2017 and the related statements of operations and changes in fund balance for the years then ended and the related statements of revenues and statements of expenditures of the various funds for the year ended December 31, 2018, and the related notes to the financial statements, in accordance with the financial reporting provisions of the Division, as described in Note 2 to the financial statements.

Emphasis of Matter

As discussed in the notes to the financial statements, during the fiscal year ending December 31, 2018, the Township of Piscataway implemented the provisions of Statement Number 75 of the Governmental Accounting Standards Board (GASB 75). GASB 75 changed the measurement criteria and reporting provisions relating to the Township's proportionate share (if any), of the annual expense and net liability of the post-retirement employee benefits other than pensions (OPEB) of plans in which its employees are enrolled. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Township of Piscataway, County of Middlesex, New Jersey. The information included in Part II - Supplementary Schedules and Part III - Supplementary Data, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements of the Township of Piscataway, County of Middlesex, New Jersey. The information included in Part II - Supplementary Schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements - regulatory basis taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated August 29, 2019 on our consideration of the Township of Piscataway's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of Piscataway's internal control over financial reporting and compliance.

Hodulik & Morrison, P.A.

HODULIK & MORRISON, P.A.
A Division of PKF O'Connor Davies, LLP
Certified Public Accountants
Registered Municipal Accountants
Public School Accountants



Andrew G. Hodulik
Registered Municipal Accountant
No. 406
Highland Park, New Jersey
August 29, 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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements - regulatory basis of the Township of Piscataway, County of Middlesex, New Jersey as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township of Piscataway's basic financial statements and have issued our report thereon date August 29, 2019. Our report was modified to reflect the departure from accounting principles generally accepted in the United States of America as disclosed in Note 2, that are embodied in the Other Comprehensive Basis of Accounting utilized for financial statement presentations, and was unqualified based upon that Other Comprehensive Basis of Accounting.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance, Accordingly, this communication is not suitable for any other purpose.



HODULIK & MORRISON, PA.
A division of PKF O'Connor Davies
Certified Public Accountants
Registered Municipal Accountants

Highland Park, New Jersey
August 29, 2019

FINANCIAL STATEMENTS – REGULATORY BASIS

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017

| <u>ASSETS</u> | | <u>BALANCE</u> <u>DEC. 31, 2018</u> | <u>BALANCE</u> <u>DEC. 31, 2017</u> | <u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u> | | <u>BALANCE</u> <u>DEC. 31, 2018</u> | <u>BALANCE</u> <u>DEC. 31, 2017</u> |
|--|------|--|--|---|----------|--|--|
| Cash and Investments - Treasurer | A- 4 | \$ 34,307,165.59 | \$ 36,725,505.02 | Liabilities: | | | |
| Cash - Change Fund | A | 535.00 | 535.00 | Appropriation Reserves | A-3, A-9 | \$ 4,403,367.55 | \$ 3,753,191.38 |
| Due from State of N.J. per Ch. 129, P.L. 1976 | A- 6 | <u>228,182.44</u> | <u>220,794.22</u> | Reserve for Encumbrances | A-3, A-9 | 2,899,251.45 | 2,715,811.55 |
| | | <u>34,535,883.03</u> | <u>36,946,834.24</u> | Prepaid Taxes | A- 7 | 1,227,046.31 | 5,030,696.48 |
| Receivables With Offsetting Reserves: | | | | Various Payables | A-10 | 374,982.52 | 881,306.50 |
| Taxes Receivable | A- 7 | 1,473,249.47 | 1,451,551.75 | Various Reserves | A-10 | <u>2,844,033.10</u> | <u>2,398,929.59</u> |
| Tax Title Liens | A- 7 | 708,343.32 | 676,158.81 | | | 11,748,680.93 | 14,779,935.50 |
| Property Acquired for Taxes (At Assessed Valuation) | A- 7 | 2,592,900.00 | 2,592,900.00 | Reserve for Receivables | Reserve | 4,818,110.15 | 4,769,981.33 |
| Revenue Accounts Receivable | A- 8 | <u>43,617.36</u> | <u>49,370.77</u> | Fund Balance | A- 1 | <u>22,787,202.10</u> | <u>22,166,898.74</u> |
| | | <u>4,818,110.15</u> | <u>4,769,981.33</u> | 0.00 | | | |
| Total Regular Fund | | <u>39,353,993.18</u> | <u>41,716,815.57</u> | Total Regular Fund | | <u>39,353,993.18</u> | <u>41,716,815.57</u> |
| State and Federal Grant Fund: | | | | State and Federal Grant Fund: | | | |
| Cash and Investments - Treasurer | A-4 | 469,679.31 | 422,965.17 | Reserve for State and Federal Grants: | | | |
| Grants Receivable | A-15 | <u>339,542.51</u> | <u>721,477.00</u> | Appropriated | A-17 | 432,872.96 | 1,045,860.78 |
| | | <u>809,221.82</u> | <u>1,144,442.17</u> | Reserve for Encumbrances | A-17 | <u>376,348.86</u> | <u>98,581.39</u> |
| Total State and Federal Grant Fund | | <u>809,221.82</u> | <u>1,144,442.17</u> | Total State and Federal Grant Fund | | <u>809,221.82</u> | <u>1,144,442.17</u> |
| Grand Total | | <u>\$ 40,163,215.00</u> | <u>\$ 42,861,257.74</u> | | | <u>\$ 40,163,215.00</u> | <u>\$ 42,861,257.74</u> |

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

| <u>REVENUE AND OTHER INCOME REALIZED</u> | <u>REF.</u> | <u>CY 2018</u> | <u>CY 2017</u> |
|--|-------------|-------------------------|-------------------------|
| Fund Balance Utilized | A-1, A-2 | \$ 10,000,000.00 | \$ 10,359,046.09 |
| Miscellaneous Revenues Anticipated | A-2 | 12,826,423.96 | 13,316,239.10 |
| Receipts from Delinquent Taxes | A-2 | 1,456,067.03 | 1,443,008.18 |
| Non-Budget Revenue | A-2 | 1,008,667.27 | 1,172,879.80 |
| Receipts from Current Taxes | A-7 | 172,493,895.88 | 170,877,229.39 |
| Other Credits to Income: | | | |
| Unexpended Balances of Approp. Reserves | A-9 | 4,026,290.10 | 4,177,661.18 |
| Prior Year Revenue | | | 5,617.68 |
| Accounts Payable Cancelled | | | 834,664.23 |
| Grant Cancelled | A-12 | 76.99 | |
| Various Reserves Cancelled | A-10 | 1,440,205.06 | 172,458.44 |
| Overpayments Cancelled | | | 1,788,262.48 |
| Prior Year Senior Citizen Deduction Allowed | | | 10,247.92 |
| | | <u>203,251,626.29</u> | <u>204,157,314.49</u> |
| <u>EXPENDITURES AND OTHER CHARGES</u> | | | |
| Budget Appropriations and Emergency Appropriations | | | |
| Within "CAP" | | | |
| Operations: | | | |
| Salaries and Wages | A-3 | 20,242,565.70 | 19,873,212.43 |
| Other Expenses | A-3 | 22,700,155.94 | 19,945,040.64 |
| Deferred Charges and Statutory Expend. | A-3 | 4,990,569.91 | 4,851,260.00 |
| Appropriations Excluded from "CAP" | | | |
| Operations: | | | |
| Salaries and Wages | A-3 | 948,500.00 | 1,058,673.58 |
| Other Expenses | A-3 | 5,038,080.99 | 5,777,667.06 |
| Capital Improvements | A-3 | 2,400,000.00 | 3,298,000.00 |
| Municipal Debt Service | A-3 | 9,200,577.91 | 10,892,175.84 |
| Deferred Charges and Statutory Expend. | A-3 | 1,567,785.14 | 1,341,437.00 |
| Special District Taxes | A-13 | 3,910,532.00 | 3,895,824.00 |
| County Tax | A-13 | 25,197,966.19 | 25,498,575.36 |
| County Open Space Fund | A-13 | 2,058,849.39 | 2,072,228.24 |
| Due County for Added Taxes | A-13 | 203,845.99 | 139,342.58 |
| Local District School Taxes | A-13 | 93,498,130.00 | 92,593,095.00 |
| Tax Overpayments | A-14 | 352,250.69 | |
| Receivables/Grants Canceled | | | 60,222.23 |
| Prior Year Senior Citizen Deduction Disallowed | A-6 | 8,336.79 | |
| Refund Current Years Revenue | A-4 | 277,998.27 | 24,503.20 |
| Refund Prior Years Revenue | A-4 | 35,178.02 | 35,178.02 |
| | | <u>192,631,322.93</u> | <u>191,356,635.18</u> |
| Excess in Revenue | | 10,620,303.36 | 12,800,679.31 |
| Statutory Excess to Fund Balance | | 10,620,303.36 | 12,800,679.31 |
| <u>FUND BALANCE</u> | | | |
| Balance - January 1 | A | <u>22,166,898.74</u> | <u>19,725,265.52</u> |
| | | 32,787,202.10 | 32,525,944.83 |
| Decreased by: | | | |
| Utilization as Anticipated Revenue | A-1 | <u>10,000,000.00</u> | <u>10,359,046.09</u> |
| Balance - December 31 | A | <u>\$ 22,787,202.10</u> | <u>\$ 22,166,898.74</u> |

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

| | REF. | ANTICIPATED CY 2018 BUDGET | APPROPRIATED N.J.S.A. 40A:4-87 | REALIZED | EXCESS/ (DEFICIT) |
|---|---------|----------------------------------|--------------------------------------|------------------|----------------------|
| Fund Balance Anticipated | A-1 | \$ 10,000,000.00 | \$ - | \$ 10,000,000.00 | \$ - |
| Miscellaneous Revenues: | | | | | |
| Licenses: | | | | | |
| Alcoholic Beverages | A-8 | 53,000.00 | | 50,564.00 | (2,436.00) |
| Other | A-8 | 90,000.00 | | 144,826.00 | 54,826.00 |
| Fees and Permits | A-8 | 500,000.00 | | 892,939.92 | 392,939.92 |
| Fines and Costs: | | | | | |
| Municipal Court | A-8 | 650,000.00 | | 733,003.19 | 83,003.19 |
| Interest and Costs on Taxes | A-5 | 325,000.00 | | 440,630.98 | 115,630.98 |
| Interest on Investments and Deposits | A-8 | 295,000.00 | | 993,435.13 | 698,435.13 |
| Reserve for PCTV | A-10 | 14,000.00 | | 14,000.00 | |
| Hotel and Motel Tax | A-8 | 320,000.00 | | 449,700.39 | 129,700.39 |
| Cable Franchise Fees | A-8 | 165,000.00 | | 185,894.34 | 20,894.34 |
| Library Fines and Fees | A-8 | 36,000.00 | | 36,000.00 | |
| Consolidated Municipal Property Tax Relief Aid | A-8 | 387,172.00 | | 387,172.00 | |
| Energy Receipts Taxes | A-8 | 5,471,407.00 | | 5,471,407.00 | |
| Dedicated Uniform Construction Code Fees offset with Appropriations (N.J.S.A. 40A:4-36 and N.J.A.C. 5:23-4.17): | A-8 | 900,000.00 | | 2,416,479.44 | 1,516,479.44 |
| Uniform Fire Safety Act PILOT | A-8 | 65,000.00 | | 103,844.92 | 38,844.92 |
| PILOT | A-8 | 270,973.00 | | 255,966.66 | (15,006.34) |
| Public and Private Revenues Offset with Appropriations: | | | | | |
| Alcohol Education & Rehabilitation Fund | A-12 | | 2,856.07 | 2,856.07 | |
| Bulletproof Vest | A-12 | | 6,264.48 | 6,264.48 | |
| Clean Communities Program | A-12 | | 93,369.35 | 93,369.35 | |
| Distracted Driving Crack Down | A-12 | | 6,600.00 | 6,600.00 | |
| Drunk Driving Enforcement | A-12 | | 35,725.47 | 35,725.47 | |
| Friends of The Library | A-12 | | 57,624.62 | 57,624.62 | |
| Multi-Jurisd. I Gang, Gun & Narcs. Task Force Prog. | A-12 | | 6,000.00 | 6,000.00 | |
| Municipal Alliance on Alcoholism and Drug Abuse | A-12 | | 42,120.00 | 42,120.00 | |
| Total Miscellaneous Revenues | A-1 | 9,542,552.00 | 250,559.99 | 12,826,423.96 | 3,033,311.97 |
| Receipts from Delinquent Taxes | A-1,A-7 | 1,000,000.00 | | 1,456,067.03 | 456,067.03 |
| Subtotal General Revenues | | 20,542,552.00 | 250,559.99 | 24,282,490.99 | 3,489,379.00 |
| Amount to be Raised by Taxes for Support of Municipal Budget: | | | | | |
| Local Tax for Municipal Purposes | A-7 | 45,967,607.96 | | 47,267,240.00 | 1,299,632.04 |
| Minimum Library Tax | A-7 | 2,321,109.00 | | 2,321,109.00 | |
| Total Amount to be Raised by Taxes for Support of Municipal Budget | A-2 | 48,288,716.96 | | 49,588,349.00 | 1,299,632.04 |
| Budget Totals | | 68,831,268.96 | 250,559.99 | 73,870,839.99 | \$ 4,789,011.04 |
| Non-Budget Revenues | A-1,A-8 | | | 1,008,667.27 | |
| | | \$ 68,831,268.96 | \$ 250,559.99 | \$ 74,879,507.26 | |
| | Ref. | A-3 | A-3 | | |

() Denotes Deficit

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit A-3
Page 1 of 9

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2018

| | CY 2018 BUDGET | BUDGET AFTER MODIFICATION | EXPENDED | | | UNEXPENDED BALANCE CANCELLED |
|--|-------------------|------------------------------|--------------------|-------------|--------------|------------------------------------|
| | | | PAID OR CHARGED | ENCUMBERED | RESERVED | |
| <u>OPERATIONS WITHIN "CAPS"</u> | | | | | | |
| <u>General Government:</u> | | | | | | |
| Township Council | | | | | | |
| Salaries and Wages | \$ 80,000.00 | \$ 72,699.00 | \$ 72,699.00 | | | |
| Other Expenses | 20,000.00 | 20,000.00 | 9,151.39 | | \$ 10,848.61 | |
| Township Clerk | | | | | | |
| Salaries and Wages | 232,000.00 | 232,000.00 | 229,386.99 | | 2,613.01 | |
| Other Expenses | 65,000.00 | 65,000.00 | 21,877.23 | \$ 8,425.51 | 34,697.26 | |
| Elections | | | | | | |
| Salaries and Wages | 25,000.00 | 647.28 | 647.28 | | | |
| Other Expenses | 35,000.00 | 35,000.00 | 19,602.17 | | 15,397.83 | |
| <u>Administration:</u> | | | | | | |
| Dept. of Administration | | | | | | |
| Salaries and Wages | 402,000.00 | 402,000.00 | 400,475.62 | | 1,524.38 | |
| Other Expenses | 124,000.00 | 124,000.00 | 70,619.47 | 35,702.36 | 17,678.17 | |
| Division of Personnel | | | | | | |
| Salaries and Wages | 130,000.00 | 130,000.00 | 128,698.96 | | 1,301.04 | |
| Other Expenses | 18,520.00 | 23,520.00 | 12,696.99 | 6,036.67 | 4,786.34 | |
| Computer Center | | | | | | |
| Salaries and Wages | 220,000.00 | 170,000.00 | 92,670.03 | | 77,329.97 | |
| Other Expenses | 230,000.00 | 215,000.00 | 101,092.79 | 16,690.67 | 97,216.54 | |
| Division of Purchasing | | | | | | |
| Salaries and Wages | 57,750.00 | 52,749.42 | 49,203.99 | | 3,545.43 | |
| Other Expenses: | 100,000.00 | 110,000.00 | 94,130.82 | 7,962.70 | 7,906.48 | |
| Postage | 90,000.00 | 100,000.00 | 73,381.61 | 16,614.82 | 10,003.57 | |
| Municipal Land Use (N.J.S.A. 40:55 D-1): | | | | | | |
| Planning Board | | | | | | |
| Salaries and Wages | 10,000.00 | 10,000.00 | 7,064.04 | | 2,935.96 | |
| Other Expenses | 60,000.00 | 60,000.00 | 38,493.73 | 12,269.84 | 9,236.43 | |

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit A-3
Page 2 of 9

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2018

| | CY 2018 BUDGET | BUDGET AFTER MODIFICATION | EXPENDED | | | UNEXPENDED BALANCE CANCELLED |
|--------------------------------------|-------------------|------------------------------|--------------------|--------------|-------------|------------------------------------|
| | | | PAID OR CHARGED | ENCUMBERED | RESERVED | |
| <u>Administration (Cont.):</u> | | | | | | |
| Zoning Board of Adjustment | | | | | | |
| Salaries and Wages | \$ 10,000.00 | \$ 10,000.00 | \$ 7,063.08 | | \$ 2,936.92 | |
| Other Expenses | 60,000.00 | 70,000.00 | 57,874.22 | \$ 11,832.78 | 293.00 | |
| Cable TV Studio | | | | | | |
| Salaries and Wages | 227,000.00 | 212,000.00 | 188,711.03 | | 23,288.97 | |
| Other Expenses | 10,000.00 | 20,000.00 | 5,819.68 | 3,950.14 | 10,230.18 | |
| Celebration of Public Events | | | | | | |
| Other Expenses | 20,000.00 | 20,000.00 | 4,700.00 | | 15,300.00 | |
| <u>Finance and Revenue</u> | | | | | | |
| Department of Finance | | | | | | |
| Salaries and Wages | 400,500.00 | 400,500.00 | 397,746.87 | | 2,753.13 | |
| Other Expenses | 82,000.00 | 82,000.00 | 46,553.38 | 26,350.72 | 9,095.90 | |
| Annual Audit | 70,000.00 | 70,000.00 | | 70,000.00 | | |
| Division of Assessment | | | | | | |
| Salaries and Wages | 231,000.00 | 231,000.00 | 226,204.10 | | 4,795.90 | |
| Other Expenses | 310,000.00 | 310,000.00 | 131,212.79 | 93,405.08 | 85,382.13 | |
| Division of Revenue | | | | | | |
| Salaries and Wages | 206,500.00 | 166,500.00 | 157,218.09 | | 9,281.91 | |
| Other Expenses | 50,000.00 | 50,000.00 | 20,189.76 | 24.40 | 29,785.84 | |
| Insurance | | | | | | |
| Liability Insurance | 1,625,000.00 | 1,625,000.00 | 1,323,402.63 | 23,683.09 | 277,914.28 | |
| Worker's Compensation Insurance | 3,000.00 | 3,000.00 | | | 3,000.00 | |
| Health Insurance Waiver | 130,000.00 | 130,000.00 | 107,025.00 | | 22,975.00 | |
| Employee Group Insurance | 9,389,503.64 | 9,389,503.64 | 8,787,161.30 | 602,342.34 | | |
| <u>Municipal Court</u> | | | | | | |
| Salaries and Wages | 431,000.00 | 431,000.00 | 424,308.23 | | 6,691.77 | |
| Other Expenses | 30,000.00 | 30,000.00 | 23,934.08 | 943.26 | 5,122.66 | |
| Public Defender (P.L. 1997, Ch. 256) | | | | | | |
| Other Expenses | 35,000.00 | 35,000.00 | 17,508.88 | | 17,491.12 | |

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2018

| | CY 2018 BUDGET | BUDGET AFTER MODIFICATION | EXPENDED | | | UNEXPENDED BALANCE CANCELLED |
|--|-------------------|------------------------------|--------------------|--------------|---------------|------------------------------------|
| | | | PAID OR CHARGED | ENCUMBERED | RESERVED | |
| <u>Law</u> | | | | | | |
| Department of Law | | | | | | |
| Other Expenses | \$ 500,000.00 | \$ 500,000.00 | \$ 297,502.03 | \$ 60,831.41 | \$ 141,666.56 | |
| Municipal Prosecutor | | | | | | |
| Salaries and Wages | | | | | | |
| Other Expenses | 95,000.00 | 95,000.00 | 67,916.63 | 12,083.37 | 15,000.00 | |
| <u>PUBLIC SAFETY:</u> | | | | | | |
| Uniform Fire Safety Act (P.L. 1983 C. 383) | | | | | | |
| Salaries and Wages | 270,000.00 | 270,000.00 | 265,500.01 | | 4,499.99 | |
| Other Expenses | 15,500.00 | 15,500.00 | 6,841.47 | 3,242.47 | 5,416.06 | |
| Animal Control | | | | | | |
| Salaries and Wages | 7,500.00 | 7,500.00 | 2,406.53 | | 5,093.47 | |
| Other Expenses | 10,000.00 | 10,000.00 | 7,734.50 | 1,301.50 | 964.00 | |
| Division of Schools Crossing Guards | | | | | | |
| Salaries and Wages | 300,000.00 | 230,000.00 | 229,701.16 | | 298.84 | |
| Other Expenses | 2,000.00 | 2,000.00 | 1,721.70 | 272.97 | 5.33 | |
| Division of Police | | | | | | |
| Salaries and Wages | 11,961,450.00 | 11,934,450.00 | 10,950,970.05 | | 983,479.95 | |
| Other Expenses | 427,500.00 | 527,500.00 | 360,199.41 | 59,593.79 | 107,706.80 | |
| First Aid Organization - Contribution | 100,000.00 | 100,000.00 | 98,872.00 | 563.00 | 565.00 | |
| Office of Emergency Management | | | | | | |
| Salaries and Wages | 40,000.00 | 40,000.00 | 27,589.61 | | 12,410.39 | |
| Other Expenses | 7,500.00 | 7,500.00 | 1,893.89 | | 5,606.11 | |
| <u>PUBLIC WORKS:</u> | | | | | | |
| Department of Public Works | | | | | | |
| Salaries and Wages | 236,093.00 | 286,093.00 | 283,307.40 | | 2,785.60 | |
| Other Expenses | 50,000.00 | 50,000.00 | 22,319.15 | 22,643.57 | 5,037.28 | |
| Division of Engineering | | | | | | |
| Salaries and Wages | 517,650.00 | 472,650.00 | 456,377.39 | | 16,272.61 | |
| Other Expenses | 50,000.00 | 50,000.00 | 28,471.74 | 1,126.11 | 20,402.15 | |

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2018

| | CY 2018 BUDGET | BUDGET AFTER MODIFICATION | EXPENDED | | | UNEXPENDED BALANCE CANCELLED |
|--|-------------------|------------------------------|--------------------|--------------|-------------|------------------------------------|
| | | | PAID OR CHARGED | ENCUMBERED | RESERVED | |
| <u>PUBLIC WORKS (Cont.):</u> | | | | | | |
| Division of Community Development and Planning | | | | | | |
| Salaries and Wages | \$ 328,000.00 | \$ 328,000.00 | \$ 324,110.66 | | \$ 3,889.34 | |
| Other Expenses | 33,000.00 | 63,000.00 | 19,819.61 | \$ 13,014.56 | | 30,165.83 |
| Zoning Enforcement | | | | | | |
| Salaries and Wages | 145,000.00 | 130,000.00 | 129,267.95 | | 732.05 | |
| Other Expenses | 40,000.00 | 40,000.00 | 425.00 | 1,600.00 | | 37,975.00 |
| Inspections | | | | | | |
| Salaries and Wages | 110,000.00 | 35,000.00 | 1,575.00 | | | 33,425.00 |
| Other Expenses | 5,000.00 | 5,000.00 | | | | 5,000.00 |
| Public Buildings & Grounds | | | | | | |
| Salaries and Wages | 215,066.00 | 215,066.00 | 198,899.52 | | | 16,166.48 |
| Other Expenses | 400,000.00 | 510,000.00 | 229,025.35 | 213,888.78 | | 67,085.87 |
| Division of Property Maintenance (TRAFFIC) | | | | | | |
| Salaries and Wages | 198,266.00 | 208,266.00 | 196,032.43 | | | 12,233.57 |
| Other Expenses | 75,000.00 | 75,000.00 | 33,893.89 | 22,706.57 | | 18,399.54 |
| Division of Property Maintenance (FLEET) | | | | | | |
| Salaries and Wages | 710,532.00 | 680,532.00 | 416,307.12 | | | 264,224.88 |
| Other Expenses | 390,000.00 | 370,000.00 | 238,578.66 | 68,433.10 | | 62,988.24 |
| Division of Streets and Road Maintenance | | | | | | |
| Salaries and Wages | 791,330.00 | 666,330.00 | 627,586.02 | | | 38,743.98 |
| Other Expenses | 55,000.00 | 55,000.00 | 33,496.32 | 7,234.76 | | 14,268.92 |
| Snow Removal | | | | | | |
| Salaries and Wages | 250,000.00 | 250,000.00 | 250,000.00 | | | |
| Other Expenses | 275,000.00 | 275,000.00 | 231,602.52 | 11,998.15 | | 31,399.33 |
| All Utilities | 1,982,296.58 | 1,982,296.58 | 462,308.98 | 941,720.81 | | 578,266.79 |
| Division of Parks | | | | | | |
| Salaries and Wages | 717,463.00 | 507,463.00 | 501,604.39 | | | 5,858.61 |
| Other Expenses | 290,000.00 | 358,000.00 | 258,344.89 | 28,804.97 | | 70,850.14 |
| Division of Sanitation - Sewer System | | | | | | |
| Shade Tree | | | | | | |
| Other Expenses | 1,350.00 | 1,350.00 | | | | 1,350.00 |
| Storm Sewer System | | | | | | |
| Other Expenses | 15,000.00 | 15,000.00 | 1,407.74 | | | 13,592.26 |
| Solid Waste Collection | | | | | | |
| Salaries and Wages | 615,197.00 | 490,197.00 | 484,591.71 | | | 5,605.29 |

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2018

| | CY 2018 BUDGET | BUDGET AFTER MODIFICATION | EXPENDED | | | UNEXPENDED BALANCE CANCELLED |
|---------------------------------|-------------------|------------------------------|--------------------|------------|-------------|------------------------------------|
| | | | PAID OR CHARGED | ENCUMBERED | RESERVED | |
| <u>PUBLIC WORKS (Cont.):</u> | | | | | | |
| Solid Waste Collection | | | | | | |
| Other Expenses | \$ 10,000.00 | \$ 10,000.00 | \$ 776.86 | \$ 1.65 | \$ 9,221.49 | |
| Recycling Program | | | | | | |
| Other Expenses | 50,000.00 | 50,000.00 | 5,794.78 | 3,094.50 | 41,110.72 | |
| Municipal Services Act | 115,000.00 | 115,000.00 | | | 115,000.00 | |
| <u>HEALTH AND WELFARE:</u> | | | | | | |
| Division of Public Assistance | | | | | | |
| Other Expenses | 1,000.00 | 1,000.00 | 1,000.00 | | | |
| Office on Aging | | | | | | |
| Salaries and Wages | 412,055.00 | 424,055.00 | 419,221.84 | | 4,833.16 | |
| Other Expenses | 90,000.00 | 90,000.00 | 79,692.70 | 9,382.79 | 924.51 | |
| <u>RECREATION AND EDUCATION</u> | | | | | | |
| Department of Recreation | | | | | | |
| Salaries and Wages | 302,200.00 | 327,200.00 | 319,604.23 | | 7,595.77 | |
| Other Expenses | 240,000.00 | 240,000.00 | 166,124.78 | 7,451.85 | 66,423.37 | |
| Accumulated Leave Compensation | 25,000.00 | 446,653.72 | 446,653.72 | | | |
| Salary Adjustment | | | | | | |
| Salaries and Wages | 15,000.00 | | | | | |
| Reserve for Tax Appeals | | | | | | |
| Other Expenses | 3,500,000.00 | 3,500,000.00 | 3,500,000.00 | | | |

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit A-3
Page 6 of 9

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2018

| | CY 2018 BUDGET | BUDGET AFTER MODIFICATION | EXPENDED | | | UNEXPENDED BALANCE CANCELLED |
|--|-------------------|------------------------------|--------------------|--------------|--------------|------------------------------------|
| | | | PAID OR CHARGED | ENCUMBERED | RESERVED | |
| <u>Uniform Construction Code</u> | | | | | | |
| Division of Inspections | | | | | | |
| Salaries and Wages | \$ 625,000.00 | \$ 635,000.00 | \$ 626,775.74 | | \$ 8,224.26 | |
| Other Expenses | 30,000.00 | 90,000.00 | 60,501.23 | \$ 6,102.50 | 23,396.27 | |
| Boards and Commissions | | | | | | |
| Salaries and Wages | 7,000.00 | 7,000.00 | 6,813.08 | | 186.92 | |
| Other Expenses | 40,000.00 | 40,000.00 | 22,444.95 | | 17,555.05 | |
| Total Operations Within "CAPS" | 42,914,722.22 | 42,942,721.64 | 36,752,131.57 | 2,433,327.56 | 3,757,262.51 | |
| Total Operations Including Contingent Within "CAPS" | 42,914,722.22 | 42,942,721.64 | 36,752,131.57 | 2,433,327.56 | 3,757,262.51 | |
| DETAIL: | | | | | | |
| Salaries and Wages | 21,009,220.00 | 20,242,565.70 | 18,705,407.20 | | 1,537,158.50 | |
| Other Expenses (Including Contingent) | 21,905,502.22 | 22,700,155.94 | 18,046,724.37 | 2,433,327.56 | 2,220,104.01 | |
| <u>STATUTORY EXPENDITURES:</u> | | | | | | |
| Contribution to: | | | | | | |
| Social Security System (O.A.S.I.) | 1,000,000.00 | 949,386.00 | 882,544.58 | | 66,841.42 | |
| Public Employees Retirement System | 1,251,693.91 | 1,251,693.91 | 1,251,693.91 | | | |
| Police and Firemen's Pension Fund | 2,724,490.00 | 2,724,490.00 | 2,724,490.00 | | | |
| State Unemployment Insurance | 45,000.00 | 45,000.00 | 45,000.00 | | | |
| Defined Contribution Retirement Program | 20,000.00 | 20,000.00 | 18,597.81 | | 1,402.19 | |
| Total Deferred Charges and Statutory Expenditures Municipal Within "CAPS" | 5,041,183.91 | 4,990,569.91 | 4,922,326.30 | | 68,243.61 | |
| Total General Appropriations for Municipal Purposes Within "CAPS" | 47,955,906.13 | 47,933,291.55 | 41,674,457.87 | 2,433,327.56 | 3,825,506.12 | |
| <u>OPERATIONS EXCLUDED FROM "CAPS"</u> | | | | | | |
| 911 Emergency Telecommunication Services | | | | | | |
| Salaries and Wages | \$ 948,500.00 | \$ 948,500.00 | \$ 872,909.22 | | \$ 75,590.78 | |
| Other Expenses | 520,000.00 | 520,000.00 | 453,579.07 | \$ 21,923.86 | 44,497.07 | |
| Maintenance of Free Public Library (NJSA 40:54-8) | 2,665,096.00 | 2,665,096.00 | 2,411,881.46 | 119,259.35 | 133,955.19 | |
| NJDES - Storm Water | | | | | | |
| Other Expenses | 60,000.00 | 60,000.00 | 43,380.03 | 6,561.00 | 10,058.97 | |
| Supplemental Fire Services District Payment | 18,425.00 | 18,425.00 | 18,425.00 | | | |

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2018

| | CY 2018 BUDGET | BUDGET AFTER MODIFICATION | EXPENDED | | | UNEXPENDED BALANCE CANCELLED |
|---|-------------------|------------------------------|--------------------|---------------|--------------|------------------------------------|
| | | | PAID OR CHARGED | ENCUMBERED | RESERVED | |
| <u>OPERATIONS EXCLUDED FROM "CAPS" (Cont.)</u> | | | | | | |
| MCIA Recycling Program | \$ 550,000.00 | \$ 550,000.00 | \$ 374,559.64 | \$ 112,640.36 | \$ 62,800.00 | |
| MCUA Solid Waste Agreement | 400,000.00 | 400,000.00 | 147,248.33 | 32,751.67 | 220,000.00 | |
| Edison Animal Control Contract | 70,000.00 | 70,000.00 | 51,396.42 | 18,447.63 | 155.95 | |
| UMDNJ Agreements | 30,000.00 | 30,000.00 | 8,765.60 | 0.01 | 21,234.39 | |
| Middlesex County Health Department | 424,000.00 | 424,000.00 | 422,310.91 | 0.01 | 1,689.08 | |
| <u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u> | | | | | | |
| Alcohol Education Rehab Program | | 2,856.07 | 2,856.07 | | | |
| Bullet Proof Vest Grant | | 6,264.48 | 6,264.48 | | | |
| Clean Communities Grant | | 93,369.35 | 93,369.35 | | | |
| Drunk Driving Enforcement | | 35,725.47 | 35,725.47 | | | |
| Distracted Driving Crackdown | | 6,600.00 | 6,600.00 | | | |
| Friends of Public Library | | 57,624.62 | 57,624.62 | | | |
| Municipal Alliance on Alcoholism and Drug Abuse Grant | | 69,240.00 | 69,240.00 | | | |
| Match | | 15,000.00 | 15,000.00 | | | |

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2018

| | CY 2018 BUDGET | BUDGET AFTER MODIFICATION | EXPENDED | | UNEXPENDED BALANCE CANCELLED |
|---|-------------------|------------------------------|--------------------|------------|------------------------------------|
| | | | PAID OR CHARGED | ENCUMBERED | |
| <u>PUBLIC AND PRIVATE PROGRAMS</u> | | | | | |
| <u>OFFSET BY REVENUES (Cont.)</u> | | | | | |
| Multi-Jurisdictional Gang, Gun & Narcotic Task Force Program | | \$ 6,000.00 | \$ 6,000.00 | | |
| Matching Funds | \$ 50,000.00 | 7,880.00 | | | \$ 7,880.00 |
| Total Operations Excluded from "CAPS" | 5,736,021.00 | 5,986,580.99 | 5,097,135.67 | 311,583.89 | 577,861.43 |
| DETAIL: | | | | | |
| Salaries and Wages | 948,500.00 | 948,500.00 | 872,909.22 | | 75,590.78 |
| Other Expenses | 4,787,521.00 | 5,038,080.99 | 4,224,226.45 | 311,583.89 | 502,270.65 |
| <u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u> | | | | | |
| Down Payment on Improvements | 1,540,000.00 | 2,164,460.00 | 2,164,460.00 | | |
| Historic Preservation | 100,000.00 | 225,000.00 | 70,660.00 | 154,340.00 | |
| Traffic Signal Equipment | 160,000.00 | | | | |
| Land Acquisition | 600,000.00 | 10,540.00 | 10,540.00 | | |
| Total Capital Improvements Excl. from "CAPS" | 2,400,000.00 | 2,400,000.00 | 2,245,660.00 | 154,340.00 | |
| <u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u> | | | | | |
| Payment of Bond Principal | 7,875,000.00 | 7,875,000.00 | 7,875,000.00 | | |
| Payment of Bond Anticipation Notes and Capital Notes | 150,000.00 | 172,614.58 | 167,197.91 | | 5,416.67 |
| Interest on Bonds | 1,182,780.00 | 1,182,780.00 | 1,158,380.00 | | 24,400.00 |
| Total Municipal Debt Service - Excl. from "CAPS" | 9,207,780.00 | 9,230,394.58 | 9,200,577.91 | | 29,816.67 |
| <u>DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"</u> | | | | | |
| Deferred Charges | | | | | |
| Unfunded Ordinance 13-06 | 820,071.99 | 820,071.99 | 820,071.99 | | |
| Unfunded Ordinance 13-07 | 361,897.75 | 361,897.75 | 361,897.75 | | |
| Unfunded Ordinance 14-01 | 9,689.60 | 9,689.60 | 9,689.60 | | |
| Unfunded Ordinance 16-39 | 376,125.80 | 376,125.80 | 376,125.80 | | |
| Total Deferred Charges - Municipal Excluded from "CAPS" | 1,567,785.14 | 1,567,785.14 | 1,567,785.14 | | |

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2018

| | <u>CY 2018 BUDGET</u> | <u>BUDGET AFTER MODIFICATION</u> | <u>PAID OR CHARGED</u> | <u>EXPENDED</u> | | <u>UNEXPENDED BALANCE CANCELLED</u> |
|--|---------------------------|--------------------------------------|----------------------------|------------------------|------------------------|---|
| | | | | <u>ENCUMBERED</u> | <u>RESERVED</u> | |
| Total General Appropriations for Municipal Purposes Excluded from "CAPS" | \$ 18,911,586.14 | \$ 19,184,760.71 | \$ 18,111,158.72 | \$ 465,923.89 | \$ 577,861.43 | \$ 29,816.67 |
| Subtotal General Appropriations | 66,867,492.27 | 67,118,052.26 | 59,785,616.59 | 2,899,251.45 | 4,403,367.55 | 29,816.67 |
| Reserve for Uncollected Taxes | <u>1,963,776.69</u> | <u>1,963,776.69</u> | <u>1,963,776.69</u> | | | |
| Total General Appropriations | <u>\$ 68,831,268.96</u> | <u>\$ 69,081,828.95</u> | <u>\$ 61,749,393.28</u> | <u>\$ 2,899,251.45</u> | <u>\$ 4,403,367.55</u> | <u>\$ 29,816.67</u> |
| Ref. | | Below | Below | A, A-1 | A, A-1 | A- 1 |
| Adopted Budget | A- 2 | \$ 68,831,268.96 | | | | |
| Approp. by N.J.S.A. 40A:4-87 | A- 2 | <u>250,569.99</u> | | | | |
| | | <u>\$ 69,081,838.95</u> | | | | |
| Cash Disbursed | A- 4 | | \$ 55,939,936.60 | | | |
| Reserve for Uncollected Taxes | A- 7 | | 1,963,776.69 | | | |
| Reserve for Tax Appeals | A-10 | | 3,500,000.00 | | | |
| General Capital Fund - Capital Improvement Fund | A-11 | | 45,000.00 | | | |
| Due to Senior Housing Operating | A-11 | | 8,000.00 | | | |
| Due to State and Federal Grants Fund | A-12 | | <u>292,679.99</u> | | | |
| | | | <u>\$ 61,749,393.28</u> | | | |

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017

| ASSETS | REF. | BALANCE DEC. 31, 2018 | BALANCE DEC. 31, 2017 | LIABILITIES, RESERVES AND FUND BALANCE | REF. | BALANCE DEC. 31, 2018 | BALANCE DEC. 31, 2017 |
|----------------------------------|------|--------------------------|--------------------------|---|-----------|--------------------------|--------------------------|
| Animal Control Fund: | | | | Animal Control Fund: | | | |
| Cash and Investments - Treasurer | B- 1 | \$ 38,936.28 | \$ 21,980.16 | Due to State of New Jersey | B- 1 | \$ 6.60 | \$ 10.20 |
| | | | | Reserve for Animal Control Expenditures | B- 1 | 38,929.68 | 21,969.96 |
| Total Animal Control Fund | | 38,936.28 | 21,980.16 | Total Animal Control Fund | | 38,936.28 | 21,980.16 |
| Other Trust Funds: | | | | Other Trust Funds: | | | |
| Cash and Investments - Treasurer | B- 1 | 24,159,805.13 | 25,846,000.46 | Payroll Liabilities | B- 1 | 185,411.56 | 243,992.73 |
| | | | | Unemployment Insurance Trust Fund | B- 1 | 563,847.48 | 543,775.60 |
| | | | | Forfeited Funds | B- 1 | 12,903.64 | |
| | | | | Miscellaneous Deposits | B- 1, B-3 | 7,208,479.23 | 9,007,262.40 |
| | | | | Affordable Housing | B- 1 | 6,214,298.22 | 3,855,562.99 |
| | | | | Recreation Trust | B- 1 | 10,390.53 | 3,261.47 |
| | | | | Schedule of Escrows | B-1, B- 2 | 9,964,474.47 | 12,192,145.27 |
| Total Other Trust Fund | | 24,159,805.13 | 25,846,000.46 | Total Other Trust Fund | | 24,159,805.13 | 25,846,000.46 |
| Public Assistance Fund: | | | | Public Assistance Fund: | | | |
| Cash and Investments - Treasurer | B- 1 | 14,411.35 | 13,411.35 | Reserve for Public Assistance | B- 1 | 14,411.35 | 13,411.35 |
| Total Public Assistance Fund | | 14,411.35 | 13,411.35 | Total Public Assistance Fund | | 14,411.35 | 13,411.35 |
| Grand Total | | \$ 24,213,152.76 | \$ 25,881,391.97 | | | \$ 24,213,152.76 | \$ 25,881,391.97 |

Note: See Notes to Financial Statements.

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017

| | <u>REF.</u> | <u>BALANCE DEC. 31, 2018</u> | <u>BALANCE DEC. 31, 2017</u> |
|---|-------------|----------------------------------|----------------------------------|
| <u>ASSETS</u> | | | |
| Cash, Cash Equivalents and Investments | C- 2 | \$ 9,144,052.73 | \$ 1,692,606.21 |
| Federal and State Grants Receivable | C-16 | 93,750.00 | 375,000.00 |
| Deferred Charges to Future Taxation: | | | |
| Funded | C- 3 | 43,488,000.00 | 35,248,000.00 |
| Unfunded | C- 4 | 88,417,435.94 | 58,053,971.08 |
| Total Assets | | <u>\$ 141,143,238.67</u> | <u>\$ 95,369,577.29</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| General Serial Bonds | C-7 | \$ 43,488,000.00 | \$ 35,248,000.00 |
| Bond Anticipation Notes | C-15 | | 5,000,000.00 |
| Improvement Authorizations: | | | |
| Funded | C- 7 | 6,285,593.70 | 4,989,208.56 |
| Unfunded | C- 7 | 37,375,118.78 | 36,878,770.24 |
| Reserve for Encumbrances | C- 7 | 44,738,416.29 | 5,260,162.81 |
| Capital Improvement Fund | C- 5 | 1,566,346.90 | 205,636.90 |
| Contributions - Off-Site Improvements | C- 6 | 2,077,763.48 | 2,008,033.48 |
| Reserve for Preliminary Expenses | C-10 | 270,953.16 | 473,160.49 |
| Contributions - Tree Contributions | C-11 | 40,000.00 | 6,000.00 |
| Reserve: Stelton Streetscape | C-12 | 20,250.00 | 20,250.00 |
| Reserve: Community Center | C-13 | 3,716,110.35 | 4,498,536.00 |
| Fund Balance | C- 1 | 1,564,686.01 | 781,818.81 |
| Total Liabilities, Reserves and Fund Balance | | <u>\$ 141,143,238.67</u> | <u>\$ 95,369,577.29</u> |
| Bonds & Notes Authorized but not Issued | C-17 | <u>\$ 88,417,435.94</u> | <u>\$ 53,053,971.08</u> |
| Note: See Notes to Financial Statements | | | |

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
 STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE PERIOD ENDED DECEMBER 31, 2018

| | <u>REF.</u> | |
|-----------------------------------|-------------|--|
| Balance - December 31, 2017 | C | \$ 781,818.81 |
| Increased by: | | |
| Premium on Sale of Serial Bonds | C-2 | <u>\$ 1,562,867.20</u> 1,562,867.20 |
| | | 2,344,686.01 |
| Decreased by: | | |
| Down payment on Improvement Auth. | C-7 | <u>780,000.00</u> 780,000.00 |
| Balance - December 31, 2018 | C | <u>\$ 1,564,686.01</u> |

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - D

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017

| <u>ASSETS</u> | <u>REF.</u> | <u>BALANCE</u> <u>DEC. 31, 2018</u> | <u>BALANCE</u> <u>DEC. 31, 2017</u> | <u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u> | <u>REF.</u> | <u>BALANCE</u> <u>DEC. 31, 2018</u> | <u>BALANCE</u> <u>DEC. 31, 2017</u> |
|--|-------------|--|--|---|-------------|--|--|
| Operating Fund: | | | | Operating Fund: | | | |
| Cash and Investments - Treasurer | D- 5 | \$ 9,329,346.28 | \$ 6,949,934.78 | Appropriation Reserves | D-4, D-11 | \$ 1,085,262.59 | \$ 1,234,169.88 |
| Change Fund - Collector | D | 100.00 | 100.00 | Reserve for Encumbrances | D-4, D-11 | 1,542,506.13 | 122,709.38 |
| | | <u>9,329,446.28</u> | <u>6,950,034.78</u> | Accrued Interest Payable | D-12 | 19,157.81 | 21,766.15 |
| | | | | Prepaid Sewer Charges | D-13 | 27,301.13 | 13,482.86 |
| | | | | Accounts Payable | D-15 | <u>277,221.23</u> | <u>365,709.75</u> |
| | | | | | | <u>2,951,448.89</u> | <u>1,757,838.02</u> |
| Receivables and Inventory With Offsetting Reserves: | | | | | | | |
| Sewer Charges Receivable | D- 8 | <u>826,833.14</u> | <u>1,079,589.80</u> | Reserve for Receivables | Reserve | 826,833.14 | 1,079,589.80 |
| | | <u>826,833.14</u> | <u>1,079,589.80</u> | Fund Balance | D-1 | <u>6,377,997.39</u> | <u>5,192,196.76</u> |
| | | | | | | | |
| Total Operating Fund | | <u>10,156,279.42</u> | <u>8,029,624.58</u> | Total Operating Fund | | <u>10,156,279.42</u> | <u>8,029,624.58</u> |
| Capital Fund: | | | | Capital Fund: | | | |
| Cash and Investments - Treasurer | D- 5 | 5,371,302.50 | 6,027,240.42 | Serial Bonds Payable | D-23 | 2,280,000.00 | 2,520,000.00 |
| Fixed Capital | D- 9 | 14,992,561.49 | 14,992,561.49 | Reserve for Encumbrances | D-16 | 816,644.64 | 547,756.85 |
| Fixed Capital Authorized and Uncompleted | D-10 | <u>14,655,000.00</u> | <u>14,325,000.00</u> | Improvement Authorizations: | | | |
| | | | | Funded | D-16 | 4,553,967.89 | 5,478,793.60 |
| | | | | Reserve for Amortization | D-20 | 19,545,061.49 | 19,294,061.49 |
| | | | | Deferred Reserve for Amortization | D-17 | 7,822,500.00 | 7,503,500.00 |
| | | | | Fund Balance | D- 2 | <u>689.97</u> | <u>689.97</u> |
| | | | | | | | |
| Total Capital Fund | | <u>35,018,863.99</u> | <u>35,344,801.91</u> | Total Capital Fund | | <u>35,018,863.99</u> | <u>35,344,801.91</u> |
| | | | | | | | |
| Grand Total | | <u>\$ 45,175,143.41</u> | <u>\$ 43,374,426.49</u> | Grand Total | | <u>\$ 45,175,143.41</u> | <u>\$ 43,374,426.49</u> |

There were no Bonds and Notes Authorized but Not Issued at December 31, 2018.

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit - D-1

SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE CALENDAR YEARS ENDED DECEMBER 31, 2018 AND 2017

| <u>REVENUE AND OTHER INCOME</u> | | <u>CY 2018</u> | <u>CY 2017</u> |
|--|----------|--------------------------|--------------------------|
| Fund Balance Utilized | D-1,D- 3 | \$ 1,000,000.00 | \$ 1,943,050.00 |
| Sewer Charges | D- 3 | 11,477,651.98 | 10,909,169.94 |
| Connection Fees | D- 3 | 439,380.00 | 1,239,990.00 |
| Interest on Investments | D- 3 | 60,172.92 | 8,141.59 |
| Interest on Delinquent Accounts | D- 3 | 53,706.21 | 66,658.31 |
| Other Credits to Income: | | | |
| Miscellaneous Revenue | D- 3 | 69,300.60 | 13,122.00 |
| Unexpend. Balance of Appropriation Reserves Lapsed and Reserve for Encumb. Canceled | D-11 | <u>1,182,980.58</u> | <u>1,997,176.72</u> |
| Total Revenues | | <u>14,283,192.29</u> | <u>16,177,308.56</u> |
| <u>EXPENDITURES</u> | | | |
| Budget and Emergency Appropriations: | | | |
| Operating | D- 4 | \$ 9,642,548.37 | \$ 9,320,000.00 |
| Capital Improvements | D- 4 | 1,800,000.00 | 2,000,000.00 |
| Debt Service | D- 4 | 321,079.16 | 369,881.25 |
| Deferred Charges and Statutory Expend. | D- 4 | <u>333,764.13</u> | <u>323,200.00</u> |
| Total Expenditures | | <u>12,097,391.66</u> | <u>12,013,081.25</u> |
| Excess/(Deficit) in Revenues | | 2,185,800.63 | 4,164,227.31 |
| <u>FUND BALANCE</u> | | | |
| Balance - January 1 | D | <u>5,192,196.76</u> | <u>2,971,019.45</u> |
| | | 7,377,997.39 | 7,135,246.76 |
| Decreased by: | | | |
| Utilized as Anticipated Revenue | D-1 | <u>1,000,000.00</u> | <u>1,943,050.00</u> |
| Balance - December 31 | D | <u>\$ 6,377,997.39</u> | <u>\$ 5,192,196.76</u> |

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

Exhibit D-2

SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

REF

| | | |
|--------------------------------------|---|------------------|
| Balance - December 31, 2018 and 2017 | D | <u>\$ 689.97</u> |
|--------------------------------------|---|------------------|

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2018

| | <u>REF.</u> | <u>CY 2018 BUDGET</u> | <u>REALIZED</u> | <u>EXCESS OR (DEFICIT)</u> |
|---------------------------------|-------------|---------------------------|-------------------------|--------------------------------|
| Fund Balance | D- 1 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ - |
| Sewer Service Charges | D- 1,D-3 | 11,000,000.00 | 11,477,651.98 | 477,651.98 |
| Sewer Connection Fees & Permits | D- 1,D-3 | 50,000.00 | 439,380.00 | 389,380.00 |
| Miscellaneous: Interest | D- 1,D-3 | 1,000.00 | 60,172.92 | 59,172.92 |
| Interest on Delinquencies | D- 1,D-3 | 49,000.00 | 53,706.21 | 4,706.21 |
| Total | | <u>\$ 12,100,000.00</u> | <u>\$ 13,030,911.11</u> | <u>\$ 930,911.11</u> |

Ref. D-4

Analysis of Realized Revenues:

Sewer Service Charges:

| | | |
|----------------------|------|-------------------------|
| Prepays Applied | D-13 | \$ 13,482.86 |
| Overpayments Applied | D-14 | 19.30 |
| Collected | D- 8 | <u>11,464,149.82</u> |
| | D- 3 | <u>\$ 11,477,651.98</u> |

Connection Fees:

| | | |
|-----------------------|---------|----------------------|
| Received by Collector | D-3,D-6 | <u>\$ 439,380.00</u> |
|-----------------------|---------|----------------------|

Interest on Delinquent Accounts:

| | | |
|-----------|---------|---------------------|
| Collected | D-3,D-6 | <u>\$ 53,706.21</u> |
|-----------|---------|---------------------|

Interest on Investments:

| | | |
|---------------|------|---------------------|
| Collected | D-5 | \$ 33,762.72 |
| Sewer Capital | D-20 | <u>26,410.20</u> |
| | D-3 | <u>\$ 60,172.92</u> |

Miscellaneous Revenue:

| | | |
|-----------------------|-----|---------------------|
| Received by Collector | D-6 | \$ 440.00 |
| Collected | D-5 | <u>68,860.60</u> |
| | D-1 | <u>\$ 69,300.60</u> |

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

| | CY 2018 BUDGET | BUDGET AFTER MODIFICATION | EXPENDED | | RESERVED | UNEXPENDED BALANCE CANCELLED |
|---|-------------------------|------------------------------|------------------------|------------------------|------------------------|------------------------------------|
| | | | PAID OR CHARGED | ENCUMBERED | | |
| Operating: | | | | | | |
| Salaries and Wages | \$ 1,632,000.00 | \$ 1,632,000.00 | \$ 1,602,277.72 | \$ - | \$ 29,722.28 | \$ - |
| Other Expenses | 1,910,548.37 | 1,910,548.37 | 1,319,604.13 | 125,570.13 | 465,374.11 | |
| Middlesex County Utilities Authority Service Charges - Contractual | 6,100,000.00 | 6,100,000.00 | 5,509,826.80 | 7.00 | 590,166.20 | |
| Capital Improvements: | | | | | | |
| Down Payments on Improvements | 300,000.00 | 300,000.00 | 300,000.00 | | | |
| Capital Outlay | 1,500,000.00 | 1,500,000.00 | 83,071.00 | 1,416,929.00 | | |
| Debt Service: | | | | | | |
| Payment on Bond Principle | 240,000.00 | 240,000.00 | 240,000.00 | | | |
| Interest on Bonds | 83,687.50 | 83,687.50 | 81,079.16 | | | 2,608.34 |
| Deferred Charges and Statutory Expenditures: | | | | | | |
| Public Employees' Retirement System | 203,764.13 | 203,764.13 | 203,764.13 | | | |
| Social Security System (O.A.S.I.) | 130,000.00 | 130,000.00 | 130,000.00 | | | |
| Unfunded Bond Ordinances | | | | | | |
| Deficit in Operations Prior Years | | | | | | |
| Total Sewer Utility Appropriations | <u>\$ 12,100,000.00</u> | <u>\$ 12,100,000.00</u> | <u>\$ 9,469,622.94</u> | <u>\$ 1,542,506.13</u> | <u>\$ 1,085,262.59</u> | <u>\$ 2,608.34</u> |
| | Ref. D- 3 | D-3 | Below | D,D-1 | D,D-1 | |
| Cash Disbursements | D- 5 | | \$ 9,388,543.78 | | | |
| Accrued Interest | D-12 | | 81,079.16 | | | |
| | | | <u>\$ 9,469,622.94</u> | | | |

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

SENIOR CITIZENS HOUSING UTILITY FUND
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017

| <u>ASSETS</u> | <u>REF.</u> | <u>BALANCE DEC.31, 2018</u> | <u>BALANCE DEC.31, 2017</u> | <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | <u>REF.</u> | <u>BALANCE DEC.31, 2018</u> | <u>BALANCE DEC.31, 2017</u> |
|--|-------------|---------------------------------|---------------------------------|---|-------------|---------------------------------|---------------------------------|
| Operating Fund: | | | | Operating Fund: | | | |
| Cash and Investments - Treasurer | E- 5 | \$ 1,418,667.97 | \$ 1,393,734.34 | Appropriation Reserves | E-4, E-7 | \$ 17,127.08 | \$ 258,426.62 |
| | | <u>1,418,667.97</u> | <u>1,393,734.34</u> | Reserve for Encumbrances | E-4, E-7 | 250,791.17 | 169,818.84 |
| | | | | Accounts Payable | E- 7 | 28,765.06 | 28,715.06 |
| | | | | Accrued Interest on Bonds | E- 8 | 30,687.50 | 37,281.25 |
| | | | | Security Deposits | E- 9 | <u>124,332.98</u> | <u>127,379.24</u> |
| | | | | | | 451,703.79 | 621,621.01 |
| | | | | Fund Balance | E- 1 | <u>966,964.18</u> | <u>772,113.33</u> |
| Total Operating Fund | | <u>1,418,667.97</u> | <u>1,393,734.34</u> | Total Operating Fund | | <u>1,418,667.97</u> | <u>1,393,734.34</u> |
| Capital Fund: | | | | Capital Fund: | | | |
| Cash and Investments - Treasurer | E- 5 | 2,620,665.82 | 626,565.82 | Serial Bonds Payable | E-12 | 1,130,000.00 | 1,415,000.00 |
| Fixed Capital | E-15 | 10,351,052.26 | 10,351,052.26 | Improvement Authorizations: | | | |
| Fixed Capital Authorized and Uncompleted | E-16 | <u>4,283,000.00</u> | <u>2,283,000.00</u> | Funded | E-11 | 2,058,376.55 | 310,352.33 |
| | | | | Reserve for: | | | |
| | | | | Encumbrances | E-11 | 246,075.78 | |
| | | | | Capital Improvement Fund | E-13 | 244,035.75 | 244,035.75 |
| | | | | Amortization | E-10 | 10,621,052.26 | 10,336,052.26 |
| | | | | Deferred Amortization | E-14 | 2,883,000.00 | 883,000.00 |
| | | | | Fund Balance | E- 2 | <u>72,177.74</u> | <u>72,177.74</u> |
| Total Capital Fund | | <u>17,254,718.08</u> | <u>13,260,618.08</u> | Total Capital Fund | | <u>17,254,718.08</u> | <u>13,260,618.08</u> |
| | | <u>\$ 18,673,386.05</u> | <u>\$ 14,654,352.42</u> | | | <u>\$ 18,673,386.05</u> | <u>\$ 14,654,352.42</u> |

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

SENIOR CITIZEN HOUSING UTILITY OPERATING FUND
 STATEMENT OF OPERATIONS AND
 CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

| <u>REVENUE AND OTHER INCOME</u> | | <u>CY 2018</u> | <u>CY 2017</u> |
|---|------|--------------------------|--------------------------|
| Fund Balance Utilized | E- 3 | \$ 190,000.00 | \$ 174,125.00 |
| Rental Income | E- 3 | 1,411,136.97 | 1,398,220.80 |
| Interest on Investments | E- 3 | 9,290.82 | 1,227.32 |
| Other Credits to Income: | | | |
| Non-Budget Revenue | E- 3 | 9,350.54 | 13,603.03 |
| Unexpend. Balance of Appropriation Reserves Lapsed | E- 7 | <u>348,169.99</u> | <u>426,363.34</u> |
| Total Revenues | | <u>1,967,948.32</u> | <u>2,013,539.49</u> |
| <u>EXPENDITURES</u> | | | |
| Budget and Emergency Appropriations: | | | |
| Operating | E- 4 | \$ 1,152,565.00 | \$ 1,154,309.00 |
| Capital Improvements | E- 4 | 100,000.00 | 130,000.00 |
| Debt Service | E- 4 | 325,781.25 | 337,531.25 |
| Deferred Charges and Statutory Expend. | E- 4 | 3,060.00 | 5,271.00 |
| Refund of Prior Year Revenue | E- 5 | <u>1,691.22</u> | <u>2.00</u> |
| Total Expenditures | | <u>1,583,097.47</u> | <u>1,627,113.25</u> |
| Excess/(Deficit) in Revenues | | 384,850.85 | 386,426.24 |
| Statutory Excess to Fund Balance | | 384,850.85 | 386,426.24 |
| <u>FUND BALANCE</u> | | | |
| Balance - January 1 | E | <u>772,113.33</u> | <u>559,812.09</u> |
| | | 1,156,964.18 | 946,238.33 |
| Decreased by: | | | |
| Utilized as Anticipated Revenue | E- 1 | <u>190,000.00</u> | <u>174,125.00</u> |
| Balance - December 31 | E | <u>\$ 966,964.18</u> | <u>\$ 772,113.33</u> |

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

| | <u>REF.</u> | |
|--------------------------------------|-------------|---------------------|
| Balance - December 31, 2018 and 2017 | E | <u>\$ 72,177.74</u> |

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

SENIOR CITIZENS HOUSING UTILITY OPERATING FUND
 STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>REF.</u> | CY 2018 <u>BUDGET</u> | <u>REALIZED</u> | EXCESS OR <u>(DEFICIT)</u> |
|-------------------------|-------------|-----------------------------|------------------------|-------------------------------|
| Fund Balance | E-1 | \$ 190,000.00 | \$ 190,000.00 | \$ - |
| Rental Income | E-1,E-3 | 1,398,000.00 | 1,411,136.97 | 13,136.97 |
| Interest on Investments | E-1,E-3 | <u> </u> | <u>9,290.82</u> | <u>9,290.82</u> |
| | | <u>1,588,000.00</u> | <u>1,610,427.79</u> | <u>22,427.79</u> |
| Non-Budget Revenues | E-1,E-3 | <u> </u> | <u>9,350.54</u> | <u>9,350.54</u> |
| | | <u>\$ 1,588,000.00</u> | <u>\$ 1,619,778.33</u> | <u>\$ 31,778.33</u> |
| | <u>Ref.</u> | E-4 | | |

Analysis of Realized Revenues:

Analysis of Rental Income:

| | | |
|---------------|---------|------------------------|
| Rental Income | E-3,E-5 | <u>\$ 1,411,136.97</u> |
|---------------|---------|------------------------|

Analysis of Non-Budget Revenues:

| | | |
|-------------------|---------|--------------------|
| Laundromat Income | | \$ 5,837.50 |
| Miscellaneous | | 2,823.59 |
| Deposit Withheld | | 314.45 |
| Late Fees | | 345.00 |
| Replacement Key | | <u>30.00</u> |
| | E-3,E-5 | <u>\$ 9,350.54</u> |

Analysis of Interest on Investments:

| | | |
|-------------------------------|------|--------------------|
| Senior Citizen Capital Fund | E-17 | \$ 9,279.74 |
| Senior Citizen Operating Fund | E-5 | <u>11.08</u> |
| | E-3 | <u>\$ 9,290.82</u> |

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

SENIOR CITIZENS HOUSING UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

| | CY 2018 <u>BUDGET</u> | BUDGET AFTER <u>MODIFICATION</u> | <u>EXPENDED</u> | | | <u>UNEXPENDED BALANCE CANCELLED</u> |
|--|--------------------------|-------------------------------------|----------------------------|----------------------|---------------------|---|
| | | | <u>PAID OR CHARGED</u> | <u>ENCUMBERED</u> | <u>RESERVED</u> | |
| Operating: | | | | | | |
| Salaries and Wages | \$ 40,000.00 | \$ 40,000.00 | \$ 39,143.07 | | \$ 856.93 | |
| Other Expenses | 1,112,565.00 | 1,112,565.00 | 885,010.36 | \$ 218,498.62 | 9,056.02 | |
| Debt Service: | | | | | | |
| Payment on Bond Principle | 285,000.00 | 285,000.00 | 285,000.00 | | | |
| Interest on Bonds | 47,375.00 | 47,375.00 | 40,781.25 | | | \$ 6,593.75 |
| Deferred Charges and Statutory Expenditures: | | | | | | |
| Emergency Authorizations | | | | | | |
| Statutory Expenditures: | | | | | | |
| Social Security System (O.A.S.I.) | 3,060.00 | 3,060.00 | 3,060.00 | | | |
| Capital Improvements: | | | | | | |
| Capital Improvement Fund | <u>100,000.00</u> | <u>100,000.00</u> | <u>60,493.32</u> | <u>32,292.55</u> | <u>7,214.13</u> | |
| Total Senior Citizen Housing Appropriations | <u>\$ 1,588,000.00</u> | <u>\$ 1,588,000.00</u> | <u>\$ 1,313,488.00</u> | <u>\$ 250,791.17</u> | <u>\$ 17,127.08</u> | <u>\$ 6,593.75</u> |
| | <u>Ref.</u> | | | | | |
| | E- 3 | E- 3 | E-1 | E | E | E-1 |
| Cash Disbursements | E- 5 | | \$ 1,272,706.75 | | | |
| Accrued Interest on Bonds | E- 8 | | <u>40,781.25</u> | | | |
| | | | <u>\$ 1,313,488.00</u> | | | |

Note: See Notes to Financial Statements

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

STATEMENT OF GOVERNMENTAL FIXED ASSETS
 REGULATORY BASIS
DECEMBER 31, 2018 AND 2017

| | <u>BALANCE</u> <u>DEC. 31, 2018</u> | <u>BALANCE</u> <u>DEC. 31, 2017</u> |
|--|--|--|
| Governmental Fixed Assets: | | |
| Land | \$ 26,173,800.00 | \$ 26,208,900.00 |
| Buildings and Improvements | 17,110,200.00 | 17,110,200.00 |
| Machinery and Equipments | <u>29,671,762.00</u> | <u>27,598,123.00</u> |
| Total Governmental Fixed Assets | <u><u>72,955,762.00</u></u> | <u><u>70,917,223.00</u></u> |
| | | |
| Investments in Governmental Fixed Assets | <u><u>72,955,762.00</u></u> | <u><u>70,917,223.00</u></u> |

Notes: See Notes to Financial Statements

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

**NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS
THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

Note 1: FORM OF GOVERNMENT

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Description of Funds

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

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

B. Description of Funds (Cont'd.)

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

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

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

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

C. Basis of Accounting and Measurement Focus

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

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

GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable, with the exception of Sewer Utility consumer charges and Senior Citizen Housing Utility rent, which should be recognized in the period they are earned and become measurable.

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

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

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

For the purposes of calculating the results of Current Fund operations, the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories of overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the balance sheet of the affected Fund. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. The status of deferred charges at December 31, 2018 is set forth in Note 7.

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

Compensated Absences - The Township has adopted a written policy which sets forth the terms under which an employee may accumulate earned, but unused, vacation and sick leave, establishes the limits on such accumulations and specifies the conditions under which the right to receive payment for such accumulations vests with the employee.

The Township records expenditures for payments of earned and unused vacation and sick leave in the accounting period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available financial resources, and that expenditures be recorded in the enterprise (Sewer Utility and Senior Citizens Housing Utility) fund on a full accrual basis.

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

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

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

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

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

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

Sale of Municipal Assets - Cash proceeds from the sale of Township owned property may be realized as revenue or reserved until utilized as an item of revenue in a subsequent year budget. The Township has reserved amounts of proceeds from property sales totaling \$745,496.13 at December 31, 2018 and \$601,996.13 at December 31, 2017. GAAP requires that revenue be recognized in the accounting period that the terms of the sales contracts become legally enforceable.

Governmental Fixed Assets - Property and equipment purchased by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. Property and equipment purchased by the Sewer Utility Fund and the Senior Housing Utility are recorded in their respective capital accounts at cost and are adjusted for dispositions and abandonment. Contributions in aid of construction are not capitalized.

The balances in the Reserve for Amortization and Deferred Reserve for amortization accounts in the Utility Funds represent charges to operations for the costs of acquisitions of property, equipment and improvements, and costs funded from sources other than bonded debt of the utility. The utility does not record depreciation on fixed assets.

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

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

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

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

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

Disclosures About Fair Value of Financial Instruments

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

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

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

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

Disclosures About OPEB Liabilities - With the implementation of GASB 75 for disclosure purposes, the Township has included information for OPEB (Postemployment Benefits Other Than Pensions) liabilities relating to healthcare benefits provided to its retirees within the Notes to the Financial Statements and the accompanying required supplementary information, if applicable. As the Township does not present entity-wide financial statements, it does not present on the face of its financial statements its proportionate share of the OPEB liability of the defined benefit healthcare plans in which its retirees are enrolled. GAAP requires the recognition of the OPEB liability and associated deferred inflows and deferred outflows of financial resources in the entity-wide financial statements.

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

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

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

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

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

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

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

GASB issued Statement No. 89 "Accounting for Interest Cost Incurred Before the End of a Construction Period" in June 2018. The objective of this statement are to (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

GASB issued Statement No. 90 "Majority Equity Interests- An Amendment of GASB Statements No. 14 and No. 61" in August 2018. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

The Township does not prepare its financial statements in accordance with generally accepted accounting principles. Unless these new standards are incorporated into the other comprehensive basis of accounting that is utilized by the Township through legislation or rulemaking they will not become part of the standards followed by the Township for financial reporting. The Division of Local Government Services has adopted rules which require full disclosure in the Notes to Financial Statements of OPEB related matters, as set forth in GASB Statement No. 75, based upon the GASB implementation schedule. See Note 12 for a description of matters relating to GASB 75.

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

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

Governmental Fixed Assets – N.J.A.C. 5:30-5.6 established a mandate for fixed asset accounting by municipalities, effective December 31, 1985. The Township has complied with the mandate, formerly known as Technical Accounting Directive No. 85-2. Fixed assets used in governmental operations are accounted for in the reporting of Governmental Fixed Assets. Public domain (infrastructure) governmental fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except for land, which is valued at estimated market value. No depreciation is provided for in the financial statements. Expenditures for construction in progress are recorded in the Capital Funds until such time as construction is completed and put into operation. Fixed assets acquired through grants in aid or contributed capital is not accounted for separately.

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION - DECEMBER 31, 2018

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

A. SUMMARY OF MUNICIPAL DEBT - YEAR ENDED DECEMBER 31, 2018

| | <u>CY 2018</u> | <u>CY 2017</u> |
|---|-------------------|------------------|
| <u>Issued:</u> | | |
| General: | | |
| Bonds and Notes | \$ 43,488,000.00 | \$ 40,248,000.00 |
| Sewer Utility: | | |
| Bonds and Notes | 2,280,000.00 | 2,520,000.00 |
| Senior Citizens Housing Utility: | | |
| Bonds and Notes | 1,130,000.00 | 1,415,000.00 |
| Net Debt Issued | \$ 46,898,000.00 | \$ 44,183,000.00 |
| <u>Authorized But Not Issued:</u> | | |
| General: | | |
| Bonds and Notes | 88,417,435.94 | 53,053,971.08 |
| Sewer Utility: | | |
| Bonds and Notes | | |
| Senior Citizens Housing Utility: | | |
| Bonds and Notes | | |
| Total Authorized But Not Issued | 88,417,435.94 | 53,053,971.08 |
| Net Bonds and Notes Issued and Authorized but not Issued | \$ 135,315,435.94 | \$ 97,236,971.08 |

Summarized below are the Township's individual bond issues which are outstanding at December 31, 2018

| | <u>CY 2018</u> | <u>CY 2017</u> |
|--|-----------------|-----------------|
| <u>General Debt:</u> | | |
| \$17,710,000 General Improvement Bonds of 2009, due in annual installments of \$1,700,000 to \$1,960,000 through March 2021, interest at 4.000% to 5.000%. | \$ 5,560,000.00 | \$ 7,260,000.00 |
| \$4,564,000 General Improvement Bonds of 2011, due in annual installments of \$500,000 to \$564,000 through February 2021, interest at 4.00% | 1,589,000.00 | 2,089,000.00 |
| \$7,820,000 Tax Appeal Refunding Bonds, Series B of 2011, due in annual installments of \$1,220,000 through February 2018, interest at 4.00% | | 1,220,000.00 |

NOTES TO FINANCIAL STATEMENTS

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

| | <u>CY 2018</u> | <u>CY 2017</u> |
|--|-------------------------|-------------------------|
| \$5,884,000 General Improvement Refunding Bonds of 2012, due in installment of \$1,034,000 through December 2019, interest annual at 3.000%. | \$ 1,034,000.00 | \$ 1,984,000.00 |
| \$8,100,000 General Improvement Bonds of 2014, due in annual installments of \$800,000 to \$1,000,000 through December 2024, interest at 3.000%. | 5,600,000.00 | 6,350,000.00 |
| \$9,800,000 General Improvement Bonds of 2015, due in annual installments of \$875,000 to \$1,400,000 through December 2025, interest at 2.000% to 4.000%. | 7,500,000.00 | 8,325,000.00 |
| \$5,200,000 General Improvement Bonds of 2016, due in annual installments of \$375,000 to \$1,625,000 through December 2027, interest at 3.000% to 4.000%. | 4,525,000.00 | 4,875,000.00 |
| \$3,145,000 General Improvement Refunding Bonds of 2017, due in annual installment of \$1,565,000 through November 2019, interest at 3.000% to 4.000%. | 1,565,000.00 | 3,145,000.00 |
| \$5,000,000 of Bond Anticipation Notes Issued December 27, 2017 due December 2, 2018 at interest of 3.000% | | 5,000,000.00 |
| \$13,615,000 General Obligations Bonds of 2018, due in annual installments of \$750,000 to \$1,500,000 through December 2080 interest at 3.00% to 5.00% | 13,615,000.00 | |
| \$2,500,000 Special Assessment Bonds of 2018, due in annual installments of \$125,000 through December 2038, interest at 3.00% to 5.00% | <u>2,500,000.00</u> | |
| Total General Capital Debt | <u>\$ 43,488,000.00</u> | <u>\$ 40,248,000.00</u> |
| <u>Senior Citizen Housing Utility Debt:</u> | | |
| \$2,204,500 Senior Citizen Housing Refunding Bonds of 2001, due in annual installment of \$180,000 through August 2019, interest at 5.00% | \$ 180,000.00 | \$ 340,000.00 |
| \$1,400,000 General Improvement Bonds of 2014, due in annual installments of \$150,000 to \$175,000 through December 2024, interest at 3.000%. | <u>950,000.00</u> | <u>1,075,000.00</u> |
| Total Senior Housing Utility Debt | <u>\$ 1,130,000.00</u> | <u>\$ 1,415,000.00</u> |

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

Sewer Utility Debt:

| | | | | |
|--|----|-----------------------------|----|-----------------------------|
| \$1,200,000 Sewer Utility Bonds of 2009, due in annual intallments of \$80,000 to \$100,000 through March 2025, interest at 4.125% to 5.000%. | \$ | 630,000.00 | \$ | 710,000.00 |
| | | | | |
| \$700,000 Sewer Utility Bonds of 2011, due in annual intallments of \$75,000 to \$100,000 through February 2021, interest at 4.000%. | | 275,000.00 | | 350,000.00 |
| | | | | |
| \$1,460,000 Sewer Improvement Refunding Bonds of 2017, due in annual installments of \$85,000 to \$110,0000 through November 2032, interest at 2.000% to 4.000%. | | <u>1,375,000.00</u> | | <u>1,460,000.00</u> |
| | | | | |
| Total Sewer Utility Debt | \$ | <u>2,280,000.00</u> | \$ | <u>2,520,000.00</u> |
| | | | | |
| Total Debt | \$ | <u><u>46,898,000.00</u></u> | \$ | <u><u>44,183,000.00</u></u> |

NOTES TO FINANCIAL STATEMENTS

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

B. Summary of Statutory Debt Condition - Annual Debt Statement 2018

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

| <u>2018</u> | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|-------------------------------------|--------------------------|-------------------------|--------------------------|
| Local School District Debt | \$ 13,485,000.00 | \$ 13,485,000.00 | |
| Sewer Utility Debt | 2,280,000.00 | 2,280,000.00 | |
| Senior Citizen Housing Utility Debt | 1,130,000.00 | 1,130,000.00 | |
| General Debt | 131,905,435.94 | | \$ 131,905,435.94 |
| | <u>\$ 148,800,435.94</u> | <u>\$ 16,895,000.00</u> | <u>\$ 131,905,435.94</u> |

Net Debt \$131,905,435.94 Divided By Average Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended 7,227,724,290.67 = 1.825%

Average Equalized Valuation Basis

| | |
|---------------------------------------|----------------------------|
| 2016 Equalized Value of Real Property | \$ 6,932,378,235.00 |
| 2017 Equalized Value of Real Property | 6,939,586,673.00 |
| 2018 Equalized Value of Real Property | <u>7,811,207,964.00</u> |
| Average Equalized Valuation | <u>\$ 7,227,724,290.67</u> |

| <u>2017</u> | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|-------------------------------------|--------------------------|-------------------------|-------------------------|
| Local School District Debt | \$ 16,490,000.00 | \$ 16,490,000.00 | |
| Sewer Utility Debt | 2,520,000.00 | 2,520,000.00 | |
| Senior Citizen Housing Utility Debt | 1,415,000.00 | 1,415,000.00 | |
| General Debt | 93,301,971.08 | | \$ 93,301,971.08 |
| | <u>\$ 113,726,971.08</u> | <u>\$ 20,425,000.00</u> | <u>\$ 93,301,971.08</u> |

Net Debt \$93,301,971.08 Divided By Average Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended 6,887,321,009.00 = 1.355%

Average Equalized Valuation Basis

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

NOTES TO FINANCIAL STATEMENTS

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

B. SUMMARY OF STATUTORY DEBT CONDITION

ANNUAL DEBT STATEMENT (CONT'D.)

2018

2017

Borrowing Power Under N.J.S.A. 40A:2-6 As Amended

| | | |
|---|-----------------------|----------------------|
| 3 1/2% of Equalized Valuation Basis Municipal | \$252,970,350.17 | \$ 241,056,235.32 |
| Net Debt | <u>131,905,435.94</u> | <u>93,301,971.08</u> |

| | | |
|---------------------------|--------------------------|--------------------------|
| Remaining Borrowing Power | <u>\$ 121,064,914.23</u> | <u>\$ 147,754,264.24</u> |
|---------------------------|--------------------------|--------------------------|

Calculation of "Self-Liquidating Purpose"

Sewer Utility Per N.J.S.A. 40A:2-45

Cash Receipts from Fees, Rents or Other

| | | |
|------------------|------------------|------------------|
| Charges for Year | \$ 13,100,211.71 | \$ 14,186,100.59 |
|------------------|------------------|------------------|

Deductions:

| | | |
|--------------------------------|-------------------|-------------------|
| Operating and Maintenance Cost | \$9,976,312.50 | \$ 9,643,200.00 |
| Debt Service per Sewer Account | <u>321,079.16</u> | <u>375,850.00</u> |

| | | |
|------------------|----------------------|----------------------|
| Total Deductions | <u>10,297,391.66</u> | <u>10,019,050.00</u> |
|------------------|----------------------|----------------------|

| | | |
|------------------------------|------------------------|------------------------|
| Excess/(Deficit) in Revenues | <u>\$ 2,802,820.05</u> | <u>\$ 4,167,050.59</u> |
|------------------------------|------------------------|------------------------|

Deduction of Self-Liquidating Utility Debt for

Statutory Net Debt - Sewer Utility Per N.J.S.A. 40A:2-48

The difference between the excess/(deficit) in revenues for debt statement purposes and the excess/(deficit) in revenues on a cash basis for the Sewer Utility Fund is as follows:

| | | |
|---|-----------------------------|-----------------------------|
| Excess/(Deficit) in Revenues - Cash Basis (D-1) | \$ 2,185,800.63 | \$ 4,164,227.31 |
| Add: Capital Improvements | 1,800,000.00 | 2,000,000.00 |
| Refund of Prior Year Revenue | <u> </u> | <u> </u> |
| | \$ 3,985,800.63 | \$ 6,164,227.31 |
| Less: Reserves Lapsed | <u>1,182,980.58</u> | <u>1,997,176.72</u> |
| Excess/(Deficit) in Revenue per Debt Statement | <u>\$ 2,802,820.05</u> | <u>\$ 4,167,050.59</u> |

NOTES TO FINANCIAL STATEMENTS

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

B. SUMMARY OF STATUTORY DEBT CONDITION

ANNUAL DEBT STATEMENT (CONT'D.)

| | <u>2018</u> | <u>2017</u> |
|---|----------------------|---------------------|
| Calculation of "Self-Liquidating Purpose" | | |
| <u>Senior Citizen Housing Utility Per N.J.S.A. 40A:2-45</u> | | |
| Cash Receipts from Fees, Rents or Other Charges for Year | \$ 1,619,778.33 | \$ 1,587,176.15 |
| Deductions: | | |
| Operating and Maintenance Cost | \$ 1,155,625.00 | \$ 1,159,580.00 |
| Debt Service per Housing Account | <u>325,781.25</u> | <u>337,531.25</u> |
| Total Deductions | <u>1,481,406.25</u> | <u>1,497,111.25</u> |
| Excess/(Deficit) in Revenues | <u>\$ 138,372.08</u> | <u>\$ 90,064.90</u> |

Calculation of "Self-Liquidating Purpose"
Senior Citizen Housing Utility Per N.J.S.A. 40A:2-45 (Cont'd.)

The difference between the excess in revenues for debt statement purposes and the excess in revenues on a cash basis for the Senior Citizen Housing Utility Fund is as follows:

| | | |
|---|----------------------|---------------------|
| Excess in Revenues - Cash Basis (E-1) | \$ 384,850.85 | \$ 386,426.24 |
| Add: Capital Improvement | 100,000.00 | 130,000.00 |
| Refund of Prior Year Revenue | <u>1,691.22</u> | <u>2.00</u> |
| | 486,542.07 | 516,428.24 |
| Less: Reserves Lapsed/Accounts Payable Canceled | <u>348,169.99</u> | <u>426,363.34</u> |
| Excess in Revenue per Debt Statement | <u>\$ 138,372.08</u> | <u>\$ 90,064.90</u> |

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

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

| Year | General | | Senior Housing | | Sewer Utility | | Total |
|----------|-------------------------|------------------------|------------------------|---------------------|------------------------|----------------------|-------------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | |
| 2019 | \$ 7,724,000.00 | \$ 1,591,843.33 | \$ 330,000.00 | \$ 35,250.00 | \$ 240,000.00 | \$ 74,537.50 | \$ 9,681,093.33 |
| 2020 | 6,100,000.00 | 1,338,060.00 | 150,000.00 | 21,750.00 | 265,000.00 | 64,037.50 | 7,609,810.00 |
| 2021 | 6,239,000.00 | 1,115,580.00 | 150,000.00 | 17,250.00 | 285,000.00 | 54,937.50 | 7,521,830.00 |
| 2022 | 3,925,000.00 | 946,000.00 | 150,000.00 | 12,750.00 | 185,000.00 | 47,143.75 | 5,033,750.00 |
| 2023 | 4,225,000.00 | 784,750.00 | 175,000.00 | 7,875.00 | 185,000.00 | 41,237.50 | 5,192,625.00 |
| Subtotal | 28,213,000.00 | 5,776,233.33 | 955,000.00 | 94,875.00 | 1,160,000.00 | 281,893.75 | 35,039,108.33 |
| 2024 | 4,350,000.00 | 609,500.00 | 175,000.00 | 2,625.00 | 200,000.00 | 35,237.50 | 5,137,125.00 |
| 2025 | 3,575,000.00 | 444,250.00 | | | 200,000.00 | 28,800.00 | 4,248,050.00 |
| 2026 | 2,225,000.00 | 290,500.00 | | | 100,000.00 | 24,300.00 | 2,639,800.00 |
| 2027 | 2,250,000.00 | 191,250.00 | | | 95,000.00 | 22,050.00 | 2,558,300.00 |
| 2028 | 1,625,000.00 | 107,500.00 | | | 105,000.00 | 19,556.26 | 1,857,056.26 |
| Subtotal | 14,025,000.00 | 1,643,000.00 | 175,000.00 | 2,625.00 | 700,000.00 | 129,943.76 | 16,440,331.26 |
| 2029 | 125,000.00 | 42,500.00 | | | 100,000.00 | 16,800.00 | 284,300.00 |
| 2030 | 125,000.00 | 38,750.00 | | | 100,000.00 | 12,800.00 | 276,550.00 |
| 2031 | 125,000.00 | 34,687.50 | | | 110,000.00 | 8,800.00 | 278,487.50 |
| 2032 | 125,000.00 | 30,625.00 | | | 110,000.00 | 4,400.00 | 270,025.00 |
| 2033 | 125,000.00 | 26,406.26 | | | | | 151,406.26 |
| Subtotal | 625,000.00 | 172,968.76 | | | 420,000.00 | 42,800.00 | 1,260,768.76 |
| 2034 | 125,000.00 | 22,187.50 | | | | | 147,187.50 |
| 2035 | 125,000.00 | 17,812.50 | | | | | 142,812.50 |
| 2036 | 125,000.00 | 13,437.50 | | | | | 138,437.50 |
| 2037 | 125,000.00 | 9,062.50 | | | | | 134,062.50 |
| 2038 | 125,000.00 | 4,531.26 | | | | | 129,531.26 |
| Subtotal | 625,000.00 | 67,031.26 | - | - | - | - | 692,031.26 |
| | <u>\$ 43,488,000.00</u> | <u>\$ 7,659,233.35</u> | <u>\$ 1,130,000.00</u> | <u>\$ 97,500.00</u> | <u>\$ 2,280,000.00</u> | <u>\$ 454,637.51</u> | <u>\$ 53,432,239.61</u> |

Note 4: GOVERNMENTAL FIXED ASSETS

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

| <u>Governmental Fixed Assets</u> | <u>Balance</u> <u>Dec. 31, 2017</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance</u> <u>Dec. 31, 2018</u> |
|----------------------------------|--|-----------------------|---------------------|--|
| Land | \$ 26,208,900.00 | | \$ 35,100.00 | \$ 26,173,800.00 |
| Building and Improvements | 17,110,200.00 | | | 17,110,200.00 |
| Machinery and Equipment | <u>27,598,123.00</u> | <u>\$2,093,639.00</u> | <u>20,000.00</u> | <u>29,671,762.00</u> |
| Total Governmental Fixed Assets | <u>\$ 70,917,223.00</u> | <u>\$2,093,639.00</u> | <u>\$ 55,100.00</u> | <u>\$ 72,955,762.00</u> |

Note 5: DEFERRED COMPENSATION TRUST FUND

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

Note 6: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

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

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

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

NOTES TO FINANCIAL STATEMENTS

Note 7: FUND BALANCE APPROPRIATED

Fund balances at December 31, 2018 and 2017 were appropriated and included as anticipated revenue in their own respective funds for the "Fiscal Year" ending December 31, 2018 and 2017 as follows:

| | <u>Fund Balance</u> <u>Dec. 31, 2018</u> | <u>Utilized in</u> <u>Succeeding Budget</u> |
|------------------------------|---|--|
| Current Fund | \$ 22,787,202.10 | \$ 10,150,000.00 |
| Sewer Utility Fund | 6,377,997.39 | 2,150,000.00 |
| Senior Citizens Utility Fund | 966,964.18 | 210,000.00 |
| | <u>Fund Balance</u> <u>Dec. 31, 2017</u> | <u>Utilized in</u> <u>Succeeding Budget</u> |
| Current Fund | \$ 22,166,898.74 | \$ 10,000,000.00 |
| Sewer Utility Fund | 5,192,196.76 | 1,000,000.00 |
| Senior Citizens Utility Fund | 772,113.33 | 190,000.00 |

Note 8: LEASES

The Township did not enter into operating lease agreements providing for facilities and equipment during CY 2018, and accordingly no future minimum annual rental payments disclosed.

Note 9: INTERFUNDS

The Township had no outstanding interfund balances on the balance sheet at December 31, 2018.

Note 10: DEPOSITS AND INVESTMENTS

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

Deposits

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

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

Deposits (Cont'd.)

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

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

The cash and cash equivalents and investments of the Township on deposit and on-hand consisted of the following at December 31, 2018 and 2017:

| | December 31, 2018 | December 31, 2017 |
|-------------------------|-------------------------|-------------------------|
| Cash (Demand Accounts) | \$ 77,178,067.72 | \$ 78,986,444.69 |
| NJ Cash Management Fund | 775,841.37 | 761,843.21 |
| Change Funds (On-Hand) | <u>635.00</u> | <u>635.00</u> |
| Total | <u>\$ 77,954,544.09</u> | <u>\$ 79,748,922.90</u> |

Based upon GASB criteria, the Township considers change funds, cash in banks, investments in certificates of deposit and State of New Jersey Cash Management Fund as cash and cash equivalents. As of December 31, 2018, the carrying amount of the Township's deposits was \$77,953,909.09 and the bank balance was \$78,164,052.44. Of the bank balance, \$750,000 was covered by Federal depository insurance and \$77,414,052.44 was covered under the provisions of NJ GUDPA.

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. The government does not have a specific deposit policy for custodial risk other than those policies that adhere to the requirements of statute. As of December 31, 2018, based upon the insured balances provided by the FDIC and NJGUDPA coverage, no amount of the Township's bank balance was considered exposed to custodial risk.

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

Investments

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

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

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

As of December 31, 2018, the Township had \$775,841.37 on deposit with the New Jersey Cash Management Fund. Based upon the existing deposit and investment practices, the Township is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risks for its deposits and investments.

Note 11: PENSION PLANS

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

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

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

Plan Membership and Contributing Employers- Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2018 and 2017:

| | <u>2018</u> | <u>2017</u> |
|---|----------------|----------------|
| Inactive plan members or beneficiaries currently receiving benefits | 174,904 | 170,124 |
| Inactive plan members entitled to but not yet receiving benefits | 589 | 650 |
| Active plan members | <u>254,780</u> | <u>254,685</u> |
| | <u>430,273</u> | <u>425,459</u> |
| Contributing Employers | 1,708 | 1,705 |

Significant Legislation - Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PERS, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of the assets.

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

Note 11: PENSION PLANS

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

Payrolls and Covered Wages:

For the years ended December 31, 2018 and 2017, total Township payroll was \$18,705,407.20 and \$18,734,447.22, respectively. For the years ended December 31, 2018 and 2017, the Township's total PERS covered payroll was \$9,565,350.00 and \$10,246,034.00, respectively. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, 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 annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The Township contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated. Township payments to PERS for the years ending December 31, 2018 and 2017 consisted of the following:

| | <u>2018</u> | <u>2017</u> |
|-----------------------------------|--------------|--------------|
| Normal Cost | \$ 181,536 | \$ 206,212 |
| Amortization of Accrued Liability | 1,130,474 | 1,049,436 |
| <hr/> | | |
| Total Pensions | 1,312,010 | 1,255,648 |
| NCGI Premiums | 67,228 | 62,667 |
| <hr/> | | |
| Total Regular Billing | 1,379,238 | 1,318,315 |
| LTD Expense | 13,968 | 5,282 |
| Additional Billings: | | |
| Ch 19, P.L. 2009 | 62,252 | 61,472 |
| <hr/> | | |
| Total PERS Payment | \$ 1,455,458 | \$ 1,385,069 |

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

When applicable, ERI #1 billings reflect the recoupment of the additional costs of pensions and health benefits, plus interest, resulting from an entities participation in the 1991 early retirement program. The repayment term is 27 years, commencing with bills due on April 1, 1995. The Township did not participate in the ERI #1 program.

When applicable, ERI #2 billings reflect the recoupment of the additional costs of pensions and health benefits, plus interest, resulting from an entities participation in the 1993 early retirement program. A variety of repayment terms were offered as part of this retirement incentive program. The Township did not participate in the ERI #2 program.

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

Note 11. PENSION PLANS (CONT'D.)

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

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more 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.

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

The following presents the PERS reported liability for its Non-State Employer Member Group; the Township's proportionate share of the net pension liability for the Non-State Employer Group that is attributable to the Township and its allocation percentage for the reported periods June 30, 2018 and 2017, respectively.

| | <u>2018</u> | <u>2017</u> |
|--|-------------------|-------------------|
| PERS Non-State Employer Member Group Liability | \$ 19,689,501,539 | \$ 23,278,401,588 |
| Township Proportionate Share of the | | |
| PERS Non-State Employer Member Group Liability | 28,664,320 | 34,657,482 |
| Township Proportionate Share Percentage | 0.145582% | 0.148883% |

Note 11: PENSION PLANS (CONT'D.)

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

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

| | <u>Target Allocation</u> | <u>Expected Real Rate of Return</u> |
|-----------------------------------|------------------------------|---|
| Absolute return/risk migration | 5.00% | 5.51% |
| Cash equivalents | 5.50% | 1.00% |
| U.S. Treasuries | 3.00% | 1.87% |
| Investment grade credit | 10.00% | 3.78% |
| Public high yield | 2.50% | 6.82% |
| Global diversified credit | 5.00% | 7.10% |
| Credit oriented hedge funds | 1.00% | 6.60% |
| Debt related private equity | 2.00% | 10.63% |
| Debt related real estate | 1.00% | 6.61% |
| Private real estate | 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% |

NOTES TO FINANCIAL STATEMENTS

Note 11. PENSION PLANS (CONT'D.)

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

Discount Rate – The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was 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 rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the 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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of Net Pension Liability – the following presents the collective net pension liability of PERS participating employers as of June 30, 2018, calculated using the discount rates as disclosed above as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

| | At 1% decrease (4.66%) | At current discount rate (5.66%) | At 1% increase (6.66%) |
|---|------------------------------|--|------------------------------|
| State | \$ 27,413,044,035 | \$ 23,704,298,093 | \$ 20,597,322,253 |
| Local | <u>24,757,279,564</u> | <u>19,689,501,539</u> | <u>15,437,959,879</u> |
| PERS Plan Total | <u>\$ 52,170,323,599</u> | <u>\$ 43,393,799,632</u> | <u>\$ 36,035,282,132</u> |
| Township's proportionate share of the net pension liability (Local) | <u>\$ 36,042,080</u> | <u>\$ 28,664,320</u> | <u>\$ 22,474,851</u> |

Components of Net Pension Liability – The components of the collective net pension liability for PERS, including the State of New Jersey, at June 30, 2018, are as follows:

| | <u>State</u> | <u>Local</u> | <u>Total</u> |
|--------------------------------|------------------------------|------------------------------|------------------------------|
| Total Pension Liability | \$ 30,434,600,657 | \$ 42,431,573,511 | \$ 72,866,174,168 |
| Plan Fiduciary Net Position | <u>6,730,302,564</u> | <u>22,742,071,972</u> | <u>29,472,374,536</u> |
| Net PERS Pension Liability | <u>\$ 23,704,298,093</u> | <u>\$ 19,689,501,539</u> | <u>\$ 43,393,799,632</u> |

NOTES TO FINANCIAL STATEMENTS

Note 11. PENSION PLANS (CONT'D.)

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

At December 31, the Township's deferred outflows of resources and deferred inflows of resources related to the PERS pension plan, are as follows:

| | <u>2018</u> Deferred Outflows of Resources | <u>2018</u> Deferred Inflows of Resources | <u>2017</u> Deferred Outflows of Resources | <u>2017</u> Deferred Inflows of Resources |
|---|---|--|---|--|
| Difference between expected and actual experience | \$ 546,633 | \$ 147,803 | \$ 816,064 | |
| Changes of assumptions | 4,723,405 | 9,165,325 | 6,982,288 | 6,956,690 |
| Net difference between projected and actual earnings on pension plan investments | | 268,873 | 235,994 | |
| Changes in proportion and differences between agency contributions and proportionate share of contributions | 938,529 | 619,022 | 1,410,016 | 11,474 |
| | <u>\$ 6,208,567</u> | <u>\$ 10,201,023</u> | <u>\$ 9,444,362</u> | <u>\$ 6,968,164</u> |

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

| <u>Year ending</u> | <u>Amount</u> |
|--------------------|-----------------------|
| 2019 | \$ 531,024 |
| 2020 | (11,139) |
| 2021 | (2,031,668) |
| 2022 | (1,848,109) |
| 2023 | (632,564) |
| Total | <u>\$ (3,992,456)</u> |

Additional Information:

Collective balances at June 30, 2018 - PERS Local Group

| | |
|--|------------------|
| Collective deferred outflows of resources | \$ 4,684,852,302 |
| Collective deferred inflows of resources | 7,646,736,226 |
| Collective net pension liability - Local group | 19,689,501,539 |
| Township's Proportion | \$ 28,664,320 |
| Township's Proportion | 0.145582% |

Note 11. PENSION PLANS (CONT'D.)

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

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

Plan Membership and Contributing Employers- Substantially all full-time county and municipal police or firemen and state firemen or officer employees with police powers appointed after June 30, 1944 are enrolled in PFRS. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2018 and 2017:

| | <u>2018</u> | <u>2017</u> |
|---|---------------|---------------|
| Inactive plan members or beneficiaries currently receiving benefits | 43,755 | 43,011 |
| Inactive plan members entitled to but not yet receiving benefits | 39 | 47 |
| Active plan members | <u>41,517</u> | <u>40,789</u> |
| | <u>85,311</u> | <u>83,847</u> |
| Contributing Employers | 586 | 586 |

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

Significant Legislation - Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PF to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in the unfunded liability. The actuaries will determine the unfunded liability of PFRS, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of the assets.

Payrolls and Covered Wages:

For the years ended December 31, 2018 and 2017, the Township's total PFRS covered payroll was \$10,792,259 and \$9,496,635, respectively. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan.

NOTE 11: PENSION (CONT'D)

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

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member 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. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The Township contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated. Township payments to PFRS for the years ending December 31, 2018 and 2017 consisted of the following:

| | <u>2018</u> | <u>2017</u> |
|-----------------------------------|---------------------|---------------------|
| Normal Cost | \$ 806,632 | \$ 830,868 |
| Amortization of Accrued Liability | 1,679,203 | 1,504,049 |
| Total Pensions | 2,485,835 | 2,334,917 |
| NCGI Premiums | 104,674 | 106,119 |
| Total Regular Billing | 2,590,509 | 2,441,036 |
| Additional Billings: | | |
| Ch 19, P.L. 2009 | 133,981 | 132,637 |
| Total PFRS Payment | \$ 2,724,490 | \$ 2,573,673 |

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

The following represents the membership tiers for PFRS:

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

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

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

The following presents the PFRS reported liability for its Non-State Employer Member Group; the Township's proportionate share of the net pension liability for the Non-State Employer Group that is attributable to the Township and its allocation percentage for the reported periods June 30, 2018 and 2017, respectively.

| | <u>2018</u> | <u>2017</u> |
|--|-------------------|-------------------|
| PFRS Non-State Employer Member Group Liability | \$ 13,531,648,591 | \$ 15,438,066,691 |
| Township Proportionate Share of the | | |
| PFRS Non-State Employer Member Group Liability | 38,840,235 | 45,188,267 |
| Township Proportionate Share Percentage | 0.287033% | 0.292707% |

NOTE 11: PENSION (CONT'D)

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

Actuarial Assumptions - The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions:

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

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 improvement 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 of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scales thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvement assumed.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 11: PENSION (CONT'D)

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

Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2018 are summarized in the following table:

| | Target Allocation | Long-Term Expected Real Rate of Return |
|-----------------------------------|----------------------|--|
| Absolute return/risk migration | 5.00% | 5.51% |
| Cash equivalents | 5.50% | 1.00% |
| U.S. Treasuries | 3.00% | 1.87% |
| Investment grade credit | 10.00% | 3.78% |
| Public high yield | 2.50% | 6.82% |
| Global diversified credit | 5.00% | 7.10% |
| Credit oriented hedge funds | 1.00% | 6.60% |
| Debt related private equity | 2.00% | 10.63% |
| Debt related real estate | 1.00% | 6.61% |
| Private real estate | 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% |

Discount Rate – The discount rate used to measure the total pension liability was 6.51% as of June 30, 2018. This single blended discount rate was 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 (BB) 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 rate assumes 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 June 30, 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 11: PENSION (CONT'D)

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

Sensitivity of Net Pension Liability – the following presents the collective net pension liability of PFRS participating employers as of June 30, 2018, calculated using the discount rates as disclosed above as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

| | At 1% decrease (5.51%) | At current discount rate (6.51%) | At 1% increase (7.51%) |
|---|------------------------------|--|------------------------------|
| State | \$ 5,090,302,750 | \$ 4,329,304,276 | \$ 3,702,605,881 |
| Local | <u>20,570,435,198</u> | <u>15,369,699,278</u> | <u>11,080,039,474</u> |
| PFRS Plan Total | <u>\$ 25,660,737,948</u> | <u>\$ 19,699,003,554</u> | <u>\$ 14,782,645,355</u> |
| Township's proportionate share of the net pension liability (Local) | <u>\$ 59,043,843</u> | <u>\$ 44,116,039</u> | <u>\$ 31,803,319</u> |

*The above table and calculation also includes the Special Funding Situation (Local - PFRS) allocated to the State of N.J. as a non-employer and is included for the "Local Group" total in the amount of:

| | |
|--|-------------------------|
| State of N.J. Local Group Special Funding - non-employer | <u>\$ 1,838,050,687</u> |
|--|-------------------------|

Components of Net Pension Liability – The components of the collective net pension liability for PFRS, including the State of New Jersey, at June 30, 2018, are as follows:

| | <u>State</u> | <u>Local</u> | <u>Total</u> |
|--------------------------------|-----------------------------|------------------------------|------------------------------|
| Total Pension Liability | \$ 5,837,506,505 | \$ 40,960,053,149 | \$ 46,797,559,654 |
| Plan Fiduciary Net Position | <u>1,508,202,229</u> | <u>25,590,353,871</u> | <u>27,098,556,100</u> |
| Net PERS Pension Liability | <u>\$ 4,329,304,276</u> | <u>\$ 15,369,699,278</u> | <u>\$ 19,699,003,554</u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 11: PENSION (CONT'D)

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

At December 31, the Township's deferred outflows of resources and deferred inflows of resources related to the PFRS pension plan, are as follows:

| | <u>2018</u> Deferred Outflows of Resources | <u>2018</u> Deferred Inflows of Resources | <u>2017</u> Deferred Outflows of Resources | <u>2017</u> Deferred Inflows of Resources |
|---|---|--|---|--|
| Difference between expected and actual experience | \$ 96,853 | \$ 39,396 | \$ 76,204 | \$ 68,941 |
| Changes of assumptions | 817,160 | 2,439,801 | 1,448,459 | 1,923,713 |
| Net difference between projected and actual earnings on pension plan investments | | 52,083 | 224,148 | |
| Changes in proportion and differences between agency contributions and proportionate share of contributions | <u>473,318</u> | <u>1,138,925</u> | <u>672,385</u> | <u>545,391</u> |
| | <u>\$ 1,387,331</u> | <u>\$ 3,670,205</u> | <u>\$ 2,421,196</u> | <u>\$ 2,538,045</u> |

NOTE 11: PENSION (CONT'D)

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

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

| <u>Year ending</u> | | <u>Amount</u> |
|--------------------|----|--------------------|
| 2019 | \$ | 3,279 |
| 2020 | | (461,749) |
| 2021 | | (957,520) |
| 2022 | | (603,546) |
| 2023 | | (263,343) |
| | | <hr/> |
| Total | \$ | <u>(2,282,879)</u> |

Collective balances at June 30, 2018 - PFRS Local Group

| | | |
|--|----|----------------|
| Collective deferred outflows of resources | \$ | 1,988,215,695 |
| Collective deferred inflows of resources | | 4,286,994,294 |
| Collective net pension liability - Local group | | 15,369,699,278 |

| | | |
|-----------------------|----|------------|
| Township's Proportion | \$ | 44,116,039 |
| Township's Proportion | | 0.287033% |

Special Funding Situation:

The Township is responsible for the actuarially determined annual contributions to the PFRS, except where legislation was passed that legally obligates the State if certain circumstances occur. A special funding situation exists for the Local employers of the PFRS. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers based upon the provisions of several legislative actions. The provisions of GASB Statement No. 68 define this/these relationship(s) as a "special funding situation," and the State of New Jersey is defined as a "non-employer contributing entity."

Unaudited data provided by the PFRS indicates that the total Non-employer contributions made to the PFRS by the State for the year ended June 30, 2018 was \$108,857,000. The portion of that contribution allocated to the Township was \$312,455, or 0.2870325428%. The June 30, 2018 State special funding situation pension expense of \$217,714,180 was actuarially determined and represents the required contribution due from the State for the year. The special funding situation net pension liability under the special funding situation was reported at \$1,838,050,687 at June 30, 2018 and represents the accumulated difference between the actuarially determined annual contributions required and the actual State contributions through the valuation date. The Township's allocated shares of the special funding situation pension expense for the year ended June 30, 2018 and its share of the special funding situation NPL at that date were \$624,911 and \$5,275,804, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE 11: PENSION (CONT'D)

C. Defined Contribution Retirement System (DCRP):

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

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

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

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

For the year ended December 31, 2018, the DCRP covered payroll was \$545,699.47 and Covered payroll refers to compensation paid by the Township to active employees covered by the Plan. Township and employee contributions to the DCRP for the year ended December 31, 2018 were \$16,391.40 and \$30,026.02, respectively.

D. Cumulative PERS and PFRS Employer Allocations

State of New Jersey Pension Systems' Schedules of Employer Allocations:

| | <u>Employer Contributions</u> | <u>Net Pension Liability</u> | | <u>Deferred Outflows</u> | | <u>Deferred Inflows</u> | <u>Total Pension Expense</u> |
|-------|-----------------------------------|----------------------------------|-----------|------------------------------|-----------|-----------------------------|----------------------------------|
| PERS | 1,448,068 | 28,664,320 | \$ | 6,208,567 | \$ | 10,201,023 | \$1,923,559 |
| PFRS | <u>3,118,621</u> | <u>38,840,235</u> | | <u>1,387,331</u> | | <u>3,670,205</u> | <u>3,887,432</u> |
| Total | <u>\$ 4,566,689</u> | <u>\$ 67,504,555</u> | <u>\$</u> | <u>7,595,898</u> | <u>\$</u> | <u>13,871,228</u> | <u>\$ 5,810,991</u> |

Note 12: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – HEALTH CARE BENEFITS

The Township provides its retirees with health benefits (the "Plan"), which are funded fully or in part by the Township, which benefits are negotiated through bargaining unit contracts. Eligibility requirements are described below. The annual costs are determined by the provider, per approved schedules in accordance with the insured individual's age and plan status.

The Plan offers medical, prescription drug and dental insurance coverage to retirees and their covered dependents. The Plan is not a separate entity or trust and does not issue standalone financial statements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Employees covered by benefit terms:

At January 1, 2017, the following employees were covered by the benefit terms:

| | <u>Total</u> |
|------------------|--------------|
| Active employees | 204 |
| Retirees | 190 |
| Dependents | 123 |
| | <hr/> |
| | 517 |
| | <hr/> <hr/> |

Summary of Postretirement Health Care Plan Benefits:

An employee is eligible to receive postretirement health benefits through the Township health plan by meeting the following criteria:

Service Retirement Eligibility:

Retire from active employment with the Township with at least 25 years of service in the Pension System with at least the last 5 full time years of service with the Township; or Retire from active employment with the Township with at least age 62 and at least 15 years of service in the Pension System with the last 5 full time years of service with the Township.

Disabled Retirement - Eligibility:

An employee is eligible if the employee retires with a disability pension from a state administered retirement system.

Surviving Spouse - Eligibility:

Not eligible for subsidized coverage.

Spouse Coverage:

Spouses may enroll as dependents of retirees.

New Pension and Benefits Law (Chapter 78):

Medical and Prescription Drug Benefit Contributions for Current Retirees and Grandfathered Future Retirees:

Current retirees and grandfathered future retirees are assumed to pay 0% of cost.

Note 12: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – HEALTH CARE BENEFITS (CONT'D)

For retirees receiving State-paid SHBP benefits and future retirees who are currently in retirement status as of July 1, 2011, or have at least 20 years of service as of July 1, 2011, the following contribution rates apply:

| <u>Years of Service</u> | <u>Contribution Percentage</u> |
|-------------------------|--------------------------------|
| 15 | 25% |
| 16 | 20% |
| 17 | 15% |
| 18 | 10% |
| 19 | 5% |
| 20 or more | 0% |

Medical and Prescription Drug Benefit Contributions for Non-Grandfathered Future Retirees:

Future retirees who do not have at least 20 years of service as of July 1, 2011 are expected to pay an amount equal to their Contribution Rate times the Plan's gross premiums. In no event shall the contribution be less than the 1.50% of the Retirement Allowance. The Contribution Rate is based on type of coverage (single or family) and the Retirement Allowance.

| <u>Retirement Allowance</u> | <u>Single</u> | <u>Family</u> |
|-----------------------------|---------------|---------------|
| Under \$20 | 4.50% | 3.43% |
| \$20 - \$25 | 5.50% | 3.43% |
| \$25 - \$30 | 7.50% | 4.43% |
| \$30 - \$35 | 10.00% | 5.85% |
| \$35 - \$40 | 11.00% | 6.85% |
| \$40 - \$45 | 12.00% | 7.85% |
| \$45 - \$50 | 14.00% | 9.85% |
| \$50 - \$55 | 20.00% | 14.55% |
| \$55 - \$60 | 23.00% | 16.55% |
| \$60 - \$65 | 27.00% | 20.40% |
| \$65 - \$70 | 29.00% | 22.40% |
| \$70 - \$75 | 32.00% | 25.40% |
| \$75 - \$80 | 33.00% | 26.40% |
| \$80 - \$85 | 34.00% | 27.40% |
| \$85 - \$90 | 34.00% | 29.40% |
| \$90 - \$95 | 34.00% | 29.70% |
| \$95 - \$100 | 35.00% | 29.85% |
| \$100 - \$110 | 35.00% | 34.55% |
| At leased \$110 | 35.00% | 35.00% |

Family coverage is defined as 85% of the "Family + One" schedule and 15% of the "Family" schedule.

Medical and Prescription Drug Benefit Contributions for Future

Disabled Retirees:

All future disabled retirees are assumed to contribute 1.5% of their Retirement Allowance.

Note 12: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – HEALTH CARE BENEFITS
(CONT'D)

Retirement Allowance:

Retirement Allowance is assumed to be the annual annuity from the State of New Jersey pension plan:

| | |
|--|---|
| <i>Public Employees' Retirement System (PERS)</i> | Final Compensation time service at retirement divided by 55. |
| <i>Police and Firemen's Retirement System (PFRS)</i> | Special Retirement Benefit: 65% of Final Compensation plus 1% of Final Compensation for each year of credited service over 25, subject to a maximum of 70% of Final Compensation. |

Plan Year 2017 Medical & Rx Annual Premiums:

(Used to determine future Retiree Contributions under Chapter 78)

| <u>Plan</u> | <u>Single</u> | <u>Family</u> |
|---------------------------------|---------------|---------------|
| <u>Medical Cost Group:</u> | | |
| Horizon PPO Blue | \$7,357.44 | \$20,153.04 |
| Horizon Traditional | 8,292.48 | 22,716.48 |
| Horizon PPO Blue Enhanced | 7,490.04 | 20,515.92 |
| Horizon POS | 8,116.92 | 22,262.16 |
| <u>Prescription Drug Group:</u> | | |
| Police | \$3,620.88 | \$10,304.52 |
| Non-Police | 3,695.64 | 10,517.16 |
| <u>Dental Group:</u> | | |
| Horizon DOP Subgroup 10 | \$453.24 | \$1,040.88 |
| Horizon DOP Subgroup 11 | 462.12 | 1,061.52 |
| Horizon DOP Subgroup 30, 31 | 463.32 | 1,063.92 |
| Horizon DOP Subgroup 99 | 444.36 | 1,019.88 |

Future retiree premiums are based on a blend of current retiree plan premiums. Pre-Medicare medical and prescription drug premiums are based on the premiums in the tables above. Post-Medicare medical and prescription drug premiums have been reduced to reflect estimated impact of Medicare coordination consistent with the post-Medicare reduction estimated in the 2017 per member claim costs.

NOTES TO FINANCIAL STATEMENTS

12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - HEALTH CARE BENEFITS (CONT'D)

Changes in the Total OPEB Liability

| | | |
|--|----|-----------------------------|
| Balance - 12/31/2017 (Based on 12/31/2016 Measurement Date) | \$ | <u>Total</u> 104,369,200 |
| Changes for the year: | | |
| Service cost | | 3,410,700 |
| Interest cost | | 4,018,400 |
| Benefit payments | | (2,973,200) |
| Actuarial assumption changes* | | 8,622,600 |
| Net changes | | <u>13,078,500</u> |
| Balance - 12/31/2017 (Based on 12/31/2017 Measurement Date) | \$ | <u>117,447,700</u> |

Plan Fiduciary Net Position

| | | |
|---|----|--------------------|
| Contributions: Employer* | \$ | 2,973,200 |
| Contributions: Member* | | - |
| Benefit Payments* | | <u>(2,973,200)</u> |
| Net Change in Plan Fiduciary Net Position | \$ | - |
| Plan Fiduciary Net Position (Beginning) | | 0.00 |
| Plan Fiduciary Net Position (Ending) | \$ | - |
| Net OPEB Liability (Ending) | \$ | 117,447,700 |
| Plan Fiduciary Net Position as Percentage of OPEB Liability | | 0% |
| Covered Employee Payroll - Year 2017 | \$ | 17,487,500 |
| Net OPEB Liability as a Percentage of Payroll | | 672% |

*Net expected benefit payments and retiree contributions were used.

Notes:

Benefit Changes:

None

Changes in Assumptions:

The \$8,622,600 increase in the liability from December 31, 2017 to December 31, 2018 is due to the decrease in the assumed discount rate from 3.78% as of December 31, 2017 to 3.44% as of December 31, 2018.

OPEB Expense under GASB 75:

| | | |
|--|----|---|
| | | <u>Fiscal year ending</u> <u>December 31, 2018</u> |
| Service cost | \$ | 3,410,700 |
| Interest cost | | 4,018,400 |
| Amortization of Assumption (Gain)/Loss | | <u>1,610,900</u> |
| Total OPEB Expense | \$ | <u>9,040,000</u> |

NOTES TO FINANCIAL STATEMENTS

Note 12: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – HEALTH CARE BENEFITS
(CONT'D)

Development of GASB 75 Net OPEB Expense

The following table illustrates the Net OPEB Liability under GASB 75.

| | Fiscal Year Ending | |
|--|--------------------|----------------|
| | Dec. 31, 2017 | Dec. 31, 2018 |
| OPEB Liability: | | |
| Retired Participants and Beneficiaries | \$ 56,132,600 | \$ 58,793,900 |
| Active Participants | 48,236,600 | 58,653,800 |
| Total | 104,369,200 | 117,447,700 |
| Plan Fiduciary Net Position | 0.00 | 0.00 |
| Net OPEB Liability | \$ 104,369,200 | \$ 117,447,700 |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 0% | 0% |
| Deferred Outflow of Resources for Contributions Made After Measurement Date* | \$ 2,969,700 | \$ 2,973,200 |

*Employer contributions made after December 31, 2017 are reported as a deferred outflow of resources but are not amortized in expense. Expected benefit payments were used.

GASB 75 Transition

| | |
|--|----------------|
| Net OPEB Obligation at last day of the 2017 Fiscal Year | \$ 42,026,100 |
| Amount for Transition to GASB 75 | 62,343,100 |
| Liability under GASB 75 at the first day of 2018 Fiscal Year | \$ 104,369,200 |

Total employer contributions for the retiree plan were for benefit payments and there were no fiduciary plan assets at the beginning or end of the year.

Notes to GASB 75 Valuation:

Valuation Date: January 1, 2017
Measurement Date: Measurement Date is December 31, 2017 for the FYE 2018 valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method: Entry Age Normal - Level % of Salary
Asset Valuation Method: N/A
Salary Increases: Salary Scales
Investment Rate of Return: N/A
Mortality: PUBGH2010 with Fully Generational Projection Scale
MP 2018, "General" Classification, Headcount-Weighted, Ees & HA Mort.

Discount Rate:

The discount rate was determined using the interest rate reported under the 20-Year Municipal Bond Index. The Bond Buyer General Obligation 20-Year Municipal Bond Index was used for determination of this rate. The interest rate is based on this index rate that is reported on the last Friday prior to the measurement date.

Health Care Trend:

For medical and prescription drug benefits the trend rate assumption is initially 6.50% for pre-65 retirees and 5.80% for post-65 retirees, decreasing to a 5.00% long-term trend rate after seven years for pre-65 retirees and post-65 retirees. For prescription drug benefits, the amount is at 9.75% and decreases to 5.00% long-term trend rate after eleven years. For dental benefits, the trend is 5.00% for all years.

NOTES TO FINANCIAL STATEMENTS

12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - HEALTH CARE
BENEFITS (CONT'D)

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

The following illustrates the Deferred Inflows and Outflows as of December 31, 2018 under GASB 75 after any reduction due to the fiscal year 2018 amortizations:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Changes of assumptions | \$ 7,011,700.00 | \$ - |
| Subtotal | 7,011,700.00 | - |
| Contributions After Measurement Date (1) | 2,973,200.00 | - |
| | <u>\$ 9,984,900.00</u> | <u>\$ -</u> |

(1) - Employer contributions made after December 31, 2017 are reported as a deferred outflow of resources but are not amortized in expense.

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

| | <u>Total</u> |
|-------------------------|----------------|
| Year ended December 31: | |
| 2019 | \$1,610,900.00 |
| 2020 | 1,610,900.00 |
| 2021 | 1,610,900.00 |
| 2022 | 1,610,900.00 |
| Thereafter | 568,100.00 |

Note 13: RISK MANAGEMENT

The Township, together with other governmental units, is a member of the Central Jersey Joint Insurance Fund (the Fund). The Fund, which is organized and operated pursuant to the regulatory authority of the Departments of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles.

The Fund's governing board based upon actuarial and budgetary requirements calculates payments to the Fund. Each participant in the Fund is jointly and severably obligated for any deficiency in the amount available to pay all claims. The Joint Insurance fund insures against property damage, general liability, auto liability, equipment liability, public official liability, and law enforcement liability and workers compensation. While additional assessments or premiums can be levied by the Fund to assure payment of the Fund's obligations, no such additional premiums have been necessary as of December 31, 2018. The Fund will be self-sustaining through member premiums, reported as an expenditure in the Township's financial statements. The Fund contracts for excess liability insurance for property damage, general liability, auto liability, equipment liability, public official liability, law enforcement liability and workers' compensation. The Township continues to carry commercial insurance for other risks of loss, principally employee health insurance.

At December 31, 2018, the Fund reported for all year's combined, total assets of \$24,862,847.40 liabilities and reserves of \$10,908,198.58 which includes case reserves of \$7,057,511.66, IBNR of \$3,848,104.00 and fund balance of \$12,094,445.

Note 13: RISK MANAGEMENT(CONT'D)

At December 31, 2017, the Fund reported for all year's combined, total assets of \$22,320,903.42 liabilities and reserves of \$11,314,200.37 which includes case reserves of \$7,152,032.37, IBNR of \$4,162,168.00 and fund balance of \$10,451,344.35.

Self-Insurance – Worker's Compensation

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

New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

Note 14: CONTINGENT LIABILITIES

At December 31, 2018, the Township had litigation pending. The majority of this litigation involves claims against the Township relating to matters that traditionally would be covered through the procurement of workers' compensation and liability insurance policy coverages. As more fully described in Note 13, the Township has participated in a joint insurance fund since June 1998.

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

Note 15: ACCRUED SICK AND VACATION BENEFITS

The Township has permitted employees to accrue unused sick pay, which may be taken as time off when sick or paid at retirement. Accumulated unused sick days may be used at the time of retirement as salary extension for a time equal to the number of days of retirement, or the employee involved may request a cash payment from the Township for the accumulated days, at the employee's sole discretion. There is a limit of 240 days with some minor adjustments. Current Township policy and provisions of collective bargaining agreements generally limit accumulations to 5 days per calendar year. As of December 31, 2018 and 2017 it is estimated that the current cost of such unpaid sick pay would approximate \$4,329,020.58 and \$5,696,355.00, respectively. These amounts represent the current value of all accumulations, and are not intended to portray amounts that would be recorded under GAAP.

The Township has set aside reserves with in the Trust Fund to pay for these costs for the years ended December 31, 2018 and 2017 in the amounts of \$4,369,856.33 and \$5,044,191.54, respectively.

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

NOTES TO FINANCIAL STATEMENTS

Note 15: ACCRUED SICK AND VACATION BENEFITS (CONT'D)

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

Note 16: COMMITMENTS AND CONTINGENCIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2018, the Township does not believe that any material liabilities will result from such audits.

As at December 31, 2018 and through the date of this report, the Township had litigation pending, including property tax appeals and other matters. The Township estimates that potential claims against the Township not covered by insurance resulting from such litigation would not materially affect the financial statements of the Township.

Note 17: LONG TERM TAX EXEMPTIONS

The Township provides for long-term tax exemptions, as authorized and permitted by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. Taxes abated include municipal, local school and county taxes. The Township is required to remit five percent (5.00%) to the County for any payments received in lieu of taxes (PILOT payments).

The Township PILOT billings in 2018 were \$600,571.11 and taxes in 2018 that otherwise would have been due on these long-term tax exemptions amounted to \$1,842,688.20, based upon the assessed valuations of the long-term tax exemptions properties.

Note 18: SUBSEQUENT EVENTS

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

Serial Bonds Issued:

| <u>Date of Issue</u> | <u>Maturities</u> | <u>Coupons</u> | <u>Yields</u> | <u>Amount</u> | <u>NIC</u> |
|----------------------|-------------------|----------------|---------------|------------------|------------|
| 8/8/2019 | 2/1/2020 - 2039 | 2.00% - 5.00% | 1.10% - 3.00% | \$ 20,000,000.00 | 2.561012% |

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



**PART II
SUPPLEMENTARY SCHEDULES**

Current Fund

SCHEDULE OF CASH

| | | <u>CURRENT FUND</u> | <u>GRANT FUND</u> |
|--|-------------|-------------------------|----------------------|
| | <u>Ref.</u> | | |
| Cash Balance December 31, 2017..... | A | \$ 36,725,505.02 | \$ 422,965.17 |
| Increased by Cash Receipts | | | |
| Collector | A-5 | 169,224,354.34 | |
| Due from State of State of NJ - Ch. 20 | A-6 | 226,641.37 | |
| Revenue Accounts Receivable | A-8 | 12,117,050.40 | |
| Miscell. Revenue Not Anticipated | A-8 | 989,110.86 | |
| Homestead Rebate - State of NJ | A-7 | 1,388,596.27 | |
| Various Payables | A-10 | 270,769.00 | |
| Various Reserves | A-10 | 1,320,948.11 | |
| Interfunds Receivable | A-11 | 29,641,534.45 | |
| Operations | A-1 | | |
| Interfunds Payable | A-12,A-16 | 511,027.07 | 598,839.71 |
| Federal and State Grants Receivable | A-15 | | <u>632,494.48</u> |
| Total Cash Receipts..... | | <u>215,690,031.87</u> | <u>1,231,334.19</u> |
| | | 252,415,536.89 | 1,654,299.36 |
| Decreased by Disbursements | | | |
| Refund of Prior Year Revenue | A-1 | 35,178.02 | |
| Refund of Current Year Revenue | A-1 | 277,998.27 | |
| CY 2018 Appropriations | A-3 | 55,939,936.60 | |
| CY 2018 Approp. Reserves | A-9 | 1,744,277.61 | |
| Various Payables | A-10 | 353,470.87 | |
| Various Reserves | A-10 | 4,043,696.87 | |
| Interfunds Receivable | A-11 | 30,307,390.27 | |
| Interfunds Payable | A-12 | 468,984.06 | |
| County Tax | A-13 | 27,460,661.57 | |
| Fire District Tax | A-13 | 3,910,532.00 | |
| Local School District Tax | A-13 | 93,498,130.00 | |
| Tax Overpayments | A-14 | 68,115.16 | |
| Interfunds Returned | A-16 | | 860,367.00 |
| Federal and State Grants Appropriated | A-17 | | <u>324,253.05</u> |
| Total Cash Disbursements..... | | <u>218,108,371.30</u> | <u>1,184,620.05</u> |
| Cash Balance December 31, 2018..... | A | <u>\$ 34,307,165.59</u> | <u>\$ 469,679.31</u> |

SCHEDULE OF COLLECTORS CASH
CURRENT FUND

| | <u>Ref.</u> | | |
|---------------------------------|-------------|-----------------|--------------------------|
| Increased by Receipts: | | | |
| Interest and Cost on Taxes | A-2 | \$ 440,630.98 | |
| Taxes Receivable - Current Year | A-7 | 165,435,066.41 | |
| Taxes Receivable - Delinquent | A-7 | 1,435,780.63 | |
| Taxes Receivable - Arrears | A-7 | 20,682.19 | |
| Taxes Receivable -Prepaid Taxes | A-7 | 1,227,046.31 | |
| Tax Title Liens Receivable | A-7 | 7,941.00 | |
| Non-Budget Revenue | A-8 | 18,581.41 | |
| Trust Fund: Premium | A-11 | 628,689.41 | |
| Miscellaneous Revenue | A-8 | <u>9,936.00</u> | |
| | | | <u>\$ 169,224,354.34</u> |
| Decreased by: | | | |
| Deposited to Treasurer | A-4 | | <u>\$ 169,224,354.34</u> |

SCHEDULE OF DUE FROM STATE OF NEW JERSEY -
FOR ALLOWABLE DEDUCTIONS PER CHAPTER 129, P.L. 1976
CURRENT FUND

| | <u>REF.</u> | | |
|--|-------------|-----------------|----------------------|
| Balance - December 31, 2017 | A | | \$ 220,794.22 |
| Increased by: | | | |
| Allowable Deductions per | | | |
| Tax Billings | A- 6 | \$ 242,250.00 | |
| 2018 Sr. Citizens and Vet. | | | |
| Ded. Allowed by Collector | A- 6 | <u>6,500.00</u> | |
| | | | <u>248,750.00</u> |
| | | | 469,544.22 |
| Decreased by: | | | |
| Collected | A- 4 | 226,641.37 | |
| 2018 Sr. Citizens and Vet. | | | |
| Ded. Disallowed by Collector | A- 6 | 6,383.62 | |
| 2012-2017 Sr. Citizens and Vet. | | | |
| Ded. Disallowed by Collector | A- 6 | <u>8,336.79</u> | |
| Collected | | | <u>241,361.78</u> |
| Balance - December 31, 2018 | A | | <u>\$ 228,182.44</u> |
| <u>Analysis of Sr. Citizens & Veterans</u> | | | |
| <u>Deductions Allowed - 2018 Taxes</u> | | | |
| Per Tax Billings | A- 6 | | \$ 242,250.00 |
| Allowed (Disallowed) by Tax Collector Current Year | A- 6 | | <u>116.38</u> |
| Total | A-7 | | <u>\$ 242,366.38</u> |

CURRENT FUND
SCHEDULE OF PROPERTY TAXES RECEIVABLE AND LEVY ANALYSIS

| | | <u>Total</u> | <u>2019 Prepaid</u> | <u>CY 18 Current</u> | <u>CY 17 Delinquent</u> | <u>Arrears</u> | <u>Tax Title Liens</u> | <u>Property Acquired for Taxes</u> |
|---|------------------|--------------------------|----------------------------------|--------------------------|-----------------------------|---|----------------------------|--|
| Balance 12/31/17..... | <u>Ref.</u> A | \$ (310,085.92) | \$ (5,030,696.48) | | \$ 1,430,867.01 | \$ 20,684.74 | \$ 676,158.81 | \$ 2,592,900.00 |
| py adjustment | | | | | | | | |
| Billings / Levy: | | | | | | | | |
| Original Levy..... | A-7 | 173,084,488.71 | | \$ 173,084,488.71 | | | | |
| Added & Omitted..... | A-7 | 1,514,070.50 | | 1,514,070.50 | | | | |
| Reductions due to tax appeals..... | A-14 | (3,828,614.10) | | (31,009.67) | (1,610,420.74) | (2,187,183.69) | | |
| Canceled Taxes..... | | (575,092.42) | | (572,866.68) | (2,225.74) | | | |
| Transfers | | | | | | | | |
| Tax Lien..... | A-7 | | | (30,090.41) | (6,461.24) | | 36,551.65 | |
| Tax Sale and Adjustments..... | A-7 | 3,573.86 | | | | | 3,573.86 | |
| Revenue | | | | | | | | |
| Sr.Citizens & Vets..... | | | | | | | | |
| Original Levy..... | A-6 | (242,250.00) | | (242,250.00) | | | | |
| Allowed/Disallowed..... | A-6 | 8,220.41 | | (116.38) | 8,336.79 | | | |
| Cash Receipts..... | A-5 | (168,126,516.54) | (1,227,046.31) | (165,435,066.41) | (1,435,780.63) | (20,682.19) | (7,941.00) | |
| Homestead Rebate..... | A-4 | (1,388,596.27) | | (1,388,596.27) | | | | |
| Transferred to Overpayments..... | A-14 | 2,936,100.41 | | (885,106.04) | 1,634,023.27 | 2,187,183.18 | | |
| Prepaid Applied..... | A-7 | - | 5,030,696.48 | (5,030,696.48) | | | | |
| Tax Overpayments: Transfers & Credits..... | A-14 | 472,147.84 | | 487,935.70 | (15,787.86) | | | |
| Balance 12/31/18..... | | <u>\$ 3,547,446.48</u> | <u>\$ (1,227,046.31)</u> | <u>\$ 1,470,696.57</u> | <u>\$ 2,550.86</u> | <u>\$ 2.04</u> | <u>\$ 708,343.32</u> | <u>\$ 2,592,900.00</u> |
| | <u>Ref.</u> | | A | A,A-7 | A | A | A | A |
| <u>Analysis of CY 2018 Property Tax Levy:</u> | | | | | | | | |
| <u>Tax Yield:</u> | | | <u>Tax Levy:</u> | <u>Ref.</u> | | <u>Current Taxes Realized:</u> | <u>Ref.</u> | |
| General Purpose Tax | | \$ 173,084,488.71 | Local School District Tax | A-13 | \$ 93,498,130.00 | Sr. Citizens & Vets | A-6 | \$ 242,366.38 |
| Added Taxes | | 1,514,070.50 | County Tax | A-13 | 25,197,966.19 | Cash Receipts | A-7 | 172,739,465.20 |
| | | | County Open Space | A-13 | 2,058,849.39 | Overpayments Applied | A-14 | (487,935.70) |
| | A-7 | <u>\$ 174,598,559.21</u> | Due County - Added & Omitted | A-13 | 203,845.99 | Subtotal | A-1 | 172,493,895.88 |
| | | | Special District Taxes | A-13 | 3,910,532.00 | Res. For Uncoll. Tax | A-3 | 1,963,776.69 |
| | | | | | | | | 174,457,672.57 |
| | | | Local Tax for Municipal Purposes | A-2 | 124,869,323.57 | Allocated to School, County and Special District | A-13 | (124,869,323.57) |
| | | | Minimum Library Tax | A-2 | 45,967,607.96 | | | |
| | | | Add: Additional Tax Levied | A-7 | 2,321,109.00 | | | |
| | | | | | 1,440,518.68 | | A-2 | <u>\$ 49,588,349.00</u> |
| <u>Delinquent Taxes Realized:</u> | | | | | | | | |
| FY 18 Collections | | \$ 1,435,780.63 | | | <u>\$ 174,598,559.21</u> | | | |
| Sr. Citizens Vets | | (8,336.79) | | | | | | |
| Arrears Collections | | 20,682.19 | | | | | | |
| Tax Liens Collected | | 7,941.00 | | | | | | |
| | A-1, A-2 | <u>\$ 1,456,067.03</u> | | | | | | |

CURRENT FUND
SCHEDULE OF NONBUDGET REVENUES & VARIOUS ACCOUNTS RECEIVABLES

| | December 31, 2017 | Accrued/ Adjustments | Cash Receipts | December 31, 2018 | |
|---|----------------------|-------------------------|---------------------------|----------------------|----------|
| Revenue Accounts Receivable: | | | | | |
| Licenses - Other | | \$ 144,826.00 | \$ (144,826.00) | | |
| Alcoholic Beverage License | | 50,564.00 | (50,564.00) | | |
| Fees and Permits | | 892,939.92 | (892,939.92) | | |
| Fines and Costs - Municipal Court | \$ 46,370.77 | 733,003.19 | (738,756.60) | \$ 40,617.36 | |
| Construction Code Fees | | 2,416,479.44 | (2,416,479.44) | | |
| Interest on Investments and Deposits | | 993,435.13 | (993,435.13) | | |
| Cable Franchise Fees | | 185,894.34 | (185,894.34) | | |
| Hotel and Motel Tax | | 449,700.39 | (449,700.39) | | |
| Library Fines | 3,000.00 | 36,000.00 | (36,000.00) | 3,000.00 | |
| PILOT | | 255,966.66 | (255,966.66) | | |
| State Aid: Energy Receipts Tax | | 5,471,407.00 | (5,471,407.00) | | |
| State Aid: Consolidated Municipal Property Tax Relief Aid | | 387,172.00 | (387,172.00) | | |
| Uniform Fire Safety Act | | 103,844.92 | (103,844.92) | | |
| A-2 | 49,370.77 | 12,121,232.99 | (12,126,986.40) | 43,617.36 | |
| Non - Budget Revenue: | | | | | |
| Administrative Fees Outside Jobs | | 774,033.36 | (774,033.36) | | |
| Abandoned Vehicles | | 34.00 | (34.00) | | |
| Bid Specifications | | 20,900.00 | (20,900.00) | | |
| Citizens' & Veterans 2% Admin Fees | | 4,572.83 | (4,572.83) | | |
| Cost of Tax Sale | | 9,553.84 | (9,553.84) | | |
| Credit Card Convenience Fees | | 3,278.35 | (3,278.35) | | |
| Delinquent Fees | | 3,600.00 | (3,600.00) | | |
| DMV Inspection Fees | | 840.00 | (840.00) | | |
| FEMA Reimbursements: Hurricane Sandy | | 792.67 | (792.67) | | |
| Fire Report | | 15.00 | (15.00) | | |
| Fire Penalty | | 1,000.00 | (1,000.00) | | |
| Filming Agreement | | 900.00 | (900.00) | | |
| Grants Cancelled | | 5,000.00 | (5,000.00) | | |
| Homeowner Mail Reimbursement | | 3,420.00 | (3,420.00) | | |
| ID Card Replacement Fee | | 222.00 | (222.00) | | |
| July 4th Fireworks | | 7,075.00 | (7,075.00) | | |
| Insurance Claims | | 61,635.00 | (61,635.00) | | |
| Interpretation - Planning | | 1,050.00 | (1,050.00) | | |
| Maintenance Liens | | 8,447.57 | (8,447.57) | | |
| Medical Appointments | | 750.00 | (750.00) | | |
| Miscellaneous | | 12,127.03 | (12,127.03) | | |
| Central Jersey JIF Awards | | 10,000.00 | (10,000.00) | | |
| Payment In Lieu of Taxes - Contributions | | 6,000.00 | (6,000.00) | | |
| Planning & Zoning fees | | 100.00 | (100.00) | | |
| Photo Copies | | 4,710.85 | (4,710.85) | | |
| Police Report | | 2,030.70 | (2,030.70) | | |
| Recycling Batteries | | 663.00 | (663.00) | | |
| Recycling Electronic Waste | | 1,888.02 | (1,888.02) | | |
| Rent Land | | 1.00 | (1.00) | | |
| Recycle subsidy: Solid Waste | | 718.25 | (718.25) | | |
| Returned Check Fees | | 914.00 | (914.00) | | |
| Rent: Senior Center | | 6,200.00 | (6,200.00) | | |
| Scrap Metal | | 4,411.20 | (4,411.20) | | |
| Towing Penalty | | 2,000.00 | (2,000.00) | | |
| Visitor's Fee | | 3.00 | (3.00) | | |
| Violations - Code | | 12,480.00 | (12,480.00) | | |
| Worker's Compensation Refund | | 37,300.60 | (37,300.60) | | |
| A-1, A-2 | - | 1,008,667.27 | (1,008,667.27) | - | |
| Total | \$ 49,370.77 | \$ 13,129,900.26 | \$ (13,135,653.67) | \$ 43,617.36 | |
| | <u>Ref.</u> | <u>A</u> | <u>Reserve</u> | <u>Below</u> | <u>A</u> |
| Analysis of Miscellaneous Revenues: | | | | | |
| Account Receivable Collections | A-4 | | \$ 12,117,050.40 | | |
| Grass Coupons: A/c Receivables Collections | A-5 | | 9,936.00 | | |
| Subtotal | | | <u>12,126,986.40</u> | | |
| Non-Budget Revenue | A-4 | | 989,110.86 | | |
| Cost of Tax Sale | A-5 | | 9,553.84 | | |
| Return Check Fee | A-5 | | 580.00 | | |
| Maintenance Lien | A-5 | | 8,038.79 | | |
| Interest of Maintenance Lien | A-5 | | 408.78 | | |
| Trust Fund | A-11 | | 975.00 | | |
| Subtotal | | | <u>1,008,667.27</u> | | |
| Total | | | <u>\$ 13,135,653.67</u> | | |

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
 STATEMENT OF APPROPRIATION RESERVES - CY 2017
FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>BALANCE</u> <u>DEC 31, 2017</u> | <u>ENCUMBERED</u> <u>DEC 31, 2017</u> | <u>BALANCE</u> <u>AFTER</u> <u>MODIFICATION</u> | <u>PAID OR</u> <u>CHARGED</u> | <u>BALANCE</u> <u>LAPSED</u> |
|---------------------------------|---------------------------------------|--|---|----------------------------------|---------------------------------|
| <u>Operations Within "CAPS"</u> | | | | | |
| <u>General Government</u> | | | | | |
| Township Council | | | | | |
| Other Expenses | \$ 3,962.94 | \$ 1,384.00 | \$ 5,346.94 | \$ 1,584.00 | \$ 3,762.94 |
| Township Clerk | | | | | |
| Salaries and Wages | 11,980.88 | | | | |
| Other Expenses | 36,880.35 | 3,299.65 | 40,180.00 | 4,180.04 | 35,999.96 |
| Elections | | | | | |
| Other Expenses | 8,339.95 | | 8,339.95 | | 8,339.95 |
| <u>Administration</u> | | | | | |
| Department of Administration | | | | | |
| Salaries and Wages | 46,239.77 | | 154.00 | 154.00 | |
| Other Expenses | 23,104.63 | 8,990.06 | 32,094.69 | 8,982.66 | 23,112.03 |
| Division of Personnel | | | | | |
| Salaries and Wages | 1,393.72 | | | | |
| Other Expenses | 452.79 | 368.01 | 820.80 | 253.01 | 567.79 |
| Computer Center | | | | | |
| Salaries and Wages | 34,344.46 | | | | |
| Other Expenses | 3,876.23 | 80,400.66 | 84,276.89 | 51,626.71 | 32,650.18 |
| Division of Purchasing | | | | | |
| Salaries and Wages | 1,381.28 | | | | |
| Other Expenses: | 18,839.13 | 5,175.49 | 24,014.62 | 1,705.84 | 22,308.78 |
| Postage (All Departments) | 125.47 | 2,128.17 | 2,253.64 | 100.47 | 2,153.17 |
| Duplicating (All Departments) | | | | | |
| Miscellaneous Other Expenses | | | | | |

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
 STATEMENT OF APPROPRIATION RESERVES - CY 2017
FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>BALANCE</u> <u>DEC 31, 2017</u> | <u>ENCUMBERED</u> <u>DEC 31, 2017</u> | <u>BALANCE</u> <u>AFTER</u> <u>MODIFICATION</u> | <u>PAID OR</u> <u>CHARGED</u> | <u>BALANCE</u> <u>LAPSED</u> |
|--|---------------------------------------|--|---|----------------------------------|---------------------------------|
| Municipal Land Use (N.J.S.A. 40:55 D-1): | | | | | |
| Planning Board | | | | | |
| Salaries and Wages | | | | | |
| Other Expenses | 28,167.52 | 3,282.41 | 31,449.93 | 3,116.00 | 28,333.93 |
| Zoning Board | | | | | |
| Salaries and Wages | | | | | |
| Other Expenses | 17,440.00 | 7,989.26 | 25,429.26 | 5,390.08 | 20,039.18 |
| Celebration of Public Events | | | | | |
| Other Expenses | | | | | |
| Cable TV Studio | | | | | |
| Salaries and Wages | 2,990.12 | | | | |
| Other Expenses | 3,233.27 | 265.24 | 3,498.51 | 1,524.65 | 1,973.86 |
| <u>Finance and Revenue</u> | | | | | |
| Department of Finance | | | | | |
| Salaries and Wages | 23,296.52 | | 1,383.39 | 1,383.39 | |
| Other Expenses | 5,271.72 | 13,119.19 | 18,390.91 | 7,404.02 | 10,986.89 |
| Annual Audit | | 70,000.00 | 70,000.00 | 59,781.00 | 10,219.00 |
| Division of Assessment | | | | | |
| Salaries and Wages | 14,945.99 | | 669.84 | 669.84 | |
| Other Expenses | 13,864.71 | 67,279.62 | 81,144.33 | 59,334.36 | 21,809.97 |
| Division of Revenue | | | | | |
| Salaries and Wages | 9,038.38 | | 109.16 | 109.16 | |
| Other Expenses | 19,337.04 | 386.65 | 19,723.69 | 421.65 | 19,302.04 |
| Insurance | | | | | |
| Liability Insurance | 11,212.99 | 3,899.20 | 15,112.19 | | 15,112.19 |
| Workers' Compensation Insurance | 5,000.00 | | 5,000.00 | | 5,000.00 |
| Health Insurance Waiver | 37,975.00 | 3,000.00 | 40,975.00 | | 40,975.00 |
| Employee Group Insurance | - | 390,364.79 | 390,364.79 | 390,364.79 | |

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
 STATEMENT OF APPROPRIATION RESERVES - CY 2017
FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>BALANCE</u> DEC 31, 2017 | <u>ENCUMBERED</u> DEC 31, 2017 | <u>BALANCE</u> AFTER MODIFICATION | <u>PAID OR</u> <u>CHARGED</u> | <u>BALANCE</u> <u>LAPSED</u> |
|---|--------------------------------|-----------------------------------|---|----------------------------------|---------------------------------|
| Municipal Court | | | | | |
| Salaries and Wages | 6,151.48 | | | | |
| Other Expenses | 986.02 | 593.60 | 1,579.62 | 105.60 | 1,474.02 |
| Public Defender (P.L. 1997, Ch. 256) | | | | | |
| Other Expenses | 5,000.00 | | 5,000.00 | | 5,000.00 |
| <u>Law</u> | | | | | |
| Department of Law | | | | | |
| Other Expenses | 14,710.00 | 103,467.37 | 138,177.37 | 39,853.90 | 98,323.47 |
| Municipal Prosecutor | | | | | |
| Other Expenses | 5,299.00 | 13,284.37 | 18,583.37 | 5,533.33 | 13,050.04 |
| <u>Public Safety</u> | | | | | |
| Uniform Fire Safety Act | | | | | |
| Salaries and Wages | 16,482.57 | | | | |
| Other Expenses | 3,992.62 | 4,596.79 | 8,589.41 | 4,075.32 | 4,514.09 |
| Animal Control | | | | | |
| Salaries and Wages | 18,521.81 | | | | |
| Other Expenses | 17,410.84 | 1,969.00 | 19,379.84 | 311.50 | 19,068.34 |
| Division of Schools Crossing Guards | | | | | |
| Salaries and Wages | 3,482.40 | | | | |
| Other Expenses | 232.75 | | 232.75 | | 232.75 |
| Division of Police | | | | | |
| Salaries and Wages | 776,961.93 | | 755,226.18 | 2,435.72 | 752,790.46 |
| Other Expenses | 76,919.09 | 68,869.62 | 145,788.71 | 67,544.17 | 78,244.54 |
| First Aid Organization - Contribution | 52,960.50 | 1,781.50 | 54,742.00 | 15,367.50 | 39,374.50 |
| Division of Emergency Management Services | | | | | |
| Salaries and Wages | | | | | |
| Other Expenses | 11,036.59 | | 11,036.59 | | 11,036.59 |

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - CY 2017
FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>BALANCE</u> <u>DEC 31, 2017</u> | <u>ENCUMBERED</u> <u>DEC 31, 2017</u> | <u>BALANCE</u> <u>AFTER</u> <u>MODIFICATION</u> | <u>PAID OR</u> <u>CHARGED</u> | <u>BALANCE</u> <u>LAPSED</u> |
|--|---------------------------------------|--|---|----------------------------------|---------------------------------|
| <u>Public Works</u> | | | | | |
| Department of Public Works | | | | | |
| Salaries and Wages | 10,591.74 | | 10,591.74 | | 10,591.74 |
| Other Expenses | 20,686.59 | 3,247.77 | 23,934.36 | 2,510.37 | 21,423.99 |
| Division of Engineering | | | | | |
| Salaries and Wages | 33,499.10 | | | | |
| Other Expenses | 16,154.30 | 9,108.86 | 25,263.16 | 945.00 | 24,318.16 |
| Division of Community Development and Planning | | | | | |
| Salaries and Wages | 10,967.49 | | | | |
| Other Expenses | 32,227.52 | 15,011.43 | 47,238.95 | 5,670.15 | 41,568.80 |
| Division of Zoning Enforcement | | | | | |
| Salaries and Wages | 4,465.89 | | | | |
| Other Expenses | 10,968.01 | 5,311.21 | 16,279.22 | 4,256.86 | 12,022.36 |
| Public Buildings and Grounds | | | | | |
| Salaries and Wages | 9,386.65 | | 9,386.65 | | 9,386.65 |
| Other Expenses | 3,952.77 | 137,543.39 | 141,496.16 | 58,705.45 | 82,790.71 |
| Division of Property Maintenance: Traffic | | | | | |
| Salaries and Wages | 11,315.19 | | | | |
| Other Expenses | 75,642.96 | 941.00 | 76,583.96 | 15.20 | 76,568.76 |
| Division of Fleet Maintenance: Fleet | | | | | |
| Salaries and Wages | 9,249.60 | | 9,249.60 | 356.67 | 8,892.93 |
| Other Expenses | 143,940.65 | 58,231.37 | 202,172.02 | 32,039.20 | 170,132.82 |
| Division of Streets | | | | | |
| Salaries and Wages | 275,512.07 | | 275,512.07 | 1,094.92 | 274,417.15 |
| Other Expenses | 22,200.84 | 9,943.52 | 32,144.36 | 2,729.00 | 29,415.36 |
| Snow Removal | | | | | |
| Other Expenses | | 137,677.05 | 137,677.05 | 137,677.05 | |
| All Utilities | 47,235.33 | 790,204.66 | 837,439.99 | 350,634.74 | 486,805.25 |
| Division of Parks | | | | | |
| Salaries and Wages | 35,849.26 | | 510.61 | 510.61 | |

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
 STATEMENT OF APPROPRIATION RESERVES - CY 2017
FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>BALANCE</u> DEC 31, 2017 | <u>ENCUMBERED</u> DEC 31, 2017 | <u>BALANCE</u> AFTER MODIFICATION | <u>PAID OR</u> <u>CHARGED</u> | <u>BALANCE</u> <u>LAPSED</u> |
|---------------------------------------|--------------------------------|-----------------------------------|---|----------------------------------|---------------------------------|
| Other Expenses | 8,011.74 | 17,716.41 | 25,728.15 | 8,166.50 | 17,561.65 |
| Shade Trees | | | | | |
| Other Expenses | 1,350.00 | | 1,350.00 | | 1,350.00 |
| Division of Sanitation - Sewer System | | | | | |
| Other Expenses | 29,949.35 | 50.65 | 30,000.00 | 50.61 | 29,949.39 |
| Solid Waste Collection | | | | | |
| Salaries and Wages | 47,174.09 | | 47,174.09 | 552.91 | 46,621.18 |
| Other Expenses | 7,351.42 | 30.85 | 7,382.27 | | 7,382.27 |
| Recycling Program | | | | | |
| Other Expenses | 77,542.85 | 565.00 | 78,107.85 | 1,297.50 | 76,810.35 |
| Municipal Services Act | 115,000.00 | | 115,000.00 | 42,685.63 | 72,314.37 |
| <u>Health and Welfare</u> | | | | | |
| Office on Aging | | | | | |
| Salaries and Wages | 37,126.02 | | 3,182.46 | 3,182.46 | |
| Other Expenses | 10,231.91 | 17,829.54 | 28,061.45 | 5,347.85 | 22,713.60 |
| <u>Recreation and Education</u> | | | | | |
| Department of Recreation | | | | | |
| Salaries and Wages | 11,642.09 | | 295.40 | 295.40 | |
| Other Expenses | 46,244.67 | 7,675.56 | 53,920.23 | 11,502.93 | 42,417.30 |
| <u>Unifrom Construction Code</u> | | | | | |
| Division of Inspections | | | | | |
| Salaries and Wages | 78,211.73 | | 1,001.65 | 1,001.65 | |
| Other Expenses | 5,120.16 | 627.05 | 5,747.21 | 432.06 | 5,315.15 |
| Boards and Commissions | | | | | |
| Salaries and Wages | | | - | | |
| Other Expenses | 9,638.11 | 1,513.20 | 11,151.31 | 1,513.20 | 9,638.11 |

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - CY 2017
FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>BALANCE</u> <u>DEC 31, 2017</u> | <u>ENCUMBERED</u> <u>DEC 31, 2017</u> | <u>BALANCE</u> <u>AFTER</u> <u>MODIFICATION</u> | <u>PAID OR</u> <u>CHARGED</u> | <u>BALANCE</u> <u>LAPSED</u> |
|---|---------------------------------------|--|---|----------------------------------|---------------------------------|
| Severance Liability | | | 407,755.39 | 407,755.39 | |
| Total Operations Within "CAPS" | 2,651,282.56 | 2,069,123.17 | 4,720,405.73 | 1,814,242.02 | 2,906,163.71 |
| Total Operation Including Contingent | 2,651,282.56 | 2,069,123.17 | 4,720,405.73 | 1,814,242.02 | 2,906,163.71 |
| Deferred Charges and Statutory Expenditures - <u>Municipal Within "CAPS"</u> | | | | | |
| STATUTORY EXPENDITURES: | | | | | |
| Contribution to: | | | | | |
| Social Security System | 140,347.96 | | 140,347.96 | | 140,347.96 |
| Defined Contribution Retirement Program | 2,689.59 | | 2,689.59 | | 2,689.59 |
| Total Deferred Charges and Statutory Expenditures Within "CAPS" | 143,037.55 | | 143,037.55 | | 143,037.55 |
| Total General Appropriations Within "CAPS" | 2,794,320.11 | 2,069,123.17 | 4,863,443.28 | 1,814,242.02 | 3,049,201.26 |
| <u>OPERATIONS EXCLUDED FROM "CAPS"</u> | | | | | |
| Maintenance of Free Public Library | 47,167.64 | 104,238.44 | 151,406.08 | 109,299.11 | 42,106.97 |
| 9-1-1 Emergency Telecommunications Services | | | | | |
| Salaries and Wages | 255,551.46 | | 255,551.46 | 3,855.93 | 251,695.53 |
| Other Expenses | 52,135.76 | 69,467.83 | 121,603.59 | 41,026.74 | 80,576.85 |
| NJDES - Storm Water | | | | | |
| Other Expenses | 17,581.42 | 3,749.08 | 21,330.50 | 3,296.00 | 18,034.50 |
| MCIA Recycling Program | 114,000.00 | 117,422.80 | 231,422.80 | 128,617.24 | 102,805.56 |
| MCUA Solid Waste Agreement | 231,935.00 | 19,112.44 | 251,047.44 | 8,948.07 | 242,099.37 |
| Edison Animal Control Contract | 58,681.08 | 11,318.92 | 70,000.00 | 11,318.92 | 58,681.08 |
| UMDNJ Agreements | 18,905.27 | 0.01 | 18,905.28 | | 18,905.28 |
| Middlesex County Health Department | 969.64 | 0.06 | 969.70 | | 969.70 |

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF APPROPRIATION RESERVES - CY 2017
FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>BALANCE DEC 31, 2017</u> | <u>ENCUMBERED DEC 31, 2017</u> | <u>BALANCE AFTER MODIFICATION</u> | <u>PAID OR CHARGED</u> | <u>BALANCE LAPSED</u> |
|---|---------------------------------|------------------------------------|---|----------------------------|---------------------------|
| Public and Private Programs Offset by Revenues Matching Fund for Grants | 32,690.00 | | 32,690.00 | | 32,690.00 |
| Total Operations - Excluded from "CAPS" | 829,617.27 | 325,309.58 | 1,154,926.85 | 306,362.01 | 848,564.84 |
| <u>Capital Improvements - Excluded from "CAPS"</u> | | | | | |
| Land Acquisition | 85,041.00 | 4,229.00 | 89,270.00 | 8,459.00 | 80,811.00 |
| HVAC Improvements | 44,213.00 | 292,149.80 | 336,362.80 | 313,649.80 | 22,713.00 |
| Uniform Code Enforcement Computers | | 25,000.00 | 25,000.00 | | 25,000.00 |
| Total Capital Improvements - Excluded from Caps | 129,254.00 | 321,378.80 | 450,632.80 | 322,108.80 | 128,524.00 |
| Total General Appropriations for Municipal Purposes Excluded from "CAPS" | 958,871.27 | 646,688.38 | 1,605,559.65 | 628,470.81 | 977,088.84 |
| Total General Appropriations | <u>\$ 3,753,191.38</u> | <u>\$ 2,715,811.55</u> | <u>\$ 6,469,002.93</u> | <u>\$ 2,442,712.83</u> | <u>\$ 4,026,290.10</u> |

| | | | | | |
|-------------|---|---|---|-------|-----|
| <u>Ref.</u> | A | A | A | Below | A-1 |
|-------------|---|---|---|-------|-----|

| | | |
|------------------------------|------|------------------------|
| Cash Disbursed | A- 4 | \$ 1,744,277.61 |
| Transfer to Accounts Payable | A-10 | 698,435.22 |
| | | <u>\$ 2,442,712.83</u> |

CURRENT FUND
SCHEDULE OF CHANGES IN VARIOUS ACCOUNTS PAYABLES & RESERVES

| | Dec. 31, 2017 | Transfer from Budget | Cash Receipts | Cash Disbursements | Adjustments | Dec. 31, 2018 |
|--|------------------------|-------------------------|------------------------|--------------------------|------------------------|------------------------|
| Accounts Payable: | | | | | | |
| Vendor Accounts Payable | \$ 825,001.50 | \$ - | \$ - | \$ (37,456.70) | \$ (444,807.28) | \$ 342,737.52 |
| PILOT Due to County | | | | (21,185.17) | 21,185.17 | |
| State of New Jersey 3rd Party Fees: | | | | | | |
| State Training Fees | 53,630.00 | | 264,819.00 | (289,879.00) | | 28,570.00 |
| Marriage License Fee | 2,450.00 | | 5,925.00 | (4,950.00) | | 3,425.00 |
| Domestic Partnership Fee | 225.00 | | 25.00 | | | 250.00 |
| Burial Permit Fee | | | | | | |
| Subtotal | 881,306.50 | | 270,769.00 | (353,470.87) | (423,622.11) | 374,982.52 |
| Reserve for: | | | | | | |
| Library State Aid | 29,156.00 | | 29,435.00 | | (29,156.00) | 29,435.00 |
| Lien Redemption & Premium PCTV | 54,185.05 | | 1,073,463.55 | (1,073,463.55) | | 58,841.05 |
| Sale of Municipal Assets | 601,996.13 | | 18,656.00 | | (14,000.00) | 745,496.13 |
| Tax Appeals Pending | 1,409,776.24 | 3,500,000.00 | 143,500.00 | | (2,899,515.32) | 2,010,260.92 |
| Third Party Inspections | | | | | | |
| Electrical | | | | (29,757.00) | 29,757.00 | |
| Plumbing | | | | | | |
| Elevator | 47,256.62 | | 30,020.56 | (8,895.00) | | (68,382.18) |
| Certificate of Occupancy | 144,177.58 | | 1,040.00 | | (145,217.58) | |
| Certificate of Continued Occupancy | 27,818.00 | | 1,100.00 | | (28,918.00) | |
| Fire | 84,563.97 | | 23,733.00 | (32,066.00) | (76,230.97) | |
| Subtotal | 2,398,929.59 | 3,500,000.00 | 1,320,948.11 | (4,043,696.87) | (332,147.73) | 2,844,033.10 |
| Total | \$ 3,280,236.09 | \$ 3,500,000.00 | \$ 1,591,717.11 | \$ (4,397,167.74) | \$ (755,769.84) | \$ 3,219,015.62 |

| | | | | | | |
|-------------|---|-----|-----|-----|-------|---|
| <u>Ref.</u> | A | A-3 | A-4 | A-4 | Below | A |
|-------------|---|-----|-----|-----|-------|---|

| | | | | | | | |
|------------------------|-----|--|--|--|------------------------|--|--|
| Revenue Receivable | A-2 | | | | | | |
| Operations | A-1 | | | | \$ (14,000.00) | | |
| Appropriation Reserves | A-9 | | | | (1,440,205.06) | | |
| | | | | | <u>698,435.22</u> | | |
| | | | | | <u>\$ (755,769.84)</u> | | |

CURRENT FUND
STATEMENT OF INTERFUNDS RECEIVABLE

| | Cash Receipts | Collector Receipts | Cash Disbursements | Revenue Receivables | Accruals/ Adjustments | Budget Appropriation | Dec. 31, 2018 |
|--------------------------------------|-------------------------|-----------------------|---------------------------|------------------------|--------------------------|-------------------------|------------------|
| Interfunds: | | | | | | | |
| Due from Sewer Capital Fund | | | | | | | |
| Sewer Operating Fund:..... | \$ 3,060,500.00 | \$ - | \$ (3,060,500.00) | \$ - | \$ - | \$ - | \$ - |
| Due from Senior Housing Capital Fund | 5,000,000.00 | | (5,000,000.00) | | | | - |
| Due from Senior Housing Utility Fund | 1,082,375.00 | | (1,090,375.00) | | | 8,000.00 | - |
| General Capital | 4,680,000.00 | | (4,725,000.00) | | | 45,000.00 | - |
| Due from/(to) Other Trust Fund:..... | 9,030,695.09 | 628,689.41 | (9,643,550.91) | (975.00) | (14,858.59) | | - |
| Unemployment Trust Fund:..... | 500,000.00 | | (500,000.00) | | | | - |
| Trust Fund: Animal Trust:..... | 141.69 | | (141.69) | | | | - |
| Payroll Fund:..... | 287,822.67 | | (287,822.67) | | | | - |
| Affordable Housing Trust Fund:..... | 6,000,000.00 | | (6,000,000.00) | | | | - |
| Total..... | \$ 29,641,534.45 | \$ 628,689.41 | \$ (30,307,390.27) | \$ (975.00) | \$ (14,858.59) | \$ 53,000.00 | \$ - |
| <u>Ref.</u> | A-4 | A-5 | A-4 | A-8 | Reserve | A-3 | A |

CURRENT FUND
STATEMENT OF INTERFUNDS PAYABLE

| | Cash Receipts - | Cash Disbursements + | Reserves Revenues | Grants Canceled | Budget Appropriations | Dec. 31, 2018 |
|--------------------------|------------------------|----------------------------|------------------------|--------------------|--------------------------|------------------|
| Interfunds | | | | | | |
| Due (to)/from Grant Fund | \$ (511,027.07) | \$ 468,984.06 | \$ (250,559.99) | \$ (76.99) | \$ 292,679.99 | \$ - |
| Total..... | <u>\$ (511,027.07)</u> | <u>\$ 468,984.06</u> | <u>\$ (250,559.99)</u> | <u>\$ (76.99)</u> | <u>\$ 292,679.99</u> | <u>\$ -</u> |
| <u>Ref.</u> | A-4 | A-4 | A-2 | A-1 | A-3 | A |

CURRENT FUND
SCHEDULE OF TAXES PAYABLE

| | Taxes Levied | Cash Disbursements |
|----------------------------------|--------------------------|----------------------------|
| County - General..... | \$ 25,197,966.19 | \$ (25,197,966.19) |
| County - Open Space..... | 2,058,849.39 | (2,058,849.39) |
| County - Added & Omitted..... | 203,845.99 | (203,845.99) |
| Local School District Taxes..... | 93,498,130.00 | (93,498,130.00) |
| Fire District Taxes..... | 3,910,532.00 | (3,910,532.00) |
| Total..... | <u>\$ 124,869,323.57</u> | <u>\$ (124,869,323.57)</u> |
| <u>Ref.</u> | A-1,A-7 | A-4 |

CURRENT FUND
SCHEDULE OF PROPERTY TAX OVERPAYMENTS

| | | | |
|----------------------------------|-----|----|---------------------|
| Balance - 12/31/2017..... | A | \$ | - |
| Applied to Taxes Receivable..... | A-7 | | (3,408,248.25) |
| Cash Payments - Refunds..... | A-4 | | (68,115.16) |
| Overpayments Cancelled..... | A-1 | | (352,250.69) |
| Overpayment Received..... | A-7 | | <u>3,828,614.10</u> |
| Balance - 12/31/2018..... | A | \$ | <u><u>-</u></u> |

SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
GRANT FUND

Exhibit A-15

| BUDGET YEAR | GRANTS | BALANCE DEC. 2017 | CY 2018 CH. 159 REVENUE REALIZED | CASH COLLECTED | BALANCE DEC. 31, 2018 |
|----------------|---|----------------------|---|----------------------|--------------------------|
| CY-2016 | | | | | |
| | NJDOT: School Street | \$ 100,000.00 | | \$ 100,000.00 | |
| | EMPG-EMAA | 4,400.00 | | 4,400.00 | |
| CY-2017 | | | | | |
| | Drive Sober or Get Pulled Over Grant | 5,500.00 | | 5,170.00 | \$ 330.00 |
| | NJ DOT: Kossuth Street & Terrace Court | 262,000.00 | | | 262,000.00 |
| | Municipal Alliance on Alcoholism | 69,090.00 | | 40,261.97 | 28,828.03 |
| | Safe and Secure Grant | 60,000.00 | | 60,000.00 | |
| | Community Development Block Grant | 220,487.00 | | 220,487.00 | |
| CY-2018 | | | | | |
| | Multi-Jurisdictional Task Force | | \$ 6,000.00 | 6,000.00 | |
| | Body Armor Grant | | | | |
| | Clean Communities Grant | | 93,369.35 | 93,369.35 | |
| | Alcohol Education Rehab Program | | 2,856.07 | 2,856.07 | |
| | Drive Sober or Get Pulled Over Grant Distracted Driving | | 6,600.00 | 6,600.00 | |
| | NJ DOT: Kossuth Street & Terrace Court | | | | |
| | Municipal Alliance on Alcoholism | | 42,120.00 | | 42,120.00 |
| | Bullet Proof Vest Program | | 6,264.48 | | 6,264.48 |
| | Drunk Driving Enforcement Fund | | 35,725.47 | 35,725.47 | |
| | Friends of the Library | | 57,624.62 | 57,624.62 | |
| Totals | | <u>\$ 721,477.00</u> | <u>\$ 250,559.99</u> | <u>\$ 632,494.48</u> | <u>\$ 339,542.51</u> |
| | <u>Ref.</u> | A | A-16 | Below | A |
| | Due to Current Fund | A-16 | | \$ 281,250.00 | |
| | Due to Capital Fund | A-16 | | (281,250.00) | |
| | Cash | A-4 | | <u>632,494.48</u> | |
| | | | | <u>\$ 632,494.48</u> | |

GRANT FUND
STATEMENT OF INTERFUNDS RECEIVABLE/ PAYABLE

| | Dec. 31, 2017 | Cash Receipts | Cash Disbursements | Budget Revenues | Budget Appropriations | Adjustments | Dec. 31, 2018 |
|-------------------------------|------------------|------------------------|-----------------------|------------------------|--------------------------|------------------------|------------------|
| Interfunds | | | | | | | |
| General Capital Fund Due (to) | \$ - | | \$ 501,737.00 | | | \$ (501,737.00) | \$ - |
| Current Fund Due (to)/from | | \$ (598,839.71) | 358,630.00 | \$ (250,559.99) | \$ 292,679.99 | 198,089.71 | - |
| Total..... | \$ - | \$ (598,839.71) | \$ 860,367.00 | \$ (250,559.99) | \$ 292,679.99 | \$ (303,647.29) | \$ - |

| <u>Ref.</u> | A | A-4 | A-4 | A-15 | A-17 | Below | A |
|-------------|---|-----|-----|------|------|------------------------|---|
| | | | | | | \$ (76.99) | |
| | | | | | | (83,083.30) | |
| | | | | | | (220,487.00) | |
| | | | | | | 281,250.00 | |
| | | | | | | (281,250.00) | |
| | | | | | | <u>\$ (303,647.29)</u> | |

SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED
GRANT FUND

| BUDGET YEAR/PROGRAM | BALANCE DEC. 31 2017 | ENCUMBRANCES DEC 31 2017 | APPROP. N.J.S.A. 40A:4-87 | TRANSFER & CANCELATIONS | PAID OR CHARGED | ENCUMBRANCES DEC. 31 2018 | BALANCE DEC. 31 2018 |
|---|-------------------------|--------------------------------|---------------------------------|----------------------------|----------------------|---------------------------------|-------------------------|
| CY-2012 | | | | | | | |
| Municipal Court Alcohol And Education Rehab | \$ 173.10 | \$ 584.37 | \$ - | \$ - | \$ 611.46 | \$ 146.01 | \$ - |
| CY-2013 | | | | | | | |
| Multi-Jurisdictional Task Force | | | | | | | |
| Alcohol Education Rehab Program | 738.85 | | | | 650.00 | 188.85 | - |
| Drunk Driving Enforcement Grant | - | 76.96 | | 76.96 | | | - |
| CY 2014 | | | | | | | |
| Multi-Jurisdictional Task Force | | | | | | | |
| Forestry Grant: Rt 18 Project | - | 23,678.00 | | | | 23,678.00 | - |
| Clean Communities Grant-FY 2014 | 331.61 | 26,875.00 | | 27,206.61 | | | - |
| American Library Association | 2,768.26 | | | | | | 2,768.26 |
| Drunk Driving Enforcement | 543.63 | 362.75 | | | 906.38 | | - |
| CY 2015 | | | | | | | |
| Clean Communities Grant Program | 67,368.96 | 19,798.38 | | 306.70 | 62,765.26 | 24,095.38 | - |
| Alcohol Education Rehab Program | 2,887.72 | | | | | 363.66 | 2,524.06 |
| CED Program - Tasers | 11,574.95 | | | | | | 11,574.95 |
| CY 2016 | | | | | | | |
| Alcohol Education Rehab Program | 2,235.96 | | | | | | 2,235.96 |
| Body Armor Grant | 2,698.84 | 783.06 | | | 3,481.90 | | - |
| Recycling Tonnage Grant | 19,409.05 | 17,825.00 | | | 20,246.12 | 14,725.00 | 2,262.93 |
| Clean Communities Grant Program | 114,578.01 | 58.96 | | (27,513.31) | 32,061.57 | 586.95 | 109,501.76 |
| EMPG_EMAA | 4,700.00 | | | | 4,700.00 | | - |
| EMPG_EMAA Match | 2,350.00 | | | | 2,350.00 | | - |
| CY 2017 | | | | | | | |
| Middlesex County Cultural & Heritage Grant | 546.00 | | | | 400.00 | | 146.00 |
| Recycling Tonnage Grant | 90,435.94 | | | | | 22,349.00 | 68,086.94 |
| Body Armor Grant | 7,409.68 | | | | 7,409.68 | | - |
| Clean Communities Grant | 92,200.19 | 6,038.91 | | | 67,293.64 | 1,740.96 | 29,204.50 |
| Alcohol Education Rehab Program | 3,603.03 | | | | | | 3,603.03 |
| Drive Sober or Get Pulled Over Grant | 1,320.00 | | | | 1,320.00 | | - |
| NJ DOT: Kossuth Street & Terrace Court | 262,000.00 | | | | | 262,000.00 | - |
| Municipal Alliance on Alcoholism | 58,190.00 | 2,500.00 | | 0.03 | 26,069.97 | | 34,620.00 |
| Municipal Alliance on Alcoholism Match | 17,310.00 | | | | 8,655.00 | | 8,655.00 |
| Community Development Block Grant | 220,487.00 | | | | 220,487.00 | | - |
| Safe & Secure Grant | 60,000.00 | | | | 60,000.00 | | - |
| CY 2018 | | | | | | | |
| Multi-Jurisdictional Task Force | | | 6,000.00 | | | | 6,000.00 |
| Clean Communities Grant | | | 93,369.35 | | 33,359.04 | 1,740.96 | 58,269.35 |
| Alcohol Education Rehab Program | | | 2,856.07 | | | | 2,856.07 |
| Drive Sober or Get Pulled Over Grant Distracted Driving | | | 6,600.00 | | 6,600.00 | | - |
| Municipal Alliance on Alcoholism | | | 69,240.00 | | 17,350.74 | | 51,889.26 |
| Municipal Alliance on Alcoholism Match | | | 15,000.00 | | | | 15,000.00 |
| Bullet Proof Vest Program | | | 6,264.48 | | | | 6,264.48 |
| Drunk Driving Enforcement Fund | | | 35,725.47 | | 18,315.06 | | 17,410.41 |
| Friends of the Library | | | 57,624.62 | | 32,890.63 | 24,734.09 | |
| Totals | ##### | \$ 98,581.39 | \$ 292,679.99 | \$ 76.99 | \$ 627,823.35 | \$ 376,348.86 | \$ 432,872.96 |
| Ref. | A | A | Below | A-16 | A-4 | A | A |
| Interfund: Current Fund (A-16) | | | \$ 250,559.99 | | \$ 83,083.30 | | |
| Interfund: Capital Fund (A-16) | | | | | 220,487.00 | | |
| Grant: Matching Funds Alliance | | | 42,120.00 | | | | |
| Cash (A-4) | | | | | 324,253.05 | | |
| | | | <u>\$ 292,679.99</u> | | <u>\$ 627,823.35</u> | | |

Trust Fund

TRUST FUNDS
SCHEDULE OF CASH AND RESERVE ACTIVITY

| | Balance Dec. 31, 2017 | Cash Receipts | Disbursements | Balance Dec. 31, 2018 |
|--------------------------------------|--------------------------|-------------------------|---------------------------|--------------------------|
| Animal Control: | | | | |
| Due NJ - State License Fees..... | \$ 10.20 | \$ 2,197.20 | \$ (2,200.80) | \$ 6.60 |
| Animal Control Reserves..... | 21,969.96 | 21,031.11 | (4,071.39) | 38,929.68 |
| Total | 21,980.16 | 23,228.31 | (6,272.19) | 38,936.28 |
| Other Trust Funds: | | | | |
| Payroll Liabilities..... | 243,992.73 | 44,302,919.84 | (44,361,501.01) | 185,411.56 |
| Unemployment Trust Fund..... | 543,775.60 | 545,000.00 | (524,928.12) | 563,847.48 |
| Forfeited Trust Fund..... | | 27,179.64 | (14,276.00) | 12,903.64 |
| Reserve for Affordable Housing | 3,855,562.99 | 10,416,331.57 | (8,057,596.34) | 6,214,298.22 |
| Miscellaneous Deposits..... | 9,007,262.40 | 4,432,050.88 | (6,230,834.05) | 7,208,479.23 |
| Recreation Trust | 3,261.47 | 8,735.00 | (1,605.94) | 10,390.53 |
| Schedule of Escrows | 12,192,145.27 | 2,867,378.25 | (5,095,049.05) | 9,964,474.47 |
| Total | 25,846,000.46 | 62,599,595.18 | (64,285,790.51) | 24,159,805.13 |
| Public Assistance Trust Fund: | | | | |
| Reserve for Public Assistance..... | 13,411.35 | 1,000.00 | | 14,411.35 |
| Total | 13,411.35 | 1,000.00 | | 14,411.35 |
| Total | \$ 25,881,391.97 | \$ 62,623,823.49 | \$ (64,292,062.70) | \$ 24,213,152.76 |

Ref. B B

Reserve for Animal Control
License Fees Collected:

| Year | |
|---------|---------------------|
| CY 2016 | \$ 21,151.60 |
| CY 2017 | 23,659.20 |
| | <u>\$ 44,810.80</u> |

Note: R.S. 4:19.11

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

SCHEDULE OF ESCROW FUND DEPOSITS AND RESERVES
TRUST OTHER FUNDS

| <u>Purpose</u> | <u>Balance</u> <u>Dec. 31, 2017</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> <u>Dec. 31, 2018</u> |
|---|--|----------------------------|----------------------------|--|
| 1. TB Engineering & Inspections Fees (over \$5,000) | \$ 1,910,379.14 | \$ 263,825.19 | \$ 237,646.32 | \$ 1,936,558.01 |
| 2. TB Engineering & Inspections Fees (under \$5,000) | 186,813.06 | 7,105.13 | 16,119.32 | 177,798.87 |
| 3. Performance Bonds (over \$10,000) | 982,992.23 | | 5,560.00 | 977,432.23 |
| 4. TB Planning Board (Under \$5,000) | 410,404.43 | 219,600.00 | 211,615.79 | 418,388.64 |
| 5. TB Planning Board (Over \$5,000) | 341,931.94 | 255,537.57 | 186,056.05 | 411,413.46 |
| 6. TB Developers Interest | 18,545.66 | 26,405.91 | | 44,951.57 |
| 7. TB Performance (under \$5,000) | 241,309.02 | 16,252.10 | 11,776.60 | 245,784.52 |
| 8. TB Operations | | 1,616,080.19 | 1,616,080.19 | |
| 9. TB Developers | 7,899,144.12 | 301,906.10 | 2,810,194.78 | 5,390,855.44 |
| 10. TB Developers | | | | |
| 11. TB Developers Tree Bond | 200,625.67 | 60,487.04 | | 261,112.71 |
| 12. TB Developers Off-Site (Over \$5,000) | | 51,643.92 | | 51,643.92 |
| 13. TB Developers On-Site (Over \$5,000) | | 6,736.18 | | 6,736.18 |
| 14. TB Developers Cash Bond On-Site (Under \$5,000) | | 1,925.09 | | 1,925.09 |
| 15. TB Developers Bond Off-Site | | 14,729.59 | | 14,729.59 |
| 16. TB Developers Offsite Engineering & Inspection | | 1,000.63 | | 1,000.63 |
| 17. TB Developers Offsite Engineering & Inspection (Over \$5,000) | | 22,801.99 | | 22,801.99 |
| 18. TB Developers Bond Off-Site (Under \$5,000) | | 1,341.62 | | 1,341.62 |
| Total | <u>\$ 12,192,145.27</u> | <u>\$ 2,867,378.25</u> | <u>\$ 5,095,049.05</u> | <u>\$ 9,964,474.47</u> |
| <u>Ref.</u> | B | B- 1 | B- 1 | B |

SCHEDULE OF MISCELLANEOUS DEPOSITS
TRUST - OTHER FUND

| <u>Purpose</u> | <u>Balance</u> <u>Dec. 31, 2017</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> <u>Dec. 31, 2018</u> |
|--|--|------------------------|------------------------|--|
| 1. DARE Program | \$ 3,997.64 | \$ 9,878.37 | \$ 13,876.01 | \$ - |
| 2. Dep. For Redemp. Of Tax Sale Certif. | 7,194.05 | | | 7,194.05 |
| 3. Donations: Emergency Management | 31,481.11 | 7,350.00 | 10,766.50 | 28,064.61 |
| 4. Escrow/Bond: Appraisal | 950.00 | | | 950.00 |
| 5. Escrow/Bond: Curb Repair | 43,423.85 | | 1,071.38 | 42,352.47 |
| 6. Federal Forfeiture Funds | 1,070.14 | | 1,070.14 | |
| 7. Forfeiture Funds | 23,599.75 | | 23,599.75 | |
| 8. Future Improvement Deposits | 226,786.52 | | | 226,786.52 |
| 9. Grading Bonds | 11,000.00 | | | 11,000.00 |
| 10. Landscape Bonds | 164,261.25 | 9,000.00 | 2,000.00 | 171,261.25 |
| 11. Local Seized Funds | | | | |
| 12. Municipal Court - POAA | 5,328.45 | 508.00 | | 5,836.45 |
| 13. Municipal Court - Bail | 3,066.00 | | | 3,066.00 |
| 14. Prem. Received at Tax Sale | 1,254,300.00 | | 665,600.00 | 588,700.00 |
| 15. Public Defender Fees | 1,793.66 | 35,510.38 | 37,304.04 | |
| 16. Public Relations Beautification Fund | 27,689.54 | 3,000.00 | 3,278.36 | 27,411.18 |
| 17. Recapture Fees- Sale of Afford. Hsg. | 3,000.00 | | | 3,000.00 |
| 18. Reserve for Domestic Violence | 32,588.81 | | | 32,588.81 |
| 19. Reserve for Police Off-Duty Pay | | 2,694,168.16 | 2,694,168.16 | |
| 20. Reserve for Recycling Project | 9,733.13 | | | 9,733.13 |
| 21. Senior Citizens Trips | 7,185.37 | 11,919.28 | 10,952.20 | 8,152.45 |
| 22. Sick and Vacation Accrual | 4,636,436.15 | 879,409.11 | 1,145,988.93 | 4,369,856.33 |
| 23. Snow Removal | 1,597,976.69 | 25,007.53 | 543,195.03 | 1,079,789.19 |
| 24. Street Opening Bonds | 356,607.94 | 27,610.64 | 4,500.00 | 379,718.58 |
| 25. Tax Lien Redemption | 556,752.35 | 728,689.41 | 1,073,463.55 | 211,978.21 |
| 26. Youth Center Donations | 1,040.00 | | | 1,040.00 |
| Total | \$ 9,007,262.40 | \$ 4,432,050.88 | \$ 6,230,834.05 | \$ 7,208,479.23 |
| <u>Ref.</u> | <u>B</u> | <u>B- 1</u> | <u>B- 1</u> | <u>B</u> |

General Capital Fund

SCHEDULE OF CASH AND INVESTMENTS - TREASURER
GENERAL CAPITAL FUND

| | <u>REF.</u> | | |
|---------------------------------------|-------------|----------------------|------------------------|
| Balance - December 31, 2017 | C | | \$ 1,692,606.21 |
| Increased by Receipts: | | | |
| Premium on Sale of Bonds & Notes | C- 1 | 1,562,867.20 | |
| Capital Improvement Fund | C- 5 | 2,164,460.00 | |
| Contributions - Off-Site Improvements | C- 6 | 69,730.00 | |
| Developer's Tree Contribution | C-11 | 34,000.00 | |
| Bond Anticipation Notes | C-15 | 2,500,000.00 | |
| Reserve for Community Center | C-13 | 2,138,915.00 | |
| Interfund: Receipts | C-10 | 5,226,737.00 | |
| Deferred Unfunded from Current | C-5 | 1,567,785.14 | |
| Serial Bonds | C-4 | <u>16,115,000.00</u> | |
| | | | <u>31,379,494.34</u> |
| | | | 33,072,100.55 |
| Decreased by Disbursements: | | | |
| Improvement Authorizations | C-7 | 10,574,499.84 | |
| Interfund: Payments | C-9 | 4,680,000.00 | |
| Preliminary Expenses | C-10 | 202,207.33 | |
| Bond Anticipation Notes | C-15 | 7,500,000.00 | |
| Reserve for Community Center | C-13 | <u>971,340.65</u> | |
| | | | <u>23,928,047.82</u> |
| Balance - December 31, 2018 | C | | <u>\$ 9,144,052.73</u> |

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

| | <u>REF.</u> | |
|----------------------------------|-------------|--------------------------------|
| Balance - December 31, 2017 | C | \$ 35,248,000.00 |
| Increased by: | | |
| Serial Bonds | C-8 | <u>16,115,000.00</u> |
| | | 51,363,000.00 |
| Decreased by: | | |
| 2018 Budget Approp. to Pay Bonds | C-8 | <u>7,875,000.00</u> |
| Balance - December 31, 2018 | C | <u><u>\$ 43,488,000.00</u></u> |

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

| ORD. NUMBER | IMPROVEMENT DESCRIPTION | BALANCE DEC. 31, 2017 | 2018 AUTHORIZATIONS | FUNDED BY BUDGET APPROPR | BOND ISSUED | BALANCE DEC. 31, 2018 | ANALYSIS OF BALANCE DEC. 31, 2018 | |
|---------------------|---|--------------------------|-------------------------|--------------------------------|-------------------------|--------------------------|--------------------------------------|---|
| | | | | | | | EXPENDITURES | UNEXPENDED IMPROVEMENT AUTHORIZATIONS |
| 09-04 | Various Capital Improvements | \$ 572,820.00 | | | | \$ 572,820.00 | \$ 3,661.33 | \$ 569,158.67 |
| 09-40 | Various Capital Improvements | 1,281,050.00 | | | | 1,281,050.00 | 913,275.76 | 367,774.24 |
| 10-01 | Various Improvements | 5,357,500.00 | | | | 5,357,500.00 | 4,499,026.80 | 858,473.20 |
| 11-08 | Various Improvements | 305,264.56 | | | | 305,264.56 | 305,264.56 | |
| 11-21 | Various Improvements | 2,397,378.73 | | | | 2,397,378.73 | 2,397,378.73 | |
| 12-04 | Various Road & Engineering Projects | 695,867.09 | | | | 695,867.09 | 674,850.00 | 21,017.09 |
| 13-06 | Various Capital Improvements | 2,018,750.00 | | \$ 820,071.99 | | 1,198,678.01 | 496,762.33 | 701,915.68 |
| 13-07 | Various Capital Improvements (See 12-19) | 3,040,000.00 | | 361,897.75 | | 2,678,102.25 | 1,932,278.84 | 745,823.41 |
| 13-26, 15-32 | Rehab of Various Road | 6,175,000.00 | | | | 6,175,000.00 | 4,037,382.88 | 2,137,617.12 |
| 13-27 | Various Capital Improvements | 1,947,500.00 | | | | 1,947,500.00 | 911,807.19 | 1,035,692.81 |
| 14-01 | Various Capital Improvements | 1,090,090.70 | | 9,689.60 | | 1,080,401.10 | 1,080,401.10 | |
| 14-20 | Annual Road Improvements | 1,425,000.00 | | | \$ 1,425,000.00 | | | |
| 14-21, 15-13, 16-36 | Road Rehab & Improvements | 5,425,000.00 | | | | 5,425,000.00 | 2,514,755.11 | 2,910,244.89 |
| 15-19 | Baekeland Avenue Road Improvements | 4,750,000.00 | | | 1,000,000.00 | 3,750,000.00 | | 3,750,000.00 |
| 15-34, 16-36 | Various Roads, Curbs, & Parking Lot Impr | 2,987,500.00 | | | 1,670,000.00 | 1,317,500.00 | - | 1,317,500.00 |
| 16-37 | Various Roads, Curbs, Sidewalk Improvements | 931,000.00 | | | | 931,000.00 | | 931,000.00 |
| 16-39 | Various Park Improvements | 1,900,000.00 | | 376,125.80 | 1,520,000.00 | 3,874.20 | | 3,874.20 |
| 17-05 | Various Road Improvements | 4,000,000.00 | | | 3,385,000.00 | 615,000.00 | 615,000.00 | |
| 17-24 | Special Assessment: Baekeland Avenue | 3,000,000.00 | | | 2,500,000.00 | 500,000.00 | 1,474.17 | 498,525.83 |
| 17-29 | Various Capital Improvements | 1,615,000.00 | | | 1,615,000.00 | | | |
| 17-33 | Various Capital Improvements | 7,139,250.00 | (7,139,250.00) | | | | | |
| 18-01 | Improvements to Zirkel Avenue | | 3,230,000.00 | | | 3,230,000.00 | | 3,230,000.00 |
| 18-14 | Various Capital Improvements | | 7,139,250.00 | | 3,000,000.00 | 4,139,250.00 | | 4,139,250.00 |
| 18-15 | Community Cultural Arts Center Project | | 37,050,000.00 | | | 37,050,000.00 | 29,777,852.00 | 7,272,148.00 |
| 18-32 | Various Capital Improvements | | 7,766,250.00 | | | 7,766,250.00 | 881,146.36 | 6,885,103.64 |
| Total | | \$ 58,053,971.08 | \$ 48,046,250.00 | \$ 1,567,785.14 | \$ 16,115,000.00 | \$ 88,417,435.94 | \$ 51,042,317.16 | \$ 37,375,118.78 |
| | <u>Ref.</u> | C | C-7 | C-2 | C-3 | C | | |

SCHEDULE OF CAPITAL IMPROVEMENT FUND
GENERAL CAPITAL FUND

| | <u>REF.</u> | |
|--|-------------|-------------------------------|
| Balance - December 31, 2017 | C | \$ 205,636.90 |
| Increased by: | | |
| Cash Received | C-2 | \$ <u>2,164,460.00</u> |
| | | <u>2,164,460.00</u> |
| | | 2,370,096.90 |
| Decreased by: | | |
| Appropriation to Finance Improvement Authorizations | C-7 | <u>803,750.00</u> |
| Balance - December 31, 2018 | C | <u><u>\$ 1,566,346.90</u></u> |

SCHEDULE OF CONTRIBUTIONS - OFF-SITE IMPROVEMENTS

| | <u>REF.</u> | |
|-----------------------------|-------------|-------------------------------|
| Balance - December 31, 2017 | C | \$ 2,008,033.48 |
| Increased by: | | |
| Cash Receipts | C-2 | <u>69,730.00</u> |
| Balance - December 31, 2018 | C | <u><u>\$ 2,077,763.48</u></u> |

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
GENERAL CAPITAL FUND

| ORD. NUMBER | IMPROVEMENT DESCRIPTION | ORDINANCE DATE | AMOUNT | Balance December 31, 2017 | | CY 2018 AUTHORIZATIONS | | ENCUMBRANCES PAYABLE DEC. 31, 2017 | ENCUMBRANCES PAYABLE DEC. 31, 2018 | PAID OR CHARGED | BALANCE DEC. 31 2018 | | | |
|---|--|--|--|---|--|--|--|--|---|---|---|---------------------------------------|---|---|
| | | | | FUNDED | UNFUNDED | OTHER | DEFERRED CHARGES UNFUNDED | | | | FUNDED | UNFUNDED | | |
| 03-39 | Various Capital Improvements (\$175,000 NJ DOT) | 11/06/03 | \$ 4,325,000.00 | \$ 7,500.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 7,500.00 | \$ - | \$ - | | |
| 05-41, 06-14, 06-17, 06-36, 06-48, 07-02, 08-10, 09-04, 09-40, 10-01, 11-01, 11-04, 11-14, 11-21, 12-02 | Various Capital Improvements (\$50,000 - Homeland Security, \$50,000 - Local Domestic Preparedness, \$330,000 - NJ DOT, \$600,000 - Green Acres) | 3/17/2006, 11/29/05, 11/28/06, 12/19/06, 03/06/07, 04/08/08, 11/24/09, 01/26/10, 03/15/11, 03/29/11, 08/16/11, 12/06/11, 01/24/12 | 11,240,500.00 | 3,244.00 | | | | 162,278.00 | 161,278.00 | 1,000.00 | 3,244.00 | | | |
| 12-04/13-02, 12-28, 13-06, 13-07, 13-26, 15-32, 13-27, 14-01, 14-20, 14-21, 15-33, 14-22, 14-29, 15-19, 15-34, 16-09, 16-10, 16-37, 16-39, 16-43, 17-05, 17-06, 17-24, 17-29, 17-31, 17-33, 18-01, 18-14, 18-15, 18-28, 18-32 | Various Capital Improvements (\$270,000 NJ DOT), Various Capital Improvements, Various Capital Improvements (See 12-19), Rehab of Various Road (Ord 15-32, 11/24/2015), Various Capital Improvements, Annual Road Improvements, Road Rehab & Improvements (Ord 15-33, 11/29/2015), Various Park Improvements, Acquisition of Various Equipments & Vehicles, Baekeland Avenue Road Improvements, Various Roads, Curbs, & Parking Lot Impr (Ord 16-13), Various Park Improvements, Acquisition of Various Equipments & Vehicles, Various Roads, Curbs, Sidewalk Improvements, Various Park Improvements, Various Equipment, Vehicles & Systems, Various Road Improvements, Various Capital Projects, Special Assessment: Baekeland Avenue, Various Capital Improvements, Various Capital Improvements, Improvements to Zirkel Avenue, Various Capital Improvements, Community Cultural Arts Center Project, Various Capital Improvements, Various Capital Improvements | 02/21/12, 12/04/12, 02/28/13, 03/05/13, 11/26/13, 12/03/13, 01/28/14, 11/25/14, 11/25/14, 12/02/14, 12/16/14, 07/21/15, 12/01/15, 03/01/16, 03/01/16, 12/06/16, 12/13/16, 12/20/16, 03/28/17, 03/28/17, 11/09/17, 11/28/17, 12/05/17, 12/12/17, 01/20/18, 07/10/18, 07/24/18, 12/11/18, 12/18/18 | 8,520,000.00, 2,260,000.00, 2,500,000.00, 24,150.00, 4,056,000.00, 4,555,000.00, 7,850,000.00, 1,500,000.00, 1,500,000.00, 6,193,700.00, 3,200,000.00, 1,850,000.00, 3,050,000.00, 3,200,000.00, 2,012,000.00, 3,200,000.00, 5,000,000.00, 2,050,000.00, 1,450,000.00, 1,500,000.00, 4,000,000.00, 1,600,000.00, 846,800.00, 5,000,000.00, 5,250,000.00, 1,410,000.00, 1,288,000.00, 980,000.00, 2,000,000.00, 1,000,000.00, 5,200,000.00, 1,160,000.00, 3,000,000.00, 1,700,000.00, 1,160,000.00, 7,515,000.00, 3,400,000.00, 7,515,000.00, 39,000,000.00, 1,050,000.00, 8,175,000.00 | 2,538.16, 51,639.61, 24,189.81, 569,158.67, 367,774.24, 1,784,719.64, 5,627.00, 346,663.16, 173,841.09, 360,000.00, 820,071.99, 1,361,897.75, 4,123,917.04, 1,570,859.96, 9,689.60, 212,260.11, 4,589,155.50, 2,315,378.50, 25,910.59, 105,422.04, 49,000.00, 24,971.82, 539,725.51, 47,884.15, 321,529.82, 3,000,000.00, 1,700,000.00, 592,772.76, 375,750.00, 7,139,250.00, 375,750.00, 7,139,250.00, 1,950,000.00, 37,050,000.00, 408,750.00 | 3,957.54, 603,181.55, 1,175,460.14, 39,304.50, 1,039.55, 4,083.76, 133,604.59, 13,397.70, 247,038.00, 751,015.76, 478.40, 31,793.45, 289,587.75, 0.40, 133,514.38, 431,269.80, 6,750.00, 84,794.00, 282,261.18, 280,810.05, 304,866.13, 351,644.73, 2,491,980.00, 96,476.97, 601,824.72, (375,750.00), (7,139,250.00), 170,000.00, 3,230,000.00, 375,750.00, 7,139,250.00, 1,950,000.00, 37,050,000.00, 7,766,250.00 | 126,018.64, 4,102.06, 83,068.04, 83,068.04, 3,957.54, 603,181.55, 1,175,460.14, 39,304.50, 1,039.55, 4,083.76, 133,604.59, 13,397.70, 247,038.00, 751,015.76, 478.40, 31,793.45, 289,587.75, 0.40, 133,514.38, 431,269.80, 6,750.00, 84,794.00, 282,261.18, 280,810.05, 304,866.13, 351,644.73, 2,491,980.00, 96,476.97, 601,824.72, (375,750.00), (7,139,250.00), 170,000.00, 3,230,000.00, 375,750.00, 7,139,250.00, 1,950,000.00, 37,050,000.00, 7,766,250.00 | 128,249.50, 3,500.00, 1,175,460.14, 39,304.50, 1,039.55, 4,083.76, 133,604.59, 13,397.70, 247,038.00, 751,015.76, 478.40, 31,793.45, 289,587.75, 0.40, 133,514.38, 431,269.80, 6,750.00, 84,794.00, 282,261.18, 280,810.05, 304,866.13, 351,644.73, 2,491,980.00, 96,476.97, 601,824.72, (375,750.00), (7,139,250.00), 170,000.00, 3,230,000.00, 375,750.00, 7,139,250.00, 1,950,000.00, 37,050,000.00, 7,766,250.00 | 128,249.50, 3,500.00, 1,175,460.14, 39,304.50, 1,039.55, 4,083.76, 133,604.59, 13,397.70, 247,038.00, 751,015.76, 478.40, 31,793.45, 289,587.75, 0.40, 133,514.38, 431,269.80, 6,750.00, 84,794.00, 282,261.18, 280,810.05, 304,866.13, 351,644.73, 2,491,980.00, 96,476.97, 601,824.72, (375,750.00), (7,139,250.00), 170,000.00, 3,230,000.00, 375,750.00, 7,139,250.00, 1,950,000.00, 37,050,000.00, 7,766,250.00 | 29,619.66, 602.06, 12,480.00, 12,480.00, 5,627.00, 346,663.16, 360,000.00, 360,000.00, 250,546.46, 126,308.21, 9,689.60, 17,750.53, 676,466.50, 0.40, 130,548.48, 344,144.92, 107.75, 65,394.00, 3,360.00, 97,615.64, 298,480.05, 2,084,486.30, 283,585.65, 9,494.17, 1,561,719.53, 601,824.72, 41,364.73, 1,079,075.00, 31,104.00, 1,050,000.00, - | 24,189.81, 569,158.67, 367,774.24, 858,473.20, 5,627.00, 346,663.16, 360,000.00, 701,915.68, 745,823.41, 2,137,617.12, 1,035,692.81, 14,042.92, 2,910,244.89, 212,260.11, 827,983.50, 843,272.94, 32,552.84, 51,135.78, 45,640.00, 277,510.40, 432,713.69, 0.00, 321,529.82, 498,525.83, 41,803.50, 232,282.78, - | 3,244.00, 0.00, 29,619.66, 602.06, 24,189.81, - | 569,158.67, 367,774.24, 858,473.20, - | 3,244.00, 0.00, 29,619.66, 602.06, 24,189.81, - | 3,244.00, 0.00, 29,619.66, 602.06, 24,189.81, - |
| Total | | | | \$ 4,989,208.56 | \$ 36,878,770.24 | 3,578,750.00 | \$ 48,046,250.00 | \$ 5,260,162.81 | \$ 44,738,416.29 | \$ 10,354,012.84 | \$ 6,285,593.70 | \$ 37,375,118.78 | | |
| | | | | C | C | | | C | C | Below | C | C | | |
| | Deferred Charges to Future Taxation - Unfunded | Ref. C-4 | | | | | | | | | | | | |
| | Developers' Contribution - Community Center | C-13 | | | | 1,950,000.00 | | | | | | | | |
| | Federal and State Grant Receivable | C | | | | 45,000.00 | | | \$ | 45,000.00 | | | | |
| | Capital Improvement Fund | C-5 | | | | 803,750.00 | | | | | | | | |
| | Capital Surplus | C-1 | | | | 780,000.00 | | | | | | | | |
| | Interfund: Federal & State Grant Fund | C-9 | | | | - | | | | 265,487.00 | | | | |
| | Cash Disbursements | C-2 | | | | - | | | | 10,574,499.84 | | | | |
| | | | | | | | \$ 3,578,750.00 | | | \$ 10,884,986.84 | | | | |

SCHEDULE OF GENERAL SERIAL BONDS
GENERAL CAPITAL FUND

| PURPOSE | DATE OF ISSUE | ORIGINAL ISSUE | MATURITIES OF BONDS OUTSTANDING | | | INTEREST RATE | BALANCE DEC. 31, 2017 | INCREASED | DECREASED | BALANCE DEC. 31, 2018 |
|------------------------------------|---------------|------------------|---------------------------------|--------------|--------|-----------------|-----------------------|-----------------|-----------------|-----------------------|
| | | | DEC. 31, 2018 | | | | | | | |
| General Improvement Bonds | 03/15/09 | \$ 17,710,000.00 | 03/15/19 | 1,700,000.00 | 5.000% | \$ 7,260,000.00 | \$ - | \$ 1,700,000.00 | \$ 5,560,000.00 | |
| | | | 03/15/20 | 1,900,000.00 | 4.000% | | | | | |
| | | | 03/15/21 | 1,960,000.00 | 4.000% | | | | | |
| General Improvement Bonds | 1/27/2011 | 4,564,000.00 | 2/1/19/8-1-19 | 500,000.00 | 4.000% | 2,089,000.00 | | 500,000.00 | 1,589,000.00 | |
| | | | 2/1/20/8-1-20 | 525,000.00 | 4.000% | | | | | |
| | | | 2/1/21/8-1-21 | 564,000.00 | 4.000% | | | | | |
| Tax Appeals Refunding Bonds-Ser. B | 1/27/2011 | 7,820,000.00 | 2/1/18/8-1-18 | 1,220,000.00 | 4.000% | 1,220,000.00 | | 1,220,000.00 | | |
| General Improvement Bonds | 12/28/2012 | 5,884,000.00 | 12/15/19 | 1,034,000.00 | 3.000% | 1,984,000.00 | | 950,000.00 | 1,034,000.00 | |
| General Improvement Bonds | 1/15/2014 | 8,100,000.00 | 01/15/19 | 800,000.00 | 3.000% | 6,350,000.00 | | 750,000.00 | 5,600,000.00 | |
| | | | 01/15/20 | 800,000.00 | 3.000% | | | | | |
| | | | 01/15/21 | 1,000,000.00 | 3.000% | | | | | |
| | | | 01/15/22 | 1,000,000.00 | 3.000% | | | | | |
| | | | 01/15/23 | 1,000,000.00 | 3.000% | | | | | |
| | | | 01/15/24 | 1,000,000.00 | 3.000% | | | | | |
| General Improvement Bonds | 12/16/2015 | 9,800,000.00 | 12/15/19 | 875,000.00 | 2.000% | 8,325,000.00 | | 825,000.00 | 7,500,000.00 | |
| | | | 12/15/20 | 925,000.00 | 2.000% | | | | | |
| | | | 12/15/21 | 975,000.00 | 2.000% | | | | | |
| | | | 12/15/22 | 1,025,000.00 | 4.000% | | | | | |
| | | | 12/15/23 | 1,100,000.00 | 4.000% | | | | | |
| | | | 12/15/24 | 1,200,000.00 | 4.000% | | | | | |
| | | | 12/15/25 | 1,400,000.00 | 4.000% | | | | | |
| General Improvement Bonds | 11/10/2016 | 5,200,000.00 | 11/01/19 | 375,000.00 | 4.000% | 4,875,000.00 | | 350,000.00 | 4,525,000.00 | |
| | | | 11/01/20 | 425,000.00 | 4.000% | | | | | |
| | | | 11/01/21 | 450,000.00 | 4.000% | | | | | |
| | | | 11/01/22 | 475,000.00 | 4.000% | | | | | |
| | | | 11/01/23 | 500,000.00 | 4.000% | | | | | |
| | | | 11/01/24 | 525,000.00 | 4.000% | | | | | |
| | | | 11/01/25 | 550,000.00 | 3.000% | | | | | |
| | | | 11/01/26 | 600,000.00 | 3.000% | | | | | |
| | | | 11/01/27 | 625,000.00 | 3.000% | | | | | |
| General Obligation Refunding | 5/2/2017 | 3,145,000.00 | 11/01/19 | 1,565,000.00 | 4.000% | 3,145,000.00 | | 1,580,000.00 | 1,565,000.00 | |

SCHEDULE OF GENERAL SERIAL BONDS
GENERAL CAPITAL FUND

| PURPOSE | DATE OF ISSUE | ORIGINAL ISSUE | MATURITIES OF BONDS OUTSTANDING | | INTEREST RATE | BALANCE DEC. 31, 2017 | INCREASED | DECREASED | BALANCE DEC. 31, 2018 |
|--------------------------|---------------|----------------|---------------------------------|--------------|---------------|-----------------------|------------------|-----------------|-----------------------|
| | | | DEC. 31, 2018 | | | | | | |
| General Obligation Bonds | 12/1/2018 | 13,615,000.00 | 12/01/19 | 750,000.00 | 3.000% | | 13,615,000.00 | | 13,615,000.00 |
| | | | 12/01/20 | 1,400,000.00 | 4.000% | | | | |
| | | | 12/01/21 | 1,165,000.00 | 4.000% | | | | |
| | | | 12/01/22 | 1,300,000.00 | 5.000% | | | | |
| | | | 12/01/23 | 1,500,000.00 | 5.000% | | | | |
| | | | 12/01/24 | 1,500,000.00 | 5.000% | | | | |
| | | | 12/01/25 | 1,500,000.00 | 5.000% | | | | |
| | | | 12/01/26 | 1,500,000.00 | 5.000% | | | | |
| | | | 12/01/27 | 1,500,000.00 | 4.000% | | | | |
| | | | 12/01/28 | 1,500,000.00 | 4.000% | | | | |
| Special Assessment Bonds | 12/1/2018 | 2,500,000.00 | 12/01/19 | 125,000.00 | 3.000% | | 2,500,000.00 | | 2,500,000.00 |
| | | | 12/01/20 | 125,000.00 | 4.000% | | | | |
| | | | 12/01/21 | 125,000.00 | 4.000% | | | | |
| | | | 12/01/22 | 125,000.00 | 5.000% | | | | |
| | | | 12/01/23 | 125,000.00 | 5.000% | | | | |
| | | | 12/01/24 | 125,000.00 | 5.000% | | | | |
| | | | 12/01/25 | 125,000.00 | 5.000% | | | | |
| | | | 12/01/26 | 125,000.00 | 5.000% | | | | |
| | | | 12/01/27 | 125,000.00 | 4.000% | | | | |
| | | | 12/01/28 | 125,000.00 | 4.000% | | | | |
| | | | 12/01/29 | 125,000.00 | 3.000% | | | | |
| | | | 12/01/30 | 125,000.00 | 3.250% | | | | |
| | | | 12/01/31 | 125,000.00 | 3.250% | | | | |
| | | | 12/01/32 | 125,000.00 | 3.375% | | | | |
| | | | 12/01/33 | 125,000.00 | 3.375% | | | | |
| | | | 12/01/34 | 125,000.00 | 3.500% | | | | |
| | | | 12/01/35 | 125,000.00 | 3.500% | | | | |
| | | | 12/01/36 | 125,000.00 | 3.500% | | | | |
| 12/01/37 | 125,000.00 | 3.625% | | | | | | | |
| 12/01/38 | 125,000.00 | 3.625% | | | | | | | |
| Total | | | | | | \$ 35,248,000.00 | \$ 16,115,000.00 | \$ 7,875,000.00 | \$ 43,488,000.00 |
| | | | | | | C | C-1 | C-3 | C |

SCHEDULE OF INTERFUNDS PAYABLE

| | <u>REF.</u> | <u>Total</u> | <u>Due to Current Fund</u> | <u>Due from Grant Fund</u> |
|----------------------------------|-------------|-----------------|------------------------------------|------------------------------------|
| Increased by: | | | | |
| Cash Received | C- 2 | \$ 5,226,737.00 | \$ 4,725,000.00 | \$ 501,737.00 |
| | | 5,226,737.00 | 4,725,000.00 | 501,737.00 |
| Decreased by: | | | | |
| Cash Disbursed | C- 2 | 4,680,000.00 | 4,680,000.00 | |
| Improvement Authorization | C- 7 | 265,487.00 | 45,000.00 | 220,487.00 |
| State & Federal Grant Receivable | C- 16 | 281,250.00 | | 281,250.00 |
| | | 5,226,737.00 | 4,725,000.00 | 501,737.00 |
| Balance - December 31, 2018 | C | \$ - | \$ - | \$ - |

SCHEDULE OF PRELIMINARY EXPENSES
GENERAL CAPITAL FUND

| | <u>REF.</u> | |
|---------------------------|-------------|----------------------|
| Balance December 31, 2017 | C | \$ 473,160.49 |
| Decreased by: | | |
| Cash Disbursed | C- 2 | <u>202,207.33</u> |
| Balance December 31, 2018 | C | <u>\$ 270,953.16</u> |

SCHEDULE OF RESERVES DEVELOPER'S TREE CONTRIBUTIONS

| | <u>REF.</u> | |
|---------------------------|-------------|---------------------|
| Balance December 31, 2017 | C | \$ 6,000.00 |
| Increased by: | | |
| Cash Received | C- 2 | <u>34,000.00</u> |
| Balance December 31, 2018 | C | <u>\$ 40,000.00</u> |

Exhibit - C-12

SCHEDULE OF RESERVE: STELTON STREETSSCAPE

REF.

| | | |
|------------------------------------|---|---------------------|
| Balance December 31, 2017 and 2018 | C | <u>\$ 20,250.00</u> |
|------------------------------------|---|---------------------|

Exhibit - C-13

SCHEDULE OF RESERVE: COMMUNITY CENTER

REF.

| | | |
|---------------------------|-----|------------------------|
| Balance December 31, 2017 | C | \$ 4,498,536.00 |
| Increased by: | | |
| Cash Received | C-2 | <u>2,138,915.00</u> |
| | | 6,637,451.00 |
| Decreased by: | | |
| Improvement Authorization | C-7 | \$ 1,950,000.00 |
| Cash Disbursed | C-2 | <u>971,340.65</u> |
| | | <u>2,921,340.65</u> |
| Balance December 31, 2018 | C | <u>\$ 3,716,110.35</u> |

Exhibit - C-14

SCHEDULE OF OTHER RESERVES

REF.

Not Applicable

SCHEDULE OF BOND ANTICIPATION NOTES

| <u>Ord. No.</u> | <u>Improvement Description</u> | <u>Date of Original Issue</u> | <u>Date of Issue</u> | <u>Date of Maturity</u> | <u>Interest Rate</u> | <u>Balance December 31, 2017</u> | <u>Notes Issued</u> | <u>Notes Redeemed</u> | <u>Balance December 31, 2018</u> |
|-----------------|--|-------------------------------|----------------------|-------------------------|----------------------|----------------------------------|-----------------------|------------------------|----------------------------------|
| 14-20 | Annual Road Improvements | 12/27/2017 | 12/27/2017 | 12/26/2018 | 3.00% | \$ 1,425,000.00 | \$ - | \$ 1,425,000.00 | \$ - |
| 15-34 | Various Roads, Cub, & Parking Lot Improvements | 12/27/2017 | 12/27/2017 | 12/26/2018 | 3.00% | 670,000.00 | | 670,000.00 | - |
| 16-39 | Various Park Improvements | 12/27/2017 | 12/27/2017 | 12/26/2018 | 3.00% | 1,520,000.00 | | 1,520,000.00 | - |
| 17-05 | Various Road Improvement | 12/27/2017 | 12/27/2017 | 12/26/2018 | 3.00% | 1,385,000.00 | | 1,385,000.00 | - |
| | | 6/27/2018 | 6/27/2018 | 12/14/2018 | 1.95% | | 2,500,000.00 | 2,500,000.00 | - |
| | | | | | | <u>\$ 5,000,000.00</u> | <u>\$2,500,000.00</u> | <u>\$ 7,500,000.00</u> | <u>\$ -</u> |
| | | | | | | C | C-2 | C-2 | C |

FEDERAL AND STATE GRANTS RECEIVABLE

| | <u>REF.</u> | |
|---------------------------|-------------|----------------------------|
| Balance December 31, 2017 | C | \$ 375,000.00 |
| Decreased by: | | |
| Inerfund Receivable | C-9 | <u>281,250.00</u> |
| Balance December 31, 2018 | C | <u><u>\$ 93,750.00</u></u> |

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

| ORD. NO. | IMPROVEMENT DESCRIPTION | BALANCE DEC. 31, 2017 | 2018 AUTHORIZATIONS | NOTES REDEEMED | BONDS ISSUED | BUDGET CASH REFUND | BALANCE DEC. 31, 2018 |
|-----------------------------|--|-----------------------------|-------------------------|------------------------|-------------------------|--------------------------|-----------------------------|
| <u>General Improvements</u> | | | | | | | |
| 09-04 | Various Capital Improvements | \$ 572,820.00 | \$ - | \$ - | \$ - | \$ - | \$ 572,820.00 |
| 09-40 | Various Capital Improvements | 1,281,050.00 | | | | | 1,281,050.00 |
| 10-01 | Various Improvements | 5,357,500.00 | | | | | 5,357,500.00 |
| 11-08 | Various Improvements | 305,264.56 | | | | | 305,264.56 |
| 11-21 | Various Improvements | 2,397,378.73 | | | | | 2,397,378.73 |
| 12-04 | Various Twp Roads | 695,867.09 | | | | | 695,867.09 |
| 13-06 | Various Capital Improvements | 2,018,750.00 | | | | 820,071.99 | 1,198,678.01 |
| 13-07 | Various Capital Improvements (See 12-19) | 3,040,000.00 | | | | 361,897.75 | 2,678,102.25 |
| 13-26,15-32 | Rehab of Various Road | 6,175,000.00 | | | | | 6,175,000.00 |
| 13-27 | Various Capital Improvements | 1,947,500.00 | | | | | 1,947,500.00 |
| 14-01 | Various Capital Improvements | 1,090,090.70 | | | | 9,689.60 | 1,080,401.10 |
| 14-20 | Annual Road Improvements | | | 1,425,000.00 | 1,425,000.00 | | - |
| 14-21,15-33 | Road Rehab & Improvements | 5,425,000.00 | | | | | 5,425,000.00 |
| 15-19 | Baekeland Avenue Road Improvements | 4,750,000.00 | | | 1,000,000.00 | | 3,750,000.00 |
| 15-34 | Various Roads, Curbs, & Parking Lot Impr | 2,317,500.00 | | 670,000.00 | 1,670,000.00 | | 1,317,500.00 |
| 16-37 | Various Roads, Curbs, & Parking Lot Impr | 931,000.00 | | | | | 931,000.00 |
| 16-39 | Various Park Improvements | 380,000.00 | | 1,520,000.00 | 1,520,000.00 | 376,125.80 | 3,874.20 |
| 17-05 | Various Road Improvements | 2,615,000.00 | | 1,385,000.00 | 3,385,000.00 | | 615,000.00 |
| 17-24 | Special Assessment: Baekeland Avenue | 3,000,000.00 | | | 2,500,000.00 | | 500,000.00 |
| 17-29 | Various Capital Improvements | 1,615,000.00 | | | 1,615,000.00 | | - |
| 17-33 | Various Capital Improvements | 7,139,250.00 | (7,139,250.00) | | | | - |
| 18-01 | Improvements to Zirkel Avenue | | 3,230,000.00 | | | | 3,230,000.00 |
| 18-14 | Various Capital Improvements | | 7,139,250.00 | | 3,000,000.00 | | 4,139,250.00 |
| 18-15 | Community Cultural Arts Center Project | | 37,050,000.00 | | | | 37,050,000.00 |
| 18-32 | Various Capital Improvements | | 7,766,250.00 | | | | 7,766,250.00 |
| Total | | \$ 53,053,971.08 | \$ 48,046,250.00 | \$ 5,000,000.00 | \$ 16,115,000.00 | \$ 1,567,785.14 | \$ 88,417,435.94 |

Footnote

C

C

Sewer Utility Fund

SCHEDULE OF SEWER UTILITY CASH AND INVESTMENTS
TREASURER

| | Ref. | <u>OPERATING FUND</u> | <u>CAPITAL FUND</u> |
|-------------------------------|------|------------------------|------------------------|
| Balance - December 31, 2017 | D | \$ 6,949,934.78 | \$ 6,027,240.42 |
| Increased by Receipts: | | | |
| Interest on Investments | D- 3 | 33,762.72 | |
| Miscellaneous Revenues | D- 3 | 68,860.60 | |
| Collector | D- 6 | 11,985,422.85 | |
| Due from Current Fund | D-18 | 3,060,500.00 | |
| Capital Improvement Fund | D-19 | | 330,000.00 |
| Due from Capital | D-21 | 26,410.20 | |
| Due from Sewer Operating Fund | D-22 | | 26,410.20 |
| | | <u>15,174,956.37</u> | <u>356,410.20</u> |
| | | 22,124,891.15 | 6,383,650.62 |
| Decreased by Disbursements: | | | |
| FY 2018 Budget | D- 4 | 9,388,543.78 | |
| Appropriation Reserves | D-11 | 173,870.20 | |
| Accrued Interest | D-12 | 83,687.50 | |
| Sewer Overpayment | D-14 | 426.39 | |
| Improvement Authorizations | D-16 | | 985,937.92 |
| Due from Current Fund | D-18 | 3,060,500.00 | |
| Accounts Payable | D-15 | 88,517.00 | |
| Due from Sewer Operating Fund | D-22 | | 26,410.20 |
| | | <u>12,795,544.87</u> | <u>1,012,348.12</u> |
| Balance - December 31, 2018 | D | <u>\$ 9,329,346.28</u> | <u>\$ 5,371,302.50</u> |

SCHEDULE OF CASH - COLLECTOR
SEWER UTILITY FUND

| | <u>Ref.</u> | | |
|---------------------------------|-------------|------------------|-------------------------|
| Increased by: | | | |
| Sewer Service Charges | D- 8 | \$ 11,464,595.51 | |
| Interest on Delinquent Accounts | D- 3 | 53,706.21 | |
| Miscellaneous Revenue | D- 3 | 440.00 | |
| Connection Fees | D- 3 | 439,380.00 | |
| Prepaid Sewer Charges | D-13 | <u>27,301.13</u> | |
| | | | <u>\$ 11,985,422.85</u> |
| Decreased by: | | | |
| Payments to Treasurer | D- 5 | | <u>11,985,422.85</u> |
| Balance December 31, 2018 | D | | <u><u>\$ -</u></u> |

ANALYSIS OF SEWER UTILITY CAPITAL
CASH AND INVESTMENTS

| | BALANCE DEC. 31, <u>2018</u> | BALANCE DEC. 31, <u>2017</u> |
|-----------------------------------|------------------------------------|------------------------------------|
| Fund Balance | \$ 689.97 | \$ 689.97 |
| Reserve for Encumbrances | 816,644.64 | 547,756.85 |
| Improvement Authorizations Funded | <u>4,553,967.89</u> | <u>5,478,793.60</u> |
| Total | <u>\$ 5,371,302.50</u> | <u>\$ 6,027,240.42</u> |
| <u>Ref.</u> | D | D |

SCHEDULE OF SEWER CHARGES
SEWER UTILITY OPERATING FUND

| | <u>Ref.</u> | |
|-----------------------------|-------------|-----------------------------|
| Balance - December 31, 2017 | D | \$ 1,079,589.80 |
| Increased by: | | |
| Sewer Overpayments | D-14 | 445.69 |
| Sewer Charges Levied | Reserve | <u>11,224,895.32</u> |
| | | 12,304,930.81 |
| Decreased by: | | |
| Collection | D-6 | \$ 11,464,595.51 |
| Prepays Applied | D-13 | 13,482.86 |
| Overpayments Applied | D-14 | <u>19.30</u> |
| | | <u>11,478,097.67</u> |
| Balance - December 31, 2018 | D | <u><u>\$ 826,833.14</u></u> |

SCHEDULE OF FIXED CAPITAL
SEWER UTILITY CAPITAL FUND

| ORD NO. | BALANCE DEC. 31 <u>2017</u> | BALANCE DEC. 31 <u>2018</u> |
|--|-----------------------------------|-----------------------------------|
| | \$ 4,600,000.00 | \$ 4,600,000.00 |
| Arbor-New Market Sewers | | |
| 63-1 Oakdale Pumping Station | 29,302.00 | 29,302.00 |
| 64-1 Knollwood Area Sewers | 160,240.00 | 160,240.00 |
| 64-2 Randolphville Road Sewer | 8,353.00 | 8,353.00 |
| 65-1 Ambrose Brook Trunk Sewer | 2,093,430.00 | 2,093,430.00 |
| 67-1 River Road Sewers | 178,793.00 | 178,793.00 |
| 69-1 River Road Sewers | 40,000.00 | 40,000.00 |
| 70-1 Sewer System Improvements | 349,925.00 | 349,925.00 |
| 70-20 Purchase of Equipment | 18,696.00 | 18,696.00 |
| 70-21 Sewer System Improvements | 315,276.00 | 315,276.00 |
| 71-1 Park Avenue Sewer | 25,000.00 | 25,000.00 |
| 73-1 Purchase of Equipment | 32,384.00 | 32,384.00 |
| 72-1 Sewer System Improvements | 1,443,500.00 | 1,443,500.00 |
| 77-2 Extension of Sewer System | 100,000.00 | 100,000.00 |
| 77-58 Sanitary Sewer - Orris-Dunbar | 10,000.00 | 10,000.00 |
| 76-20 Sanitary Sewer - Buena Vista Avenue | 2,325.00 | 2,325.00 |
| 75-29 Sanitary Sewer - Stelton Road | 88,180.00 | 88,180.00 |
| 77-18 Sanitary Sewer - River Road Area | 172,150.00 | 172,150.00 |
| 80-48 Sanitary Sewer - Overbrook Road Area | 508,506.00 | 508,506.00 |
| 78-17 Public Works Center | 274,639.00 | 274,639.00 |
| 78-22 Public Works Equipment | 20,000.00 | 20,000.00 |
| 80-40 Public Works Equipment | 52,677.06 | 52,677.06 |
| 78-19 San. Sewer - Blue Ridge/Gates Avenue South Randolphville Road Area | 199,398.16 | 199,398.16 |
| 76-63 & | | |
| 81-33 Sanitary Sewer - Hillside Ave. | 106,853.00 | 106,853.00 |
| 82-20 Sanitary Sewer - Sunset Lane & River Road and Fisher and Ludlow Avenues | 232,825.00 | 232,825.00 |
| 82-48 Public Works Equipment | 58,981.00 | 58,981.00 |
| 84-43 Public Works Equipment | 33,000.00 | 33,000.00 |
| 84-11 Ethel Road Sanitary Sewer | 227,656.22 | 227,656.22 |
| 90-26 Public Works Equipment | 192,472.05 | 192,472.05 |
| 94-17 Sewer Utility Equipment | 38,000.00 | 38,000.00 |
| 89-25 & Gramercy Drive and River | | |
| 89-52 Road Sanitary Sewer | 600,000.00 | 600,000.00 |
| 98-21 Reduction of I & I | 230,000.00 | 230,000.00 |
| 03-40 Various Sewer Improvements | 400,000.00 | 400,000.00 |
| 04-10 Various Sewer Projects | 495,000.00 | 495,000.00 |
| 05-10 Various Sewer Projects | 460,000.00 | 460,000.00 |
| 07-34 Acquisition of Various Equipment | 770,000.00 | 770,000.00 |
| 10-13 Acquisition of Various Vehicles | 425,000.00 | 425,000.00 |
| Total | <u>\$ 14,992,561.49</u> | <u>\$ 14,992,561.49</u> |

Ref.

D

D

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
SEWER UTILITY CAPITAL FUND

| ORD. NO. | IMPROVEMENT DESCRIPTION | DATE | AMOUNT | BALANCE DEC. 31, 2017 | 2018 AUTHORIZATIONS | BALANCE DEC. 31, 2018 |
|----------|--------------------------------------|----------|-----------------|-----------------------|---------------------|-----------------------|
| 05-42 | Freedom Avenue Improvements | 01/03/06 | \$ 1,100,000.00 | \$ 1,100,000.00 | \$ - | \$ 1,100,000.00 |
| 06-05 | Various Sewer Projects | 12/19/06 | 1,400,000.00 | 1,400,000.00 | | 1,400,000.00 |
| 06-49 | Various Sewer Improvements | 12/22/07 | 1,700,000.00 | 1,700,000.00 | | 1,700,000.00 |
| 09-05 | Various Sewer Improvements | 04/27/10 | 425,000.00 | 945,000.00 | | 945,000.00 |
| 11-23 | Constructio & Rehad Sewer Facilities | 01/29/13 | 2,000,000.00 | 2,000,000.00 | | 2,000,000.00 |
| 13-04 | Sewer Garbage Building | 01/28/14 | 1,400,000.00 | 2,000,000.00 | | 2,000,000.00 |
| 14-02 | Various Sewer Improvements | 12/02/14 | 1,500,000.00 | 1,400,000.00 | | 1,400,000.00 |
| 14-23 | Various Sewer Improvements Utility | 12/02/14 | 1,500,000.00 | 1,500,000.00 | | 1,500,000.00 |
| 16-14 | Various Sewer Vehicles & Equipment | 12/20/16 | 280,000.00 | 280,000.00 | | 280,000.00 |
| 17-30 | Various Sewer Improvements | 12/05/17 | 2,000,000.00 | 2,000,000.00 | | 2,000,000.00 |
| 18-27 | Sewer Utility Impovements | 11/27/18 | 330,000.00 | | 330,000.00 | 330,000.00 |
| Total | | | | \$ 14,325,000.00 | \$ 330,000.00 | \$ 14,655,000.00 |
| | | | | Ref. D | D-16 | D |

SCHEDULE OF CY 2017 APPROPRIATION RESERVES
SEWER UTILITY OPERATING FUND

| | BALANCE DECEMBER 31, 2017 | | BALANCE AFTER TRANSFERS | PAID OR CHARGED | BALANCED LAPSED |
|--|---------------------------|--------------------------|-------------------------|-----------------|-----------------|
| | APPROPRIATION RESERVES | RESERVE FOR ENCUMBRANCES | | | |
| Operations: | | | | | |
| Salaries and Wages | \$ 139,489.91 | | \$ 139,489.91 | | \$ 139,489.91 |
| Other Expenses | 543,231.69 | \$ 121,947.38 | 665,179.07 | \$ 94,674.09 | 570,504.98 |
| Middlesex County Utilities Authority Service Charges - Contractual | 551,448.28 | 762.00 | 552,210.28 | 79,224.59 | 472,985.69 |
| Total Operations | \$ 1,234,169.88 | \$ 122,709.38 | \$ 1,356,879.26 | \$ 173,898.68 | \$ 1,182,980.58 |
| | Ref. D | D | D | Below | D-1 |
| Cash Disbursements | D-5 | | | \$ 173,870.20 | |
| Transfer to Accounts Payable | D-15 | | | 28.48 | |
| | | | | \$ 173,898.68 | |

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

| | <u>REF.</u> | |
|-------------------------------|-------------|---------------------|
| Balance - December 31, 2017 | D | \$ 21,766.15 |
| Increased by: | | |
| Accrued Interest Charged to: | | |
| CY 2018 Budget Appropriations | D-4 | <u>81,079.16</u> |
| | | 102,845.31 |
| Decreased by: | | |
| Payment | D-5 | <u>83,687.50</u> |
| Balance - December 31, 2018 | D | <u>\$ 19,157.81</u> |

Analysis of Balance - December 31, 2018:

| | <u>Principal Outstanding 12/31/18</u> | <u>Interest Rate</u> | <u>From</u> | <u>To</u> | <u>Period</u> | <u>Amount</u> |
|----|---|--------------------------|-------------|-----------|---------------|--------------------|
| \$ | 85,000.00 | 4.000% | 10/31/18 | 12/30/18 | 2 mos | \$ 566.67 |
| | 85,000.00 | 2.000% | 10/31/18 | 12/30/18 | 2 mos | 283.33 |
| | 95,000.00 | 2.250% | 10/31/18 | 12/30/18 | 2 mos | 356.25 |
| | 95,000.00 | 2.250% | 10/31/18 | 12/30/18 | 2 mos | 356.25 |
| | 95,000.00 | 2.000% | 10/31/18 | 12/30/18 | 2 mos | 316.67 |
| | 100,000.00 | 2.000% | 10/31/18 | 12/30/18 | 2 mos | 333.33 |
| | 100,000.00 | 2.250% | 10/31/18 | 12/30/18 | 2 mos | 375.00 |
| | 100,000.00 | 2.250% | 10/31/18 | 12/30/18 | 2 mos | 375.00 |
| | 95,000.00 | 2.625% | 10/31/18 | 12/30/18 | 2 mos | 415.63 |
| | 105,000.00 | 2.625% | 10/31/18 | 12/30/18 | 2 mos | 459.38 |
| | 100,000.00 | 4.000% | 10/31/18 | 12/30/18 | 2 mos | 666.67 |
| | 100,000.00 | 4.000% | 10/31/18 | 12/30/18 | 2 mos | 666.67 |
| | 110,000.00 | 4.000% | 10/31/18 | 12/30/18 | 2 mos | 733.33 |
| | <u>110,000.00</u> | 4.000% | 10/31/18 | 12/30/18 | 2 mos | <u>733.33</u> |
| \$ | <u>1,375,000.00</u> | | | | | <u>\$ 6,637.50</u> |

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

Analysis of Balance - December 31, 2018:

| <u>Principal Outstanding 12/31/18</u> | <u>Interest Rate</u> | <u>From</u> | <u>To</u> | <u>Period</u> | <u>Amount</u> |
|---|--------------------------|-------------|-----------|---------------|---------------------|
| 80,000.00 | 5.000% | 09/16/18 | 12/31/18 | 3.5 mos | 1,166.67 |
| 80,000.00 | 4.000% | 09/16/18 | 12/31/18 | 3.5 mos | 933.33 |
| 90,000.00 | 4.000% | 09/16/18 | 12/31/18 | 3.5 mos | 1,050.00 |
| 90,000.00 | 4.125% | 09/16/18 | 12/31/18 | 3.5 mos | 1,082.81 |
| 90,000.00 | 4.250% | 09/16/18 | 12/31/18 | 3.5 mos | 1,115.63 |
| 100,000.00 | 4.375% | 09/16/18 | 12/31/18 | 3.5 mos | 1,276.04 |
| 100,000.00 | 4.500% | 09/16/18 | 12/31/18 | 3.5 mos | 1,312.50 |
| | | | | | <u>7,936.98</u> |
| 75,000.00 | 4.000% | 08/01/17 | 12/31/17 | 5 mos | 1,250.00 |
| 100,000.00 | 4.000% | 08/01/17 | 12/31/17 | 5 mos | 1,666.67 |
| 100,000.00 | 4.000% | 08/01/17 | 12/31/17 | 5 mos | 1,666.67 |
| | | | | | <u>4,583.33</u> |
| <u>\$ 2,280,000.00</u> | | | | | <u>\$ 19,157.81</u> |

SCHEDULE OF PREPAID SEWER CHARGES
SEWER UTILITY OPERATING FUND

| | <u>Ref.</u> | |
|-----------------------------|-------------|--|
| Balance - December 31, 2017 | D | \$ 13,482.86 |
| Increased by: | | |
| Collections | D-6 | <div style="display: flex; justify-content: space-between; align-items: flex-end;"> 27,301.13 27,301.13 </div> |
| | | 40,783.99 |
| Decreased by: | | |
| Prepays Applied | D-3,D-8 | <div style="display: flex; justify-content: space-between; align-items: flex-end;"> 13,482.86 13,482.86 </div> |
| Balance - December 31, 2018 | D | <div style="display: flex; justify-content: space-between; align-items: flex-end;"> \$ 27,301.13 27,301.13 </div> |

SCHEDULE OF SEWER OVERPAYMENTS
SEWER UTILITY OPERATING FUND

| | <u>Ref.</u> | |
|-------------------------------------|-------------|--|
| Increased by: | | |
| Sewer Charges Receivable Adjustment | D-8 | \$ 445.69 |
| Decreased by: | | |
| Cash Payments | D-5 | 426.39 |
| Applied to Sewer Charges Receivable | D-3,D-8 | <div style="display: flex; justify-content: space-between; align-items: flex-end;"> 19.30 445.69 </div> |
| Balance -December 31, 2018 | D | <div style="display: flex; justify-content: space-between; align-items: flex-end;"> \$ - - </div> |

SCHEDULE OF ACCOUNTS PAYABLE
SEWER UTILITY OPERATING FUND

| | <u>Ref.</u> | |
|---|-------------|----------------------|
| Balance - December 31, 2017 | D | \$ 365,709.75 |
| Increased by: | | |
| Transferred from Appropriation Reserves | D-11 | <u>28.48</u> |
| | | 365,738.23 |
| Decreased by: | | |
| Cash Payments | D- 5 | <u>88,517.00</u> |
| Balance - December 31, 2018 | D | <u>\$ 277,221.23</u> |

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
SEWER UTILITY CAPITAL FUND**

| ORD. NUMBER | IMPROVEMENT DESCRIPTION | ORDINANCE | | BALANCE - DEC 31, 2017 | | CY 2018 | ENCUMBRANCES | PAID OR CHARGED | ENCUMBRANCES | BALANCE - |
|-------------|------------------------------------|-----------|--------------|------------------------|----------|-------------------------------------|-----------------------|-----------------|-----------------------|----------------------|
| | | DATE | AMOUNT | FUNDED | UNFUNDED | AUTHORIZATIONS CAPITAL IMPROV. FUND | PAYABLE DEC. 31, 2018 | | PAYABLE DEC. 31, 2018 | DEC. 31, 2018 FUNDED |
| 05-42 | Freedom Avenue Improvements | 11/29/05 | 1,100,000.00 | \$ 118,734.72 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 118,734.72 |
| 06-05 | Various Sewer Projects | 01/03/06 | 1,400,000.00 | 44,372.70 | | | 5,312.20 | | 5,312.20 | 44,372.70 |
| 06-49 | Various Sewer Improvements | 12/19/06 | 1,700,000.00 | 818,168.96 | | | 62,857.01 | 48,397.36 | 91,591.14 | 741,037.47 |
| 09-05 | Various Sewer Improvements | 02/17/09 | 945,000.00 | 285,115.74 | | | 69,853.87 | 31,297.46 | 92,510.52 | 231,161.63 |
| 11-23 | Construction & Rehab Sewer Fac | 12/20/11 | 2,000,000.00 | 290,222.09 | | | 307,504.42 | 179,489.17 | 192,265.25 | 225,972.09 |
| 13-04 | Sewer Garage Building | 01/29/13 | 2,000,000.00 | 13,492.39 | | | 2,484.25 | 9,305.32 | 15.25 | 6,656.07 |
| 14-02 | Various Sewer Improvements | 01/28/14 | 1,400,000.00 | 827,103.35 | | | 41,376.00 | 217,059.73 | 298,767.49 | 352,652.13 |
| 14-23 | Various Improvements Sewer Utility | 12/02/14 | 1,500,000.00 | 1,074,080.65 | | | 58,369.10 | 25,827.02 | 55,264.87 | 1,051,357.86 |
| 16-42 | Various Sewer Vehicles & Equipmen | 12/20/16 | 280,000.00 | 7,503.00 | | | | 7,503.00 | | - |
| 17-30 | Various Sewer Capital | 12/05/17 | 2,000,000.00 | 2,000,000.00 | | | | 467,058.86 | 80,917.92 | 1,452,023.22 |
| 18-27 | Sewr Utility Improvement | 11/27/18 | 330,000.00 | | | 330,000.00 | | | | 330,000.00 |
| Total | | | | \$ 5,478,793.60 | \$ - | \$ 330,000.00 | \$ 547,756.85 | \$ 985,937.92 | \$ 816,644.64 | \$ 4,553,967.89 |
| Ref. | | D | D | D-10 | D | D-5 | D | D | | |

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

| ORD. NUMBER | IMPROVEMENT DESCRIPTION | DATE | BALANCE | 2018 | TRANSFERRED | BALANCE |
|-------------|----------------------------------|----------|-----------------|----------------|-----------------------------|-----------------|
| | | | DEC. 31, 2017 | AUHTORIZATIONS | TO RESERVE FOR AMORTIZATION | DEC. 31, 2018 |
| 98-21 | Reduction of I & I | 12/15/98 | \$ 11,000.00 | \$ - | \$ (11,000.00) | \$ - |
| 05-10 | Var. Sewer Projects | 04/05/05 | 80,500.00 | | | 80,500.00 |
| 05-42 | Freedom Avenue Improvements | 11/29/05 | 55,000.00 | | | 55,000.00 |
| 06-05 | Various Sewer Projects | 01/03/06 | 70,000.00 | | | 70,000.00 |
| 07-34 | Acquisition of Various Equipment | 12/18/07 | 38,500.00 | | | 38,500.00 |
| 09-05 | Various Sewer Improvements | 02/17/09 | 47,250.00 | | | 47,250.00 |
| 10-13 | Acquisition of Various Vehicles | 04/27/10 | 21,250.00 | | | 21,250.00 |
| 13-04 | Sewer Garbage Building | 01/29/13 | 2,000,000.00 | | | 2,000,000.00 |
| 14-02 | Various Sewer Improvements | 01/28/14 | 1,400,000.00 | | | 1,400,000.00 |
| 14-23 | Various Sewer Improvements | 12/02/14 | 1,500,000.00 | | | 1,500,000.00 |
| 16-42 | Sewer Garbage Building | 12/20/16 | 280,000.00 | | | 280,000.00 |
| 17-30 | Various Sewer Capital | 12/05/17 | 2,000,000.00 | | | 2,000,000.00 |
| 18-27 | Sewr Utility Improvements | 11/27/18 | | \$ 330,000.00 | | 330,000.00 |
| Total | | | \$ 7,503,500.00 | \$ 330,000.00 | \$ (11,000.00) | \$ 7,822,500.00 |
| Ref. | | D | D-19 | D-20 | D | |

SCHEDULE OF DUE FROM CURRENT FUND
SEWER UTILITY OPERATING FUND

| | <u>REF.</u> | |
|-----------------------------|-------------|------------------------|
| Increased by: | | |
| Cash Disbursed | D- 5 | <u>\$ 3,060,500.00</u> |
| Decreased by: | | |
| Cash Received | D- 5 | <u>3,060,500.00</u> |
| Balance - December 31, 2018 | D | <u><u>\$ -</u></u> |

SCHEDULE OF CAPITAL IMPROVEMENT FUND
SEWER UTILITY CAPITAL FUND

| | <u>REF.</u> | |
|---|-------------|----------------------|
| Increased by: | | |
| Cash Received | D- 5 | <u>\$ 330,000.00</u> |
| Decreased by: | | |
| Approp. to Finance Improvement Authorizations | D-17 | <u>330,000.00</u> |
| Balance - December 31, 2018 | D | <u><u>\$ -</u></u> |

SCHEDULE OF RESERVE FOR AMORTIZATION
SEWER UTILITY CAPITAL FUND

| | <u>REF.</u> | |
|-----------------------------------|-------------|-------------------------|
| Balance - December 31, 2017 | D | \$ 19,294,061.49 |
| Increased by: | | |
| Serial Bonds | D- 23 | 240,000.00 |
| Deferred Reserve for Amortization | D- 17 | <u>11,000.00</u> |
| Balance - December 31, 2018 | D | <u>\$ 19,545,061.49</u> |

Exhibit D-21

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

| | Ref. | |
|-----------------------------|------|---------------------|
| Increased by: | | |
| Interest on Investments | D- 3 | <u>\$ 26,410.20</u> |
| Decreased by: | | |
| Interfunds Received | D- 5 | <u>26,410.20</u> |
| Balance - December 31, 2018 | D | <u><u>\$ -</u></u> |

Exhibit D-22

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

| | Ref. | |
|-----------------------------|------|---------------------|
| Increased by: | | |
| Funds Received | D- 5 | <u>\$ 26,410.20</u> |
| Decreased by: | | |
| Cash Disbursements | D- 5 | <u>26,410.20</u> |
| Balance - December 31, 2018 | D | <u><u>\$ -</u></u> |

SCHEDULE OF GENERAL SERIAL BONDS

Exhibit D-23

| <u>ISSUE</u> | <u>DATE OF ISSUE</u> | <u>ORIGINAL ISSUE</u> | <u>MATURITIES OF BONDS</u> | | <u>INTEREST RATE</u> | <u>BALANCE DEC. 31, 2017</u> | <u>DECREASE</u> | <u>BALANCE DEC. 31, 2018</u> |
|---------------------------------------|----------------------|-----------------------|------------------------------------|-------------|----------------------|------------------------------|----------------------|------------------------------|
| | | | <u>OUTSTANDING - DEC. 31, 2018</u> | <u>DATE</u> | | | | |
| Sewer Improvements | 03/15/09 | 1,200,000.00 | 03/15/19 | 80,000.00 | 5.000% | \$ 710,000.00 | \$ 80,000.00 | \$ 630,000.00 |
| | | | 03/15/20 | 80,000.00 | 4.000% | | | |
| | | | 03/15/21 | 90,000.00 | 4.000% | | | |
| | | | 03/15/22 | 90,000.00 | 4.125% | | | |
| | | | 03/15/23 | 90,000.00 | 4.250% | | | |
| | | | 03/15/24 | 100,000.00 | 4.375% | | | |
| | | | 03/15/25 | 100,000.00 | 4.500% | | | |
| Sewer Improvements | 02/01/11 | 700,000.00 | 2/1/2019 | 75,000.00 | 4.000% | 350,000.00 | 75,000.00 | 275,000.00 |
| | | | 2/1/2020 | 100,000.00 | 4.000% | | | |
| | | | 2/1/2021 | 100,000.00 | 4.000% | | | |
| Sewer Improvements Refunding Bonds | 05/01/17 | 1,460,000.00 | 11/01/19 | 85,000.00 | 4.000% | 1,460,000.00 | 85,000.00 | 1,375,000.00 |
| | | | 11/01/20 | 85,000.00 | 2.000% | | | |
| | | | 11/01/21 | 95,000.00 | 2.250% | | | |
| | | | 11/01/22 | 95,000.00 | 2.250% | | | |
| | | | 11/01/23 | 95,000.00 | 2.000% | | | |
| | | | 11/01/24 | 100,000.00 | 2.000% | | | |
| | | | 11/01/25 | 100,000.00 | 2.250% | | | |
| | | | 11/01/26 | 100,000.00 | 2.250% | | | |
| | | | 11/01/27 | 95,000.00 | 2.625% | | | |
| | | | 11/01/28 | 105,000.00 | 2.625% | | | |
| | | | 11/01/29 | 100,000.00 | 4.000% | | | |
| | | | 11/01/30 | 100,000.00 | 4.000% | | | |
| | | | 11/01/31 | 110,000.00 | 4.000% | | | |
| | | | 11/01/32 | 110,000.00 | 4.000% | | | |
| | | | | | | <u>1,460,000.00</u> | <u>85,000.00</u> | <u>1,375,000.00</u> |
| | | | | | | <u>\$ 2,520,000.00</u> | <u>\$ 240,000.00</u> | <u>\$ 2,280,000.00</u> |
| | | | <u>Ref.</u> | | | D | D-20 | D |

Senior Citizens Housing Utility Fund

SCHEDULE OF CASH AND INVESTMENTS
SENIOR CITIZEN HOUSING FUND

| | <u>REF.</u> | <u>OPERATING FUND</u> | <u>CAPITAL FUND</u> |
|---------------------------------|-------------|-------------------------------|-------------------------------|
| Balance - December 31, 2017 | E | \$ 1,393,734.34 | \$ 626,565.82 |
| Increased by Receipts: | | | |
| Rental Income | E- 3 | 1,411,136.97 | |
| Interest on Investments | E- 3 | 11.08 | |
| Miscellaneous Revenues | E- 3 | 9,350.54 | |
| Security Deposits | E- 9 | 19,319.43 | |
| Interfund: Affordable Housing | E- 19 | | 2,000,000.00 |
| Due to Senior Housing Operating | E-18 | | 9,279.74 |
| Due from Senior Housing Capital | E-17 | <u>9,279.74</u> | |
| | | <u>1,449,097.76</u> | <u>2,009,279.74</u> |
| | | 2,842,832.10 | 2,635,845.56 |
| Decreased by Disbursements: | | | |
| Refund of Prior Year Revenue | E- 1 | 1,691.22 | |
| Budget Appropriations | E- 4 | 1,272,706.75 | |
| Appropriation Reserves | E- 7 | 80,025.47 | |
| Accrued Interest | E- 8 | 47,375.00 | |
| Security Deposits | E- 9 | 22,365.69 | |
| Due from Senior Housing Capital | E-18 | | 9,279.74 |
| Improvement Authorizations | E-11 | | <u>5,900.00</u> |
| | | <u>1,424,164.13</u> | <u>15,179.74</u> |
| Balance - December 31, 2018 | E | <u><u>\$ 1,418,667.97</u></u> | <u><u>\$ 2,620,665.82</u></u> |

ANALYSIS OF SENIOR HOUSING UTILITY
CAPITAL CASH AND INVESTMENTS

| | BALANCE DEC. 31, 2017 | RECEIPTS MISC. | DISBURSEMENTS IMPROVEMENT AUTHORIZATIONS | MISC. DISBURSEMENTS | TRANSFERS | | BALANCE DEC. 31, 2018 |
|---------------------------------------|-----------------------------|------------------------|--|------------------------|----------------------|----------------------|-----------------------------|
| | | | | | FROM | TO | |
| Fund Balance | \$ 72,177.74 | | | | | | \$ 72,177.74 |
| Capital Improvement Fund | 244,035.75 | | | | | | 244,035.75 |
| Reserve for Encumbrance Payable | | | | | | \$ 246,075.78 | 246,075.78 |
| Interest on Investments | | \$ 9,279.74 | | \$ 9,279.74 | | | |
| | | | | | | | |
| ORD. IMPROVEMENT NO. AUTHORIZATION | | | | | | | |
| 06-50 Various Capital Projects | 12,953.90 | | | | \$ 3,786.40 | | 9,167.50 |
| 07-33 Various Capital Projects | 37,161.60 | | | | | | 37,161.60 |
| 10-14 S.H Building Improvements | 260,236.83 | | \$ 5,900.00 | | 142,289.38 | | 112,047.45 |
| 18-26 S.H Building Improvements | | 2,000,000.00 | | | 100,000.00 | | 1,900,000.00 |
| | <u>\$ 626,565.82</u> | <u>\$ 2,009,279.74</u> | <u>\$ 5,900.00</u> | <u>\$ 9,279.74</u> | <u>\$ 246,075.78</u> | <u>\$ 246,075.78</u> | <u>\$ 2,620,665.82</u> |
| Ref. | E | E-3, E-13 | E-11 | E-11 | E-11 | E-11 | E |

SCHEDULE OF 2017 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2018
SENIOR CITIZEN HOUSING UTILITY OPERATING FUND

| | | BALANCE DECEMBER 31, 2018 | BALANCE AFTER TRANSFERS | PAID OR CHARGED | BALANCED LAPSED |
|--------------------------------------|-------------|-----------------------------------|-------------------------------------|---------------------|--------------------|
| | <u>Ref.</u> | <u>APPROPRIATION RESERVES</u> | <u>RESERVE FOR ENCUMBRANCES</u> | | <u>LAPSED</u> |
| Operations: | | | | | |
| Salaries and Wages | | \$ 1,242.07 | | | \$ 1,242.07 |
| Other Expenses | | 127,184.55 | \$ 169,818.84 | \$ 80,075.47 | 216,927.92 |
| Capital Improvements: | | | | | |
| Capital Improvement Fund | | <u>130,000.00</u> | | | <u>130,000.00</u> |
| | | <u>258,426.62</u> | <u>169,818.84</u> | <u>80,075.47</u> | <u>348,169.99</u> |
| | <u>Ref.</u> | E | E | Below | E-1 |
| Cash Disbursements | E-5 | | | \$ 80,025.47 | |
| Accounts Payable | E-7 | | | <u>50.00</u> | |
| | | | | <u>\$ 80,075.47</u> | |
| <u>Accounts Payable Analysis</u> | | | | | |
| Balance December 31, 2017 | E | | | \$ 28,715.06 | |
| Transfer from Appropriation Reserves | E-7 | | | <u>50.00</u> | |
| Balance December 31, 2018 | E | | | <u>\$ 28,765.06</u> | |

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

| | <u>REF.</u> | |
|-----------------------------|-------------|----------------------------|
| Balance - December 31, 2017 | E | \$ 37,281.25 |
| Increased by: | | |
| Interest on Bonds | E-4 | <u>40,781.25</u> |
| | | 78,062.50 |
| Decreased by: | | |
| Disbursed | E-5 | <u>47,375.00</u> |
| Balance - December 31, 2018 | E | <u><u>\$ 30,687.50</u></u> |

Analysis of Balance - December 31, 2016:

| <u>Principal Outstanding December 31, 2018</u> | <u>Interest Rate</u> | <u>From</u> | <u>To</u> | <u>Period</u> | <u>Amount</u> |
|--|--------------------------|-------------|------------|---------------|----------------------------|
| <u>\$ 180,000.00</u> | 5.000% | 08/16/18 | 12/31/18 | 4 1/2 mos. | <u>3,375.00</u> |
| <u>\$ 180,000.00</u> | | | | | <u>\$ 3,375.00</u> |
| 150,000.00 | 3.00% | 1/15/2018 | 12/31/2018 | 11 1/2 mos | 4,312.50 |
| 150,000.00 | 3.00% | 1/15/2018 | 12/31/2018 | 11 1/2 mos | 4,312.50 |
| 150,000.00 | 3.00% | 1/15/2018 | 12/31/2018 | 11 1/2 mos | 4,312.50 |
| 150,000.00 | 3.00% | 1/15/2018 | 12/31/2018 | 11 1/2 mos | 4,312.50 |
| 175,000.00 | 3.00% | 1/15/2018 | 12/31/2018 | 11 1/2 mos | 5,031.25 |
| <u>175,000.00</u> | 3.00% | 1/15/2018 | 12/31/2018 | 11 1/2 mos | <u>5,031.25</u> |
| <u>\$ 950,000.00</u> | | | | | <u>\$ 27,312.50</u> |
| <u>\$ 1,130,000.00</u> | | | | | <u><u>\$ 30,687.50</u></u> |

SCHEDULE OF SECURITY DEPOSITS
SENIOR CITIZEN HOUSING UTILITY OPERATING FUND

| | <u>REF.</u> | |
|-----------------------------|-------------|-----------------------------|
| Balance - December 31, 2017 | E | \$ 127,379.24 |
| Increased by: | | |
| Deposits Received | E- 5 | <u>19,319.43</u> |
| | | 146,698.67 |
| Decreased by: | | |
| Deposits Refunded | E- 5 | <u>22,365.69</u> |
| Balance -December 31, 2018 | E | <u><u>\$ 124,332.98</u></u> |

SCHEDULE OF RESERVE FOR AMORTIZATION
SENIOR CITIZEN HOUSING UTILITY CAPITAL FUND

| | <u>REF.</u> | |
|------------------------------------|-------------|--------------------------------|
| Balance - December 31, 2017 | E | \$ 10,336,052.26 |
| Increased by: | | |
| Bonds Paid by Budget Appropriation | E-12 | <u>285,000.00</u> |
| Balance -December 31, 2018 | E | <u><u>\$ 10,621,052.26</u></u> |

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
SENIOR HOUSING UTILITY CAPITAL FUND

| ORD. NO. | IMPROVEMENT DESCRIPTION | ORDINANCE | | BALANCE DECEMBER 31, 2017 | CY 2018 | PAID OR | ENCUMBRANCES | BALANCE DECEMBER 31, 2018 |
|------------------------------|--------------------------------------|-----------|---------------|---------------------------------|------------------------|--------------------|----------------------|---------------------------------|
| | | DATE | AMOUNT | FUNDED | AUTHORIZATIONS | CHARGED | 12/31/18 | FUNDED |
| <u>General Improvements:</u> | | | | | | | | |
| 06-50 | Various Capital Projects | 12/19/06 | \$ 130,000.00 | \$ 12,953.90 | \$ - | \$ - | \$ 3,786.40 | \$ 9,167.50 |
| 07-35 | Various Capital Projects | 12/18/07 | 353,000.00 | 37,161.60 | | | | 37,161.60 |
| 10-14/ | | 4/27/10 & | | | | | | - |
| 12-18 | Senior Housing Building Improvements | 11/8/12 | 1,000,000.00 | 260,236.83 | | 5,900.00 | 142,289.38 | 112,047.45 |
| 18-26 | Senior Housing Building Improvements | 11/27/18 | 2,000,000.00 | | 2,000,000.00 | | 100,000.00 | 1,900,000.00 |
| | | | | <u>\$ 310,352.33</u> | <u>\$ 2,000,000.00</u> | <u>\$ 5,900.00</u> | <u>\$ 246,075.78</u> | <u>\$ 2,058,376.55</u> |
| <u>Ref.</u> | | | | E | E-16 | E-5 | E | E |

SCHEDULE OF GENERAL SERIAL BONDS

| <u>ISSUE</u> | <u>DATE OF ISSUE</u> | <u>ORIGINAL ISSUE</u> | <u>MATURITIES OF BONDS</u> | | <u>INTEREST RATE</u> | <u>BALANCE DEC. 31, 2017</u> | <u>DECREASE</u> | <u>BALANCE DEC. 31, 2018</u> |
|--|----------------------|-----------------------|------------------------------------|-------------|----------------------|------------------------------|----------------------|------------------------------|
| | | | <u>OUTSTANDING - DEC. 31, 2018</u> | <u>DATE</u> | | | | |
| Senior Citizen Housing Utility Refunding Bonds | 08/01/01 | \$ 2,204,500.00 | 08/15/19 | 180,000.00 | 5.00% | \$ 340,000.00 | \$ 160,000.00 | \$ 180,000.00 |
| Senior Citizen Housing Utility | 01/15/14 | 1,400,000.00 | 1/15/2019 | 150,000.00 | 3.00% | 1,075,000.00 | 125,000.00 | 950,000.00 |
| | | | 1/15/2020 | 150,000.00 | 3.00% | | | |
| | | | 1/15/2021 | 150,000.00 | 3.00% | | | |
| | | | 1/15/2022 | 150,000.00 | 3.00% | | | |
| | | | 1/15/2023 | 175,000.00 | 3.00% | | | |
| | | | 1/15/2024 | 175,000.00 | 3.00% | | | |
| | | | | | | <u>\$ 1,415,000.00</u> | <u>\$ 285,000.00</u> | <u>\$ 1,130,000.00</u> |
| <u>Ref.</u> | | | | | | E | E- 10 | E |

SCHEDULE OF CAPITAL IMPROVEMENT FUND
SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND

| | | |
|--------------------------------------|-------------|----------------------|
| | <u>Ref.</u> | |
| Balance - December 31, 2017 and 2018 | E | <u>\$ 244,035.75</u> |

Exhibit - E-14

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

| <u>ORD.</u> <u>NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>DATE</u> | <u>BALANCE</u> <u>DEC. 31, 2017</u> | <u>AFFORDABLE</u> <u>HOUSING</u> <u>TRUST</u> | <u>BALANCE</u> <u>DEC. 31, 2018</u> |
|------------------------------|--------------------------------|-------------|--|---|--|
| 06-50 | Various Capital Improvements | 12/19/06 | \$ 130,000.00 | | \$ 130,000.00 |
| 07-35 | Various Capital Improvements | 12/18/07 | 353,000.00 | | 353,000.00 |
| 12-18 | Building Improvements | 11/08/12 | 400,000.00 | | 400,000.00 |
| 18-26 | Building Improvements | 11/27/18 | <u> </u> | <u>\$ 2,000,000.00</u> | <u>2,000,000.00</u> |
| | | | <u>\$ 883,000.00</u> | <u>\$ 2,000,000.00</u> | <u>\$ 2,883,000.00</u> |
| | | Ref. | E | E-19 | E |

SCHEDULE OF FIXED CAPITAL
SENIOR CITIZENS HOUSING UTILITY CAPITAL FUND

| <u>ORD NO.</u> | <u>DATE</u> | <u>AMOUNT</u> | <u>BALANCE DEC. 31, 2017</u> | <u>BALANCE DEC. 31, 2018</u> |
|--|-------------|------------------|--------------------------------------|--------------------------------------|
| 89-58 Design and Construction of a Senior Citizen Complex | 11/21/1989 | \$ 10,098,252.26 | \$ 10,098,252.26 | \$ 10,098,252.26 |
| 04-51 Replacement of Trunk Line | 12/21/04 | 144,000.00 | 144,000.00 | 144,000.00 |
| 05-43 Various Capital Improvements | 11/29/05 | 80,000.00 | 80,000.00 | 80,000.00 |
| 06-22 HVAC System | 04/25/06 | 28,800.00 | 28,800.00 | 28,800.00 |
| | | | <u>\$ 10,351,052.26</u> | <u>\$ 10,351,052.26</u> |
| <u>REF.</u> | | | E | E |

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

| <u>ORD. NO.</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>DATE</u> | <u>AMOUNT</u> | <u>BALANCE DEC. 31, 2017</u> | <u>AUTHORIZED CY 2018</u> | <u>BALANCE DEC. 31, 2018</u> |
|---------------------|------------------------------------|-------------|---------------|----------------------------------|-------------------------------|----------------------------------|
| 06-50 | Various Capital Improvements | 12/19/06 | \$ 130,000.00 | \$ 130,000.00 | \$ - | \$ 130,000.00 |
| 07-35 | Various Capital Improvements | 12/18/07 | 353,000.00 | 353,000.00 | | 353,000.00 |
| 10-14 | Senior Housing Building Improve. | 04/27/10 | 1,000,000.00 | 1,800,000.00 | | 1,800,000.00 |
| 18-26 | Senior Housing Building Improve. | 11/27/18 | 2,000,000.00 | | 2,000,000.00 | 2,000,000.00 |
| | | | | <u>\$ 2,283,000.00</u> | <u>\$ 2,000,000.00</u> | <u>\$ 4,283,000.00</u> |
| <u>REF.</u> | | | | E | E-11 | E |

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

REF.

| | | |
|--------------------------------------|-----------|--------------------|
| Increased by: | | |
| Senior Citizen Capital Fund Interest | E-3, E-18 | \$ 9,279.74 |
| Decreased by: | | |
| Cash Receipts | E- 5 | <u>9,279.74</u> |
| Balance - December 31, 2018 | E | <u><u>\$ -</u></u> |

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

REF.

| | | |
|--------------------------------------|-----------|--------------------|
| Increased by: | | |
| Senior Citizen Capital Fund Interest | E-5, E-17 | \$ 9,279.74 |
| Decreased by: | | |
| Cash Disbursements | E- 5 | <u>9,279.74</u> |
| Balance - December 31, 2018 | E | <u><u>\$ -</u></u> |

SCHEDULE OF DUE FROM AFFORDABLE HOUSING
SENIOR HOUSING UTILITY OPERATING FUND

| | <u>REF.</u> | |
|-----------------------------|-------------|---------------------|
| Increased by: | | |
| Cash Receipts | E- 5 | \$ 2,000,000.00 |
| Decreased by: | | |
| Improvement Authorization | E- 14 | <u>2,000,000.00</u> |
| Balance - December 31, 2018 | E | <u><u>\$ -</u></u> |

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



**PART III
SUPPLEMENTARY DATA**

TOWNSHIP OF PISCATAWAY
MIDDLESEX COUNTY, NEW JERSEY

COMBINED BALANCE SHEET
FOR THE YEAR ENDING DECEMBER 31, 2018

| | CURRENT FUND | TRUST FUND | GENERAL CAPITAL FUND | SEWER UTILITY FUND | SENIOR HOUSING UTILITY | GOVERNMENTAL FIXED ASSETS | MEMORANDUM ONLY TOTALS | |
|--|-------------------------|-------------------------|----------------------------|--------------------------|------------------------------|---------------------------------|--------------------------|--------------------------|
| | | | | | | | DEC. 31, 2018 | DEC. 31, 2017 |
| ASSETS | | | | | | | | |
| Cash and Investments | \$ 34,777,379.90 | \$ 24,213,152.76 | \$ 9,144,052.73 | \$ 14,700,748.78 | \$ 4,039,333.79 | | \$ 86,874,667.96 | \$ 79,720,578.73 |
| Accounts Receivable | | | | | | | | |
| State and Federal Grants Receivable | 339,542.51 | | 93,750.00 | | | | 433,292.51 | 1,096,477.00 |
| Due from State of New Jersey | 228,182.44 | | | | | | 228,182.44 | 220,794.22 |
| Taxes, Assessments, Liens & Utility Charges | 2,181,592.79 | | | | | | 2,181,592.79 | 2,127,710.56 |
| Sewer Charges Receivable | | | | 826,833.14 | | | 826,833.14 | 1,079,589.80 |
| Interfund Loans | | | | | | | | |
| Other Accounts Receivable | 43,617.36 | | | | | | 43,617.36 | 49,370.77 |
| Property Acquired For Taxes at Assessed Valuation | 2,592,900.00 | | | | | | 2,592,900.00 | 2,592,900.00 |
| Prepaid Expenditures | | | | | | | | |
| Fixed Assets - General | | | | | | \$ 79,955,762.00 | 79,955,762.00 | 70,917,223.00 |
| Fixed Capital - Utility | | | | 14,992,561.49 | 10,351,052.26 | | 25,343,613.75 | 25,343,613.75 |
| Fixed Capital - Authorized and Uncompleted - Utility | | | | 14,655,000.00 | 4,283,000.00 | | 18,938,000.00 | 16,608,000.00 |
| Deferred Charges to Revenue of Succeeding Years | | | | | | | | |
| Deferred Charges to Future Taxation: General Capital Fund | | | 131,905,435.94 | | | | 131,905,435.94 | 93,301,971.08 |
| Total Assets | \$ 40,163,215.00 | \$ 24,213,152.76 | \$ 141,143,238.67 | \$ 45,175,143.41 | \$ 18,673,386.05 | \$ 79,955,762.00 | \$ 349,323,897.89 | \$ 293,058,228.91 |
| LIABILITIES, RESERVES AND FUND BALANCE | | | | | | | | |
| Bonds and Notes Payable | | | \$ 43,488,000.00 | \$ 2,280,000.00 | \$ 1,130,000.00 | | \$ 46,898,000.00 | \$ 44,183,000.00 |
| Prepaid Taxes, Assessments, Utility Charges and Licenses | \$ 1,227,046.31 | | | 27,301.13 | | | 1,254,347.44 | 5,044,179.34 |
| Tax, Assessment, Lien, License and Utility Charge Overpayments | | | | | | | | |
| Appropriation Reserves | 4,836,240.51 | | | 1,085,262.59 | 17,127.08 | | 5,938,630.18 | 6,291,648.66 |
| Reserves for Encumbrances/ Accounts Payable | 3,650,582.83 | \$ 185,418.16 | 44,738,416.29 | 2,636,372.00 | 525,632.01 | | 51,736,421.29 | 10,434,575.06 |
| Other Liabilities | | | | 19,157.81 | 30,687.50 | | 49,845.31 | 59,047.40 |
| Amounts Pledged to Specific Purposes | 2,844,033.10 | 14,063,260.13 | 43,749,042.67 | | 368,368.73 | | 61,024,704.63 | 60,305,975.46 |
| Interfund Loans | | | | | | | | |
| Investments in General Fixed Assets | | | | | | \$ 79,955,762.00 | 79,955,762.00 | 70,917,223.00 |
| Escrow Funds | | 9,964,474.47 | | | | | 9,964,474.47 | 12,192,145.27 |
| Improvement Authorization | | | 7,603,093.70 | 4,553,967.89 | 2,058,376.55 | | 14,215,438.14 | 10,778,354.49 |
| Reserve for Amortization of Costs of Fixed Capital Acquired or Authorized | | | | 27,367,561.49 | 13,504,052.26 | | 40,871,613.75 | 38,016,613.75 |
| Reserve for Certain Assets Acquired or Receivables & Inventories | 4,818,110.15 | | | 826,833.14 | | | 5,644,943.29 | 5,849,571.13 |
| Fund Balance | 22,787,202.10 | | 1,564,686.01 | 6,378,687.36 | 1,039,141.92 | | 31,769,717.39 | 28,985,895.35 |
| Total Liabilities, Reserves and Fund Balance | \$ 40,163,215.00 | \$ 24,213,152.76 | \$ 141,143,238.67 | \$ 45,175,143.41 | \$ 18,673,386.05 | \$ 79,955,762.00 | \$ 349,323,897.89 | \$ 293,058,228.91 |

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

| REVENUE AND OTHER <u>INCOME REALIZED</u> | CALENDAR YEAR 2018 | | CALENDAR YEAR 2017 | |
|--|-----------------------|--------|-----------------------|--------|
| | AMOUNT | % | AMOUNT | % |
| Fund Balance Utilized | \$ 10,000,000.00 | 4.92 | \$ 10,359,046.09 | 5.07 |
| Miscellaneous - From Other than Local Property Tax Levies | 19,286,461.85 | 9.49 | 21,480,407.00 | 10.52 |
| Collection of Delinquent Taxes and Tax Title Liens | 1,456,067.03 | 0.72 | 1,443,008.18 | 0.71 |
| Collections of Current Tax Levy | 172,493,895.88 | 84.87 | 170,877,229.39 | 83.70 |
| Total Income | 203,236,424.76 | 100.00 | 204,159,690.66 | 100.00 |
| <u>EXPENDITURES</u> | | | | |
| Budget Expenditures | | | | |
| Municipal Purposes | 67,088,235.59 | 34.83 | 67,037,666.55 | 35.03 |
| Special District Taxes | 3,910,532.00 | 2.03 | 3,895,824.00 | 2.04 |
| County Taxes | 27,460,661.57 | 14.26 | 27,710,146.18 | 14.48 |
| Local School Taxes | 93,498,130.00 | 48.54 | 92,593,095.00 | 48.39 |
| Other Expenditures | 658,562.24 | 0.34 | 122,279.62 | 0.06 |
| Total Expenditures | 192,616,121.40 | 100.00 | 191,359,011.35 | 100.00 |
| Less: Expenditures to be Raised by Future Taxes | 0.00 | | 0.00 | |
| Total Adjusted Expenditures | 191,359,011.35 | | 191,359,011.35 | |
| Excess in Revenue | 10,620,303.36 | | 12,800,679.31 | |
| Fund Balance January 1 | 22,166,898.74 | | 19,725,265.52 | |
| | 32,787,202.10 | | 32,525,944.83 | |
| Less: Util. as Anticipated Revenue | 10,000,000.00 | | 10,359,046.09 | |
| Fund Balance December 31 | \$ 22,787,202.10 | | \$ 22,166,898.74 | |

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

| <u>REVENUE AND OTHER INCOME REALIZED</u> | CALENDAR YEAR 2018 | | CALENDAR YEAR 2017 | |
|--|-----------------------|--------|-----------------------|--------|
| | AMOUNT | % | AMOUNT | % |
| Fund Balance Utilized | \$ 1,000,000.00 | 7.00 | \$ 1,943,050.00 | 12.01 |
| Collection of Sewer Service Charges | 11,477,651.98 | 80.36 | 10,909,169.94 | 67.44 |
| Miscellaneous - From Other than Sewer Service Charges | 1,805,540.31 | 12.64 | 3,325,088.62 | 20.55 |
| Total Income | 14,283,192.29 | 100.00 | 16,177,308.56 | 100.00 |
| <u>EXPENDITURES</u> | | | | |
| Budget Expenditures | | | | |
| Operating | 9,642,548.37 | 79.71 | 9,320,000.00 | 77.58 |
| Capital Improvements | 1,800,000.00 | 14.88 | 2,000,000.00 | 16.65 |
| Debt Service | 321,079.16 | 2.65 | 369,881.25 | 3.08 |
| Deferred Charges & Statutory Expend. | 333,764.13 | 2.76 | 323,200.00 | 2.69 |
| Total Expenditures | 12,097,391.66 | 100.00 | 12,013,081.25 | 100.00 |
| Excess/(Deficit) in Revenue | 2,185,800.63 | | 4,164,227.31 | |
| Fund Balance January 1 | 5,192,196.76 | | 2,971,019.45 | |
| | 7,377,997.39 | | 7,135,246.76 | |
| Decreased by: | | | | |
| Util. as Anticipated Revenue | 1,000,000.00 | | 1,943,050.00 | |
| Fund Balance December 31 | \$ 6,377,997.39 | | \$ 5,192,196.76 | |

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

| REVENUE AND OTHER <u>INCOME REALIZED</u> | CALENDAR YEAR 2018 | | CALENDAR YEAR 2017 | |
|--|-----------------------|---------------|-----------------------|---------------|
| | <u>AMOUNT</u> | <u>%</u> | <u>AMOUNT</u> | <u>%</u> |
| Fund Balance | \$ 190,000.00 | 9.65 | \$ 174,125.00 | 8.65 |
| Rental Income | 1,411,136.97 | 71.71 | 1,398,220.80 | 69.44 |
| Miscellaneous - From Other than Rental Income | <u>366,811.35</u> | <u>18.64</u> | <u>441,193.69</u> | <u>21.91</u> |
| Total Income | <u>1,967,948.32</u> | <u>100.00</u> | <u>2,013,539.49</u> | <u>100.00</u> |
| <u>EXPENDITURES</u> | | | | |
| Budget Expenditures | | | | |
| Operating | 1,152,565.00 | 72.80 | 1,154,309.00 | 70.94 |
| Capital Improvements | 100,000.00 | 6.32 | 130,000.00 | 7.99 |
| Debt Service | 325,781.25 | 20.58 | 337,531.25 | 20.74 |
| Statutory Expenditures | 3,060.00 | 0.19 | 5,271.00 | 0.32 |
| Miscellaneous Expenditures | <u>1,691.22</u> | <u>0.11</u> | <u>2.00</u> | <u>0.00</u> |
| Total Expenditures | <u>1,583,097.47</u> | <u>100.00</u> | <u>1,627,113.25</u> | <u>100.00</u> |
| Excess in Revenue | 384,850.85 | | 386,426.24 | |
| Fund Balance January 1 | <u>772,113.33</u> | | <u>559,812.09</u> | |
| | 1,156,964.18 | | 946,238.33 | |
| Less: Util. As Anticip. Revenue | <u>190,000.00</u> | | <u>174,125.00</u> | |
| Fund Balance December 31 | <u>\$ 966,964.18</u> | | <u>\$ 772,113.33</u> | |

TOWNSHIP OF PISCATAWAY

STATISTICAL DATA

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

| | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|----------------------------|-------------------------|-------------------------|-------------------------|
| Tax Rate: | <u>2.304</u> | <u>2.665</u> | <u>2.616</u> |
| Apportionment of Tax Rate: | | | |
| Municipal | 0.626 | 0.718 | 0.7020 |
| Municipal Library | 0.031 | 0.036 | 0.036 |
| County | 0.344 | 0.406 | 0.399 |
| County Open Space | 0.029 | 0.033 | 0.033 |
| Local School | 1.274 | 1.472 | 1.446 |
| Assessed Valuation: | | | |
| 2018 | <u>7,338,290,868.00</u> | | |
| 2017 | | <u>6,292,969,610.00</u> | |
| 2016 | | | <u>6,291,856,286.00</u> |

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

| <u>YEAR</u> | <u>TAX LEVY</u> | <u>CURRENT CASH COLLECTIONS</u> | <u>PERCENTAGE OF COLLECTION</u> |
|-------------|-----------------|---|-------------------------------------|
| 2018 | 174,598,559.21 | 172,493,895.88 | 98.79% |
| 2017 | 172,335,249.39 | 170,577,521.22 | 98.98% |
| 2016 | 168,230,466.09 | 166,490,088.34 | 98.97% |

TOWNSHIP OF PISCATAWAY

STATISTICAL DATA

DELINQUENT TAXES AND TAX TITLE LIENS

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

| <u>YEAR</u> | <u>AMOUNT OF TAX TITLE LIENS</u> | <u>AMOUNT OF DELINQUENT TAXES</u> | <u>TOTAL DELINQUENT</u> | <u>PERCENTAGE OF TAX LEVY</u> |
|-------------|--|---|-----------------------------|-----------------------------------|
| 2018 | \$ 708,343.32 | \$ 1,473,249.47 | \$ 2,181,592.79 | 1.25% |
| 2017 | 676,158.81 | 1,451,551.75 | 2,127,710.56 | 1.23% |
| 2016 | 646,530.20 | 1,425,603.82 | 2,072,134.02 | 1.23% |

COMPARISON OF SEWER UTILITY LEVIES

| <u>YEAR</u> | <u>LEVY</u> | <u>CASH COLLECTIONS</u> |
|-------------|------------------|-------------------------|
| 2018 | \$ 11,224,895.32 | \$ 11,464,595.51 |
| 2017 | 10,911,380.99 | 10,900,998.12 |
| 2016 | 10,691,201.56 | 11,059,303.73 |

COMPARATIVE SCHEDULE OF FUND BALANCES

| | <u>YEAR</u> | <u>BALANCE</u> | <u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u> |
|--|-------------|------------------|--|
| CURRENT FUND | 2018 | \$ 22,787,202.10 | \$ 10,150,000.00 |
| | 2017 | 22,166,898.74 | 10,000,000.00 |
| | 2016 | 19,725,265.52 | 10,359,046.00 |
| SEWER UTILITY OPERATING FUND | 2018 | \$ 6,377,997.39 | \$ 2,150,000.00 |
| | 2017 | 5,192,196.76 | 1,000,000.00 |
| | 2016 | 2,971,019.45 | 1,943,050.00 |
| SENIOR CITIZENS HOUSING UTILITY FUND | 2018 | \$ 966,964.18 | \$ 210,000.00 |
| | 2017 | 772,113.33 | 190,000.00 |
| | 2016 | 559,812.00 | 174,125.00 |

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as at December 31, 2018:

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

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

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

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

(A) Fidelity & Deposit Company of Maryland

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



**PART IV
GENERAL COMMENTS AND RECOMMENDATIONS**

**TOWNSHIP OF PISCATAWAY
COUNTY OF MIDDLESEX, NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2018**

GENERAL COMMENTS

An audit of the financial accounts and transactions of the Township of Piscataway, County of Middlesex, New Jersey, for the year ended December 31, 2018, has been completed. The General Comments are herewith set forth:

Scope of Audit

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

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

INTERNAL CONTROL MATTERS

In planning and performing our audit of the financial statements of Township of Piscataway, County of Middlesex, New Jersey as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

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

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

A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

GENERAL COMMENTS

INTERNAL CONTROL MATTERS

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

GENERAL COMMENTS

INTERNAL CONTROL MATTERS (CONT'D.)

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

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

In addition, during our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated August 29, 2019 on the financial statements of the Township of Piscataway. Our comments and recommendations, which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies.

Internal Control Deficiencies:

2018-1 Segregation of Duties - Other Offices/Departments Collecting Municipal Fees

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

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

OTHER MATTERS

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

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

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

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

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

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

Materials, Supplies and Equipment

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

Services and Rentals

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

Construction and Repairs

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

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

Contracts

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

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

The examination of expenditures revealed that no individual payments, contracts or agreements in excess of \$17,500 "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement.

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

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

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

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

Compliance with P.L. 2005, c.271

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body, on January 2, 2018, adopted the following resolution authorizing interest to be charged on delinquent taxes; assessments and sewer service charges:

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

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

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

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

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

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

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

Delinquent Taxes and Tax Title Liens

The Township held a tax sale during CY 2018. The Tax Collector should continue to review all delinquent and disputed items to determine the status of delinquent accounts for proper disposition. Upon final determination of the status of the delinquent accounts, where appropriate, the delinquent item should be included in the following tax sale.

The tax sale omitted items that were reported to be in bankruptcy proceedings, installment agreements and or disputed items for real estate taxes and sewer utility charges. Delinquent real estate taxes as at December 31, 2018 reported \$6,461.24 amount due in previous tax years.

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

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

| <u>DEC. 31</u> | <u>NUMBER OF LIENS</u> |
|----------------|----------------------------|
| CY 2018 | 19 |
| CY 2017 | 19 |
| CY 2016 | 19 |

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

Investment of Idle Funds

The Chief Financial Officer had the greater portion of the idle funds of the Township invested in interest-bearing investments or accounts during CY 2018. Earnings from the investments are shown as revenue in the various funds of the Township for CY 2018.

All deposits and investments held by the Township were directly confirmed as of December 31, 2018.

The Township adopted a formal Cash Management Plan for depositing and investing of Township funds for CY 2018 in accordance with 40A: 5-14 on January 2, 2018

Purchase Order System and Encumbrance System

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

Interfund Balances

The Township had cleared all of its interfund balances of the year ended December 31, 2018.

Outside Offices/Departments and Other Officials Collecting Fees

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

Municipal Court

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

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

Administration and Accounting of State & Federal Grants

During CY 2018, the Township operated programs that were funded in whole or in part by state or federal grant awards. As part of the acceptance of these funds, the Township is required to make assurances to the grantor agency that it will comply, in its general operations as well as in the operation of grant funded programs, with various laws and regulations. In addition, the individual grant contracts impose specific compliance requirements for the operations of each program. Based upon the myriad compliance and reporting requirements for grant awards, the Township should continue to develop sound administrative functions over grant programs.

Condition of Records – Tax & Sewer Utility Office

During CY 2018, the Tax Collector utilized a monthly financial tax and sewer utility office reporting system. These reports are intended to be all-inclusive, summarizing all tax and sewer utility office transactions on a monthly basis for posting/recording within the Township general ledger financial accounting system, respectively.

Condition of Records – Finance Department

The Finance Department utilized a computerized general ledger accounting and reporting system during CY 2018. General ledgers were maintained for all funds. The Township is currently in compliance with New Jersey Administration Code 5:30-5.7, establishment and maintenance of a general ledger for at least the current fund.

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

Cybersecurity

As part of its overall risk management, the Township reviews security measures in place relating to its Information Technology (IT), including the use of specialized assessments. With the ever increasing challenges relating to cybersecurity, each organization determines what particular assessment or combination of assessments best fits its information security strategy. We suggest management continue to assess risks related to cybersecurity along with the utilization of specialized assessments, which would also include a periodic reporting mechanism to those charged with governance.

GENERAL COMMENTS

OTHER MATTERS (CONT'D):

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

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

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

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

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

Compliance with Local Finance Notices

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

The Township of Piscataway, County of Middlesex was not required to file a corrective action plan for the CY 2017, pursuant to Local Finance Board Notice Number 92-15.

RECOMMENDATIONS

None

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

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

Very truly yours,

HODULIK & MORRISON, P.A.



Andrew G. Hodulik, CPA, RMA
No. 406