

TOWNSHIP OF PENNSAUKEN
COUNTY OF CAMDEN
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2018



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TOWNSHIP OF PENNSAUKEN
PART I
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Pennsauken
Pennsauken, New Jersey 08110

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Pennsauken, in the County of Camden, State of New Jersey, as of December 31, 2018 and 2017, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinions

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

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

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

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

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

Opinion on Regulatory Basis of Accounting

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

Emphasis of Matter

Adoption of New Accounting Principles

As discussed in note 1 to the financial statements, during the year ended December 31, 2018, the Township adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The adoption of this new accounting principle resulted in a material note disclosure (see note 10). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only required financial statement disclosures. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The supplemental statements and schedules presented for the various funds and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental statements and schedules described in the previous paragraph are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 16, 2019 on our consideration of the Township of Pennsauken, in the County of Camden, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Pennsauken's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Pennsauken's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 16, 2019

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Pennsauken
Pennsauken, New Jersey 08110

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Township of Pennsauken, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated August 16, 2019. That report indicated that the Township of Pennsauken's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting pronouncement.

Internal Control over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 16, 2019

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

ASSETS:	Ref.	2018	2017
Regular Fund:			
Cash -- Treasurer	SA-1	\$ 13,063,873.82	\$ 11,329,796.73
Cash -- Collector	SA-2	603,152.27	1,210,044.65
Cash -- Change Funds	SA-3	<u>1,525.00</u>	<u>1,525.00</u>
		<u>13,668,551.09</u>	<u>12,541,366.38</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	2,088,145.37	2,234,429.00
Tax Title Liens Receivable	SA-6	790,542.82	699,159.21
Municipal Assessments Receivable	SA-7	112,814.05	21,789.00
Payments in Lieu of Taxes Receivable	SA-8	5,266.39	4,586.54
Due from United States Department of Treasury	SA-9		107,473.47
Protested Checks Receivable	SA-10	7,707.56	5,590.56
Due from Bank	SA-11	7,247.16	7,914.12
Revenue Accounts Receivable	SA-12	229,235.27	226,690.83
Property Acquired for Taxes (at Assessed Valuation)	SA-13	7,282,300.00	2,550,800.00
Due Pennsauken Garbage District	SA-14	6,055.55	
Due from Trust Other Fund	SB-8		<u>28,877.81</u>
		<u>10,529,314.17</u>	<u>5,887,310.54</u>
Deferred Charges:			
Special Emergency (N.J.S.A.40A:4-53)	SA-15	<u>180,000.00</u>	<u>520,000.00</u>
		<u>180,000.00</u>	<u>520,000.00</u>
Total Regular Fund		<u>24,377,865.26</u>	<u>18,948,676.92</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	SA-32	75,598.16	88,896.16
Due from Current Fund	SA-33	<u>19,435.77</u>	<u>15,668.77</u>
Total Federal and State Grant Fund		<u>95,033.93</u>	<u>104,564.93</u>
Total Assets		<u>\$ 24,472,899.19</u>	<u>\$ 19,053,241.85</u>

(Continued)

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

LIABILITIES, RESERVES AND FUND BALANCE:	Ref.	2018	2017
Regular Fund:			
Liabilities:			
Prepaid Fees and Permits	A	\$ 8,467.80	\$ 8,467.80
Reserve for Revaluation Program	A	21,786.55	21,786.55
Due to B.I.G. Council	SA-1	25.00	
Due Pennsauken Garbage District	SA-14		74,951.50
Due to Township of Pennsauken Library	SA-16	3,640.00	19,197.00
Due State of New Jersey - Veterans and Senior Citizens' Deductions	SA-17	12,335.30	7,227.73
Prepaid Payments in Lieu of Taxes	SA-18	4,808.48	10,207.26
Reserve for Encumbrances	SA-19	206,069.66	145,981.19
Appropriation Reserves	A-3, SA-20	307,522.06	547,429.57
Prepaid Taxes	SA-21	974,943.48	1,625,747.25
Tax Overpayments	SA-22	1,613.91	1,848.30
Due to State of New Jersey:			
Training Fees -- Surcharge	SA-23	15,519.10	25,962.00
Marriage and Domestic Partner Licenses	SA-24	1,150.00	4,031.00
Due to County for Added and Omitted Taxes	SA-26	47,327.05	17,510.63
Local School Taxes Payable	SA-27	3,464,997.57	3,478,153.92
Special Emergency Notes	SA-29		520,000.00
Reserve for Election Expenses	SA-30		2,100.00
Due to Camden County Municipal Utility Authority	SA-31	460.99	
Due to Federal and State Grant Fund	SA-33	19,435.77	15,668.77
Due to Animal Control Fund	SB-2	90.75	97.58
Due to Trust - Other Fund	SB-8	156,521.98	
Due to General Capital Fund	SC-5	1,326,887.68	775,162.32
Due to Golf Course Utility Operating Fund	SD-5	1,245.87	1,228.76
Due to Golf Course Utility Capital Fund	D	2,375.00	2,375.00
		<u>6,577,224.00</u>	<u>7,305,134.13</u>
Reserves for Receivables and Other Assets		10,529,314.17	5,887,310.54
Fund Balance	A-1	<u>7,271,327.09</u>	<u>5,756,232.25</u>
Total Regular Fund		<u>24,377,865.26</u>	<u>18,948,676.92</u>
Federal and State Grant Fund:			
Reserve for Federal and State Grants --			
Unappropriated	SA-34	36,134.90	24,962.31
Appropriated	SA-35	57,699.03	77,916.61
Reserve for Encumbrances	SA-35	<u>1,200.00</u>	<u>1,686.01</u>
Total Federal and State Grant Fund		<u>95,033.93</u>	<u>104,564.93</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 24,472,899.19</u>	<u>\$ 19,053,241.85</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF PENNSAUKEN
CURRENT FUND

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

	<u>2018</u>	<u>2017</u>
<u>Revenue and Other Income Realized</u>		
Surplus Utilized	\$ 1,022,500.00	\$ 200,000.00
Miscellaneous Revenues Anticipated	14,218,508.61	13,809,148.08
Receipts from Delinquent Taxes	2,264,055.57	2,331,233.51
Receipts from Current Taxes	86,773,547.51	86,837,597.26
Non-Budget Revenues	540,670.46	200,023.01
Other Credits to Income:		
Refund of Prior Year Expenditures:		
Receipts		35,877.89
Cancelled Federal and State Grants Appropriated	216.51	2,324.63
Unexpended Balance of Appropriation Reserves	25,952.65	230,607.52
Liquidation of Reserves for:		
Due from Bank	666.96	
Due from United States Department of Treasury	107,473.47	
Due from Federal and State Grant Fund		17,572.75
Due from Trust Other Fund	28,877.81	
	<u>104,982,469.55</u>	<u>103,664,384.65</u>
Total Income		
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	16,697,940.00	16,116,615.00
Other Expenses	10,109,665.00	10,176,135.00
Deferred Charges and Regulatory Expenditures Within "CAPS"	4,179,989.81	3,928,902.77
Operations Excluded from "CAPS":		
Salaries and Wages	29,482.45	48,347.14
Other Expenses	974,714.90	1,004,665.25
Capital Improvements Excluded from "CAPS"	552,500.00	147,000.00
Municipal Debt Service Excluded from "CAPS"	3,326,631.23	3,266,738.48
Deferred Charges - Municipal - Excluded from "CAPS"	340,000.00	340,000.00
Prior Year Veterans' and Senior Citizens' Deductions Disallowed	28,750.00	27,510.25
County Taxes	20,289,637.98	21,165,499.99
Due County for Added and Omitted Taxes	47,327.05	17,510.63
Local School District Taxes	41,658,909.00	40,991,363.00
Garbage District Taxes	4,200,000.00	4,130,000.00
Adjustment to Due State of New Jersey --		
Marriage and Domestic Partner Licenses	94.00	
Cancellation of Federal and State Grant Receivable	2.00	
Refund of Prior Year Revenue:		
Disbursements	1,058.74	8,390.27

(Continued)

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

	<u>2018</u>	<u>2017</u>
<u>Expenditures (Cont'd)</u>		
Creation of Reserves for:		
Due from Pennsauken Garbage District	\$ 6,055.55	
Due from Trust Other Fund		\$ 28,877.81
Due from Bank		7,914.12
Due from United States Department of Treasury		107,473.47
Protested Checks Receivable	2,117.00	908.00
	<u>102,444,874.71</u>	<u>101,513,851.18</u>
Total Expenditures		
Excess in Revenue	2,537,594.84	2,150,533.47
<u>Fund Balance</u>		
Balance January 1	<u>5,756,232.25</u>	<u>3,805,698.78</u>
	8,293,827.09	5,956,232.25
Decreased by:		
Utilization as Anticipated Revenue	<u>1,022,500.00</u>	<u>200,000.00</u>
Balance December 31	<u>\$ 7,271,327.09</u>	<u>\$ 5,756,232.25</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

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

	<u>Anticipated</u>			
	<u>Budget</u>	<u>Special</u>	<u>Realized</u>	<u>Excess or</u>
		<u>N.J.S. 40A:4-87</u>		<u>(Deficit)</u>
Surplus Anticipated	\$ 1,022,500.00		\$ 1,022,500.00	
Miscellaneous Revenues - Local Revenues:				
Licenses:				
Alcoholic Beverages	61,000.00		61,300.00	\$ 300.00
Other	28,100.00		26,672.00	(1,428.00)
Fees and Permits	1,028,250.00		1,644,862.49	616,612.49
Fines and Costs:				
Municipal Court	750,000.00		804,963.46	54,963.46
Interest and Costs on Taxes	659,868.60		665,172.11	5,303.51
Interest on Investments and Deposits	25,000.00		111,730.07	86,730.07
Swimming Pool Admissions	61,000.00		72,845.00	11,845.00
Cable Franchise Fees	175,770.07		175,770.07	
Miscellaneous Revenues - State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax Relief Aid	66,385.00		66,385.00	
Energy Receipts Tax (P.L. 1997, Chapter 162 & 167)	5,432,765.00		5,432,765.00	
Miscellaneous Revenues - Dedicated Uniform Construction Code Fees				
Offset with Appropriations:				
Uniform Construction Code Fees	1,195,387.69		867,476.70	(327,910.99)

(Continued)

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

	<u>Anticipated</u>			<u>Excess or</u>
	<u>Budget</u>	<u>Special</u>	<u>Realized</u>	<u>(Deficit)</u>
		<u>N.J.S. 40A:4-87</u>		
Miscellaneous Revenues - Special Items of Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues Offset with Appropriations:				
Camden County Recreational Facilities Enhancement Grant		\$ 25,000.00	\$ 25,000.00	
Drunk Driving Enforcement Fund	\$ 17,382.45		17,382.45	
Distracted Driving Statewide Crackdown Grant		6,600.00	6,600.00	
Body Armor Replacement Fund Grant	6,686.57		6,686.57	
Bullet Proof Vest Partnership Program	893.29		893.29	
Governor's Council on Alcohol and Drug Abuse		28,157.16	28,157.16	
"Click It or Ticket" Grant		5,500.00	5,500.00	
Justice Assistance Grant (JAG)		10,680.00	10,680.00	
Miscellaneous Revenues - Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items:				
Emergency Medical Technician Billing Fees	1,220,000.00		1,209,965.84	\$ (10,034.16)
Payments in Lieu of Taxes	996,356.71		1,921,974.27	925,617.56
Lease of Municipal Assets -- Landfill	250,000.00		250,000.00	
Golf Course Utility -- Payment in Lieu of Taxes	150,000.00		70,000.00	(80,000.00)
Uniform Fire Safety Act -- Life Hazard Use Fees	181,925.00		232,497.51	50,572.51
Pennsauken Sewerage Authority - Payment in Lieu of Taxes	150,000.00		150,000.00	
Merchantville - Pennsauken Water Commission Antenna Fee - Share	353,229.62		353,229.62	
Total Miscellaneous Revenues	12,810,000.00	75,937.16	14,218,508.61	1,332,571.45

(Continued)

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

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Receipts from Delinquent Taxes	\$ 2,227,500.00		\$ 2,264,055.57	\$ 36,555.57
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	21,909,982.97		22,412,656.45	502,673.48
Minimum Library Tax	795,017.03		795,017.03	
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>22,705,000.00</u>		<u>23,207,673.48</u>	<u>502,673.48</u>
Budget Totals	38,765,000.00	\$ 75,937.16	40,712,737.66	1,871,800.50
Non-Budget Revenues			540,670.46	540,670.46
Total Revenues	<u>\$ 38,765,000.00</u>	<u>\$ 75,937.16</u>	<u>\$ 41,253,408.12</u>	<u>\$ 2,412,470.96</u>

(Continued)

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

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$	86,773,547.51
Allocated to:		
School, County and Special District Taxes		66,195,874.03
Balance for Support of Municipal Budget Appropriations		20,577,673.48
Add: Appropriation "Reserve for Uncollected Taxes"		2,630,000.00
Amount for Support of Municipal Budget Appropriations	\$	23,207,673.48

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$	2,198,417.78
Tax Title Lien Collections		65,637.79
	\$	2,264,055.57

Licenses -- Other:

Construction Code Official:		
Builder	\$	16,096.00

Clerk:

Billards	\$	75.00
Board of Health		5,130.00
Limousine		200.00
Marriage		561.00
Peddler / Solicitor		450.00
Precious Metals		300.00
Raffle		480.00
Taxicab		1,380.00
Used Car Lot		2,000.00
		10,576.00
	\$	26,672.00

Fees and Permits:

Construction Code Official:		
Building Permits	\$	410,320.90
Certificates of Compliance -- Elevator		36,650.00
Certificates of Occupancy		15,462.00
Electrical Permits		182,225.20
Fire Sub code Permits		40,081.80
Plumbing Permits		167,636.80
Street Opening Permits		15,100.00
	\$	867,476.70

(Continued)

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

Analysis of Realized Revenues (Cont'd)

Fees and Permits -- Other:

Construction Code Official:

Housing Code Letters	\$ 76,148.00	
Rent Board Applications	110,755.00	
Smoke Detector Inspections	45,596.00	
Trash Dumpster Permit	<u>5,910.00</u>	
		\$ 238,409.00

Recreation 6,710.00

Clerk:

Bid Specifications	1,235.00	
Coin Operated Device Permits	435.00	
Town Wide Yard Sale	1,155.00	
Vital Statistics	<u>4,320.00</u>	
		7,145.00

Fire Department:

Fire Inspection Fees 151,453.65

Police Department:

Accident and Police Reports 18,147.00

Planning and Zoning:

Planning Board Fees	3,600.00	
Zoning Board Fees	<u>13,815.00</u>	
		17,415.00

Abandoned and Vacant Property Initiative:

Abandoned Property Registration	977,775.00	
Abandoned Property Discharge Fee	100.00	
Abandoned Property Fines	54,250.00	
Abandoned Property Non-Compliant	<u>68,600.00</u>	
		1,100,725.00

Treasurer:

Cellular Telephone Lease Agreements	83,098.14	
Outdoor Sign Rental	9,614.70	
State Death Certificates	12,085.00	
Tax Search	<u>60.00</u>	
		<u>104,857.84</u>

\$ 1,644,862.49

(Continued)

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

Analysis of Non-Budget Revenues

Miscellaneous Revenues not Anticipated:

Revenue Accounts Receivable:

Construction Code Official:

Penalties and Fines	\$	10,225.00
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Clerk:

Photocopies		117.75
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Tax Office:

Certificates of Redemption	\$	6,825.00
Grasscutting/Property Maintenance Fees		138,918.35
Interest on Payment in Lieu of Taxes		1,304.14

<u>147,047.49</u>

\$	157,390.24
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Treasurer:

Receipts:

Auction Sales -- Township Property		2,249.00
Easements		196,620.00
FEMA Administrative Costs		718.25
Forfeiture of Tax Sale Premiums		37,800.00
Homestead Rebate - Administrative Costs		3,628.80
Insufficient Funds Fees		80.00
Land Sales -- Township Property		27,342.50
Miscellaneous Refunds		92,095.89
Rental of Township Owned Property		14,919.57
Restitution		420.00
Sale of Scrap Metal		3,121.61
Senior Citizen and Veteran Deductions - Administrative Fee		5,328.39

384,324.01
(4,651.04)

Less Refunds -- Disbursements		
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Due Trust Other Fund:

Collected by the Trust Other Fund -- Miscellaneous Refunds		3,507.25
Forfeited Street Opening Deposits		100.00

<u>3,607.25</u>

<u>\$</u>	540,670.46
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The accompanying Notes to Financial Statements are an integral part of this statement.

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Paid or Charged Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
OPERATIONS -- WITHIN "CAPS"						
General Government:						
Mayor and Township Committee						
Salaries and Wages	\$ 82,515.00	\$ 82,515.00	\$ 80,137.12		\$ 2,377.88	
Other Expenses	5,000.00	5,000.00	3,690.00		1,310.00	
Administrative and Executive						
Salaries and Wages	439,950.00	439,325.00	439,304.68		20.32	
Other Expenses	10,750.00	10,900.00	10,496.64	\$ 379.80	23.56	
Municipal Clerk's Office						
Salaries and Wages	156,795.00	147,170.00	147,145.87		24.13	
Other Expenses	44,000.00	44,000.00	43,052.15	243.45	704.40	
Data Processing Center						
Other Expenses	93,000.00	93,000.00	60,780.59	30,500.00	1,719.41	
Purchasing Department						
Salaries and Wages	86,190.00	86,190.00	86,187.93		2.07	
Other Expenses	19,500.00	22,925.00	19,497.75	3,403.84	23.41	
Financial Administration						
Salaries and Wages	347,600.00	347,875.00	347,873.49		1.51	
Other Expenses	103,000.00	103,375.00	103,365.98		9.02	
Assessment of Taxes						
Salaries and Wages	158,375.00	159,200.00	159,183.51		16.49	
Other Expenses	7,250.00	7,250.00	7,148.16		101.84	
Collection of Taxes						
Salaries and Wages	209,720.00	211,520.00	211,513.40		6.60	
Other Expenses	63,100.00	60,350.00	59,113.10	1,200.00	36.90	
Audit Services						
Other Expenses	102,500.00	102,500.00	101,000.00		1500.00	
Maintenance of Township Owned Property						
Other Expenses	5,000.00	7,175.00	2,000.00	5,165.00	10.00	
Legal Services and Costs						
Salaries and Wages	1,000.00					
Other Expenses	300,000.00	270,000.00	218,869.54	18,466.07	32,664.39	
Human Resources						
Salaries and Wages	94,620.00	94,620.00	94,616.05		3.95	
Other Expenses	5,000.00	5,000.00	5,000.00			
Municipal Prosecutor						
Salaries and Wages	65,720.00	67,870.00	67,859.84		10.16	

(Continued)

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Paid or Charged</u>		<u>Unexpended Balance Canceled</u>
				<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
General Government (Cont'd):						
Municipal Court						
Salaries and Wages	\$ 529,270.00	\$ 522,195.00	\$ 522,191.30		\$ 3.70	
Other Expenses	55,925.00	68,050.00	64,948.19	\$ 3,096.09		5.72
Engineering Services and Costs						
Salaries and Wages	154,560.00	154,560.00	154,556.01			3.99
Other Expenses	1,500.00	1,500.00	320.06			1,179.94
Public Buildings and Grounds						
Salaries and Wages	42,130.00	42,605.00	42,598.36			6.64
Other Expenses	34,900.00	39,225.00	36,917.38	2,289.52		18.10
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Planning Board						
Salaries and Wages	81,500.00	80,950.00	80,946.01			3.99
Other Expenses	3,900.00	3,900.00	3,305.27			594.73
Zoning Board						
Salaries and Wages	67,880.00	64,305.00	64,299.96			5.04
Other Expenses	2,300.00	2,325.00	2,303.76			21.24
Insurance:						
Employee Group Health	4,978,395.00	4,992,345.00	4,992,344.34			0.66
General Liability	674,925.00	674,925.00	600,787.64	27,151.64		46,985.72
Workers' Compensation	287,000.00	301,400.00	301,377.52			22.48
Economic Development						
Salaries and Wages	198,045.00	198,045.00	198,044.09			0.91
Other Expenses	76,945.00	72,445.00	72,118.41	25.07		301.52
Dog Warden						
Other Expenses	107,300.00	107,300.00	107,300.00			
Department of Public Safety:						
Bureau of Fire Prevention:						
Uniform Fire Safety Act (P.L. 1983, Ch. 383)						
Salaries and Wages	335,670.00	313,020.00	313,012.94			7.06
Other Expenses	15,525.00	16,750.00	16,255.49	491.00		3.51

(Continued)

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Paid or Charged Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Department of Public Safety (Cont'd):						
Fire Department						
Salaries and Wages	\$ 1,509,040.00	\$ 1,507,215.00	\$ 1,507,196.68		\$ 18.32	
Other Expenses:						
Fire Department	316,560.00	302,760.00	256,204.54	\$ 34,418.63	12,136.83	
Fire Hydrant Service	50,875.00	50,875.00	46,485.90	4,324.00	65.10	
Aid to Volunteer Fire Companies	8,500.00	8,500.00	8,500.00			
Police						
Salaries and Wages	8,255,525.00	8,279,575.00	8,272,293.77		7,281.23	
Other Expenses	303,155.00	322,530.00	303,183.48	19,324.48	22.04	
Police Reserve						
Salaries and Wages	238,030.00	253,805.00	253,786.50		18.50	
Traffic Control						
Salaries and Wages	253,410.00	255,185.00	255,161.00		24.00	
Other Expenses	33,500.00	27,250.00	25,441.15	1,382.50	426.35	
First Aid Organization						
Salaries and Wages	1,394,220.00	1,411,295.00	1,411,280.77		14.23	
Other Expenses	136,700.00	136,700.00	109,619.57	17,423.81	9,656.62	
Emergency Management Services						
Salaries and Wages	430.00	6,530.00	6,508.12		21.88	
Other Expenses	750.00	750.00	258.64		491.36	
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):						
Construction Code Official						
Salaries and Wages	529,145.00	523,420.00	523,395.61		24.39	
Other Expenses	690,650.00	628,700.00	561,333.41	331.00	67,035.59	
Streets and Roads:						
Public Works						
Salaries and Wages	813,125.00	854,475.00	854,473.65		1.35	
Other Expenses	51,475.00	51,475.00	44,627.47	2,296.39	4,551.14	
Township Garage						
Salaries and Wages	311,410.00	301,660.00	301,655.60		4.40	
Other Expenses	139,750.00	147,425.00	134,585.57	12,817.90	21.53	
Street Lighting	677,320.00	677,320.00	588,819.62		88,500.38	

(Continued)

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Paid or Charged Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Health and Welfare:						
Senior Citizens of Pennsauken Township						
Salaries and Wages	\$ 24,425.00	\$ 24,425.00	\$ 24,423.90		\$ 1.10	
Other Expenses	11,250.00	11,250.00	2,129.69	\$ 1,720.31	7,400.00	
Utility Expenses:						
Motor Fuels	187,865.00	187,865.00	172,189.93	9,629.41	6,045.66	
Electricity	242,500.00	242,500.00	236,651.85		5,848.15	
Telephone	117,335.00	117,335.00	108,473.91	2,511.59	6,349.50	
Natural Gas or Propane	32,200.00	36,250.00	36,234.06		15.94	
Sewerage Authority	5,985.00	7,060.00	7,040.00		20.00	
Recreation and Education:						
Recreation						
Salaries and Wages	106,200.00	106,600.00	106,599.94		0.06	
Other Expenses	30,925.00	34,300.00	33,888.96	400.00	11.04	
Swimming Pool						
Salaries and Wages	51,805.00	52,580.00	52,568.89		11.11	
Other Expenses	22,860.00	29,610.00	28,394.40	1,200.00	15.60	
Celebration of Public Events, Anniversary or Holiday						
Other Expenses	75,800.00	65,800.00	59,255.73	5,878.16	666.11	
Historical Preservation						
Other Expenses	10,500.00	10,500.00	10,500.00			
Rent Leveling Board						
Other Expenses	420.00	420.00	420.00			
Shade Tree Commission						
Other Expenses	750.00	850.00	830.00		20.00	
Unclassified:						
Sick Pay	109,210.00	109,210.00	109,206.70		3.30	
Total Operations within "CAPS"	26,791,855.00	26,807,605.00	26,295,081.54	206,069.66	306,453.80	
Detail:						
Salaries and Wages	16,647,515.00	16,697,940.00	16,688,021.69		9,918.31	
Other Expenses (Including Contingent)	10,144,340.00	10,109,665.00	9,607,059.85	206,069.66	296,535.49	

(Continued)

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Paid or Charged Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
MUNICIPAL -- WITHIN "CAPS"						
Deferred Charges:						
Deficit in Reserve for Animal Control Fund Expenditures	\$ 13,283.10	\$ 13,283.10	\$ 13,283.10			
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System and ERI Liability	1,077,864.30	1,077,864.30	1,077,864.30			
Social Security System (O.A.S.I.)	697,737.34	681,987.34	680,996.30		\$ 991.04	
Unemployment Insurance	4,325.00	4,325.00	4,265.78		59.22	
Police and Fireman's Retirement System of N.J.	2,402,530.07	2,402,530.07	2,402,530.07			
Total Statutory Expenditures	4,182,456.71	4,166,706.71	4,165,656.45		1,050.26	
Total Deferred Charges and Statutory Expenditures Municipal -- Within "CAPS"	4,195,739.81	4,179,989.81	4,178,939.55		1,050.26	
Total General Appropriations for Municipal Purposes -- Within "CAPS"	30,987,594.81	30,987,594.81	30,474,021.09	\$ 206,069.66	307,504.06	
OPERATIONS -- EXCLUDED FROM "CAPS"						
Maintenance of Free Public Library (P.L. 1985, Ch. 82 & 541)	903,297.88	903,297.88	903,297.88			
Total Other Operations Excluded from "CAPS"	903,297.88	903,297.88	903,297.88			
Public and Private Programs Off-Set by Revenues:						
Drunk Driving Enforcement Fund						
Police						
Salaries and Wages	17,382.45	17,382.45	17,382.45			
Body Armor Replacement Fund						
Police						
Other Expenses	6,686.57	6,686.57	6,686.57			
Bullet Proof Vest Partnership Program	893.29	893.29	893.29			

(Continued)

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Paid or Charged Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
OPERATIONS -- EXCLUDED FROM "CAPS" (Cont'd)						
Public and Private Programs Off-Set by Revenues (Cont'd):						
New Jersey Division of Highway Safety Traffic:						
Distracted Driving Statewide Crackdown Grant						
Police						
Salaries and Wages (N.J.S. 40A:4-87, \$6,600.00+)		\$ 6,600.00	\$ 6,600.00			
"Click it Or Ticket" Grant						
Police						
Salaries and Wages (N.J.S. 40A:4-87, \$5,500.00+)		5,500.00	5,500.00			
Justice Assistance Grant (JAG)						
Police						
Other Expenses (N.J.S. 40A:4-87, \$10,680.00+)		10,680.00	10,680.00			
Governor's Council on Alcoholism and Drug Abuse						
Other Expenses (N.J.S. 40A:4-87, \$28,157.16+)		28,157.16	28,157.16			
Camden County Recreation Facilities						
Enhancement Grant						
Other Expenses (N.J.S. 40A:4-87. \$25,000.00+)		25,000.00	25,000.00			
Total Public and Private Programs Offset by Revenues	\$ 24,962.31	100,899.47	100,899.47			
Total Operations - Excluded from "CAPS"	928,260.19	1,004,197.35	1,004,197.35			
Detail:						
Salaries and Wages	17,382.45	29,482.45	29,482.45			
Other Expenses	910,877.74	974,714.90	974,714.90			
CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS"						
Capital Improvement Fund	130,000.00	130,000.00	130,000.00			
Purchase of New Fire Apparatus	422,500.00	422,500.00	422,482.00		\$ 18.00	
Total Capital Improvement Program -- Excluded from "CAPS"	552,500.00	552,500.00	552,482.00		18.00	

(Continued)

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Paid or Charged Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"						
Payment of Bond Principal	\$ 2,604,200.00	\$ 2,604,200.00	\$ 2,604,198.00			\$ 2.00
Interest on Bonds	649,370.00	649,370.00	649,361.78			8.22
Interest on Notes	73,075.00	73,075.00	73,071.45			3.55
Total Municipal Debt Service -- Excluded from "CAPS"	<u>3,326,645.00</u>	<u>3,326,645.00</u>	<u>3,326,631.23</u>			<u>13.77</u>
DEFERRED CHARGES - MUNICIPAL- EXCLUDED FROM "CAPS"						
Special Emergency Authorizations -- 5 Years (N.J.S. 40A:4-55)	<u>340,000.00</u>	<u>340,000.00</u>	<u>340,000.00</u>			
Total Deferred Charges - Municipal- Excluded from "CAPS"	<u>340,000.00</u>	<u>340,000.00</u>	<u>340,000.00</u>			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>5,147,405.19</u>	<u>5,223,342.35</u>	<u>5,223,310.58</u>		\$ 18.00	<u>13.77</u>
Subtotal General Appropriations	36,135,000.00	36,210,937.16	35,697,331.67	\$ 206,069.66	307,522.06	13.77
Reserve for Uncollected Taxes	<u>2,630,000.00</u>	<u>2,630,000.00</u>	<u>2,630,000.00</u>			
Total General Appropriations	<u>\$ 38,765,000.00</u>	<u>\$ 38,840,937.16</u>	<u>\$ 38,327,331.67</u>	<u>\$ 206,069.66</u>	<u>\$ 307,522.06</u>	<u>\$ 13.77</u>
Appropriated by 40A:4-87		\$ 75,937.16				
Budget		<u>38,765,000.00</u>				
		<u>\$ 38,840,937.16</u>				
Refunds:						
Receipts			\$ (2,114,225.56)			
Disbursements			37,118,969.45			
Reserve for Federal and State Grants -- Appropriated			100,899.47			
Deferred Charge			340,000.00			
Reserve for Uncollected Taxes			2,630,000.00			
Due Animal Control Fund			120,583.10			
Due Trust - Other Fund			1,105.21			
Due General Capital Fund			<u>130,000.00</u>			
			<u>\$ 38,327,331.67</u>			

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

TOWNSHIP OF PENNSAUKEN
TRUST FUNDS
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis
 As of December 31, 2018 and 2017

ASSETS:	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Animal Control Fund:			
Cash	SB-1	\$ 3,840.10	\$ 1,620.52
Due from Current Fund	SB-2	90.75	97.58
Deferred Charge -- Deficit in Reserve for Animal Control Expenditures	SB-3	<u>11,070.35</u>	<u>13,283.10</u>
Total Animal Control Fund		<u>15,001.20</u>	<u>15,001.20</u>
Other Funds:			
Cash	SB-1	2,801,455.45	1,962,080.42
Mortgages Receivable	B	8,983.25	8,983.25
Housing Rehabilitation Program Inventory	SB-6	72,000.00	72,000.00
Community Development Block Grant Receivable	SB-7	102,834.78	322,043.50
Due from Current Fund	SB-8	<u>156,521.98</u>	<u> </u>
Total Other Funds		<u>3,141,795.46</u>	<u>2,365,107.17</u>
Total Assets		<u>\$ 3,156,796.66</u>	<u>\$ 2,380,108.37</u>

(Continued)

TOWNSHIP OF PENNSAUKEN
TRUST FUNDS
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis
 As of December 31, 2018 and 2017

LIABILITIES AND RESERVES:	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Animal Control Fund:			
Due to State of New Jersey	SB-4	\$ 1.20	\$ 1.20
Due to General Capital Fund	C	<u>15,000.00</u>	<u>15,000.00</u>
Total Animal Control Fund		<u>15,001.20</u>	<u>15,001.20</u>
Other Funds:			
Due to Current Fund	SB-8		28,877.81
Due to Bank	SB-9	133.75	83.25
Reserve for Payroll Deductions Payable	SB-10	259,081.88	270,338.13
Reserve for Economic Development -- Urban Development Action Grant	SB-11	96.68	4,008.06
Reserve Community Development Block Grant	SB-12	88,834.78	169,514.94
Reserve for Section 8 Program:			
Restricted for Housing Assistance Payments	SB-13	24,689.36	8,205.24
Unrestricted	SB-13	30,261.77	31,637.72
Miscellaneous Trust Reserves:			
Reserve for Street Opening Deposits	SB-14	6,900.00	3,900.00
Reserve for Escrow Deposits	SB-14	19,941.93	19,441.93
Reserve for Unemployment Compensation Insurance	SB-14	5,084.41	850.88
Reserve for Parking Offense Adjudication Act	SB-14	2,580.71	2,082.71
Reserve for Public Defender	SB-14	15,640.51	15,713.28
Reserve for Planning and Zoning Deposits	SB-14	376,133.96	300,842.65
Reserve for Special Law Enforcement Officers:			
State Allocation	SB-14	21,815.09	23,424.95
Reserve for Housing Trust	SB-14	558.20	
Reserve for Housing Rehabilitation Program	SB-14	150,933.18	152,221.36
Reserve for Tax Title Lien Redemption	SB-14	<u>2,139,109.25</u>	<u>1,333,964.26</u>
Total Other Funds		<u>3,141,795.46</u>	<u>2,365,107.17</u>
Total Liabilities and Reserves		<u>\$ 3,156,796.66</u>	<u>\$ 2,380,108.37</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF PENNSAUKEN
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2018 and 2017

ASSETS:	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Cash	SC-1	\$ 77,417.79	\$ 191,428.32
Deferred Charges to Future Taxation:			
Funded	SC-3	23,977,267.00	26,581,465.00
Unfunded	SC-4	5,266,450.00	2,843,950.00
Due from Current Fund	SC-5	1,326,887.68	775,162.32
Due from State of New Jersey:			
Transportation Trust Fund Grant Receivable	SC-6	154,488.85	62,969.90
Department of Environmental Protection Grant Receivable	SC-7	593,845.00	
Due from Animal Control Fund	C	15,000.00	15,000.00
Total Assets		<u>\$ 31,411,356.32</u>	<u>\$ 30,469,975.54</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Improvement Authorizations:			
Funded	SC-7	\$ 1,001,736.68	\$ 333,982.26
Unfunded	SC-7	678,417.12	713,762.70
Contracts Payable	SC-8	406,916.97	292,587.03
Capital Improvement Fund	SC-9	4,921.90	2,421.90
Bond Anticipation Notes	SC-10	5,260,000.00	2,515,000.00
General Serial Bonds	SC-11	23,977,267.00	26,581,465.00
Fund Balance	C-1	82,096.65	30,756.65
Total Liabilities, Reserves and Fund Balance		<u>\$ 31,411,356.32</u>	<u>\$ 30,469,975.54</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF PENNSAUKEN
GENERAL CAPITAL FUND
Statement of Fund Balance - Regulatory Basis
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 30,756.65
Increased by:	
Collections made by the Current Fund:	
Premium on Bond Anticipation Notes Issued	<u>51,340.00</u>
Balance December 31, 2018	<u><u>\$ 82,096.65</u></u>

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

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2018 and 2017

ASSETS:	Ref.	2018	2017
Operating Fund:			
Cash	SD-1	\$ 160,689.73	\$ 162,573.57
Cash -- Change Fund	SD-3	800.00	800.00
Due from Current Fund	SD-5	<u>1,245.87</u>	<u>1,228.76</u>
Total Operating Fund		<u>162,735.60</u>	<u>164,602.33</u>
Capital Fund:			
Cash	SD-1	1,699.45	1,691.44
Fixed Capital	SD-6	6,907,739.94	6,907,739.94
Fixed Capital Authorized and Uncompleted	SD-7	531,500.00	531,500.00
Due from Current Fund	D	2,375.00	2,375.00
Due from Golf Course Utility Operating Fund	SD-8	<u>519.95</u>	<u>527.96</u>
Total Capital Fund		<u>7,443,834.34</u>	<u>7,443,834.34</u>
Total Assets		<u>\$ 7,606,569.94</u>	<u>\$ 7,608,436.67</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Operating Fund:			
Due to Golf Course Utility Capital Fund	SD-8	\$ 519.95	\$ 527.96
Appropriation Reserves	D-3, SD-9	12,387.00	24,120.87
Reserve for Encumbrances	D-3, SD-9	23,889.67	14,113.43
Accrued Interest on Bonds and Notes	SD-10	<u>8,181.41</u>	<u>6,319.05</u>
		<u>44,978.03</u>	<u>45,081.31</u>
Fund Balance	D-1	<u>117,757.57</u>	<u>119,521.02</u>
Total Operating Fund		<u>162,735.60</u>	<u>164,602.33</u>
Capital Fund:			
Improvement Authorizations:			
Funded	SD-11	1,526.82	1,526.82
Reserve for Amortization	SD-12	6,206,506.94	6,070,704.94
Serial Bonds	SD-13	1,232,733.00	1,368,535.00
Capital Improvement Fund	D	3,029.00	3,029.00
Reserve for Preliminary Expenses	D	<u>38.58</u>	<u>38.58</u>
Total Capital Fund		<u>7,443,834.34</u>	<u>7,443,834.34</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 7,606,569.94</u>	<u>\$ 7,608,436.67</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY OPERATING FUND
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>Revenue and Other Income Realized</u>		
Surplus Utilized	\$ 20,000.00	\$ 35,000.00
Playing Fees	893,822.00	963,732.00
Equipment Rental Fees	447,710.00	489,604.00
Miscellaneous	230,750.47	236,226.35
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	10,947.44	22,946.04
	<u>1,603,229.91</u>	<u>1,747,508.39</u>
<u>Expenditures</u>		
Operating	1,365,120.00	1,453,225.00
Debt Service	165,898.36	162,122.38
Deferred Charges and Statutory Expenditures	53,975.00	51,985.00
	<u>1,584,993.36</u>	<u>1,667,332.38</u>
Total Expenditures		
Excess in Revenue	18,236.55	80,176.01
<u>Fund Balance</u>		
Balance January 1	119,521.02	74,345.01
	137,757.57	154,521.02
Decreased by:		
Utilized as Revenue in Golf Course Utility Operating Budget	20,000.00	35,000.00
Balance December 31	<u>\$ 117,757.57</u>	<u>\$ 119,521.02</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY OPERATING FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2018

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	\$ 20,000.00	\$ 20,000.00	
Playing Fees	962,500.00	893,822.00	\$ (68,678.00)
Equipment Rental Fees	487,500.00	447,710.00	(39,790.00)
Miscellaneous	235,000.00	230,750.47	(4,249.53)
	<u>1,685,000.00</u>	<u>1,572,282.47</u>	<u>(112,717.53)</u>
	<u>\$ 1,705,000.00</u>	<u>\$ 1,592,282.47</u>	<u>\$ (112,717.53)</u>
<u>Analysis of Realized Revenues:</u>			
Playing Fees:			
Greens Fees		\$ 606,757.00	
Golf Memberships		<u>287,065.00</u>	
			<u>\$ 893,822.00</u>
Equipment Rental Fees:			
Gas Carts		\$ 443,044.00	
Hand Carts		1,516.00	
Golf Bag Rental		50.00	
Locker Rental		<u>3,100.00</u>	
			<u>\$ 447,710.00</u>
Miscellaneous:			
Receipts:			
Concessionaire Lease		\$ 200,600.00	
Interest on Investments and Deposits		2,078.46	
Miscellaneous		<u>28,064.00</u>	
			\$ 230,742.46
Due from Golf Course Utility Capital Fund:			
Interest on Investments and Deposits			<u>8.01</u>
			<u>\$ 230,750.47</u>

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

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY OPERATING FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Paid or Charged</u>			<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance Canceled</u>
Operating:						
Salaries and Wages	\$ 756,425.00	\$ 756,425.00	\$ 727,936.49		\$ 988.51	\$ 27,500.00
Other Expenses	576,695.00	576,695.00	531,094.31	\$ 23,889.67	11,211.02	10,500.00
Payment in Lieu of Taxes -- Current Fund	150,000.00	150,000.00	70,000.00			80,000.00
Total Operating	<u>1,483,120.00</u>	<u>1,483,120.00</u>	<u>1,329,030.80</u>	<u>23,889.67</u>	<u>12,199.53</u>	<u>118,000.00</u>
Debt Service:						
Payment of Bond Principal	135,805.00	135,805.00	135,802.00			3.00
Interest on Bonds	30,100.00	30,100.00	30,096.36			3.64
Total Debt Service	<u>165,905.00</u>	<u>165,905.00</u>	<u>165,898.36</u>			<u>6.64</u>
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	55,975.00	55,975.00	53,787.53		187.47	2,000.00
Total Utility Appropriations	<u>\$ 1,705,000.00</u>	<u>\$ 1,705,000.00</u>	<u>\$ 1,548,716.69</u>	<u>\$ 23,889.67</u>	<u>\$ 12,387.00</u>	<u>\$ 120,006.64</u>
Refunds:						
Receipts			\$ (47,878.11)			
Disbursements			1,360,392.39			
Accrued Interest:						
Interest on Bonds			30,096.36			
Due Current Fund--Payment in Lieu of Taxes			70,000.00			
Disbursements made by Current Fund			136,106.05			
			<u>\$ 1,548,716.69</u>			

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

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

<u>Fixed Assets</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Land and Buildings (at Assessed Valuation)	\$ 39,040,100.00	\$ 1,465,200.00	\$ 2,714,800.00	\$ 37,790,500.00
Computers and Computer Equipment	253,040.82			253,040.82
Furniture and Equipment	12,438,932.70	499,085.36		12,938,018.06
Vehicles	11,361,242.22	606,292.33	344,653.03	11,622,881.52
Total Fixed Assets	\$ 63,093,315.74	\$ 2,570,577.69	\$ 3,059,453.03	\$ 62,604,440.40
Total Investment in Fixed Assets	\$ 63,093,315.74	\$ 2,570,577.69	\$ 3,059,453.03	\$ 62,604,440.40

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Pennsauken (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature on February 18, 1892 from portions of the now-defunct Stockton Township. The Township, located in Camden County, New Jersey, has a total area of approximately twelve square miles with approximately two miles of frontage along the Delaware River directly across from the City of Philadelphia, Pennsylvania. In New Jersey, the Township borders Camden, Cherry Hill, Collingswood and Merchantville in Camden County and Cinnaminson Township, Maple Shade Township and Palmyra Borough in Burlington County. According to the 2010 census, the population is 35,885.

The Township is governed under the Township Committee form of government, with a five-member Committee. The Committee is elected directly by the voters in partisan elections to serve three-year terms of office on a staggered basis, with one or two seats coming up for election each year. At an annual reorganization meeting, the Committee selects one of its members to serve as Mayor and another as Deputy Mayor. Legislative and executive power is vested in the Committee.

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

Pennsauken Sewerage Authority
1250 John Tipton Blvd.
Pennsauken, New Jersey 08110

Pennsauken Free Public Library
5605 N. Crescent Blvd.
Pennsauken, New Jersey 08110

Pennsauken Garbage District
5605 N. Crescent Blvd.
Pennsauken, New Jersey 08110

Merchantville - Pennsauken Water Commission
20 W. Maple Ave.
Merchantville, NJ 08109

Annual financial reports may be inspected directly at the offices of these component units during regular business hours.

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

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

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

Current Fund - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

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

Golf Course Utility Operating and Capital Funds - The golf course utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned golf course operations.

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

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

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

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

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

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

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

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

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

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

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

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

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

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

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements, and contributed capital.

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

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

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

Fund Balance - Fund balances included in the current fund and golf course utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Camden, the Township of Pennsauken School District, and the Township of Pennsauken Garbage District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Pennsauken School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

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

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

Garbage District Taxes - The municipality is responsible for levying, collecting, and remitting garbage district taxes for the Township of Pennsauken Garbage District. Operations is charged for the full amount required to be raised from taxation to operate the Garbage District for the period from January 1 to December 31.

Library Taxes - The municipality is responsible for levying, collecting and remitting library taxes for the Pennsauken Public Library. The amount of the library tax is a separate local levy tax and is remitted to the Library through the municipal budget.

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

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

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as income.

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

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2018, the Township's bank balances of \$12,017,288.65 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 9,284,146.39
Uninsured and Uncollateralized	<u>2,733,142.26</u>
Total	<u>\$ 12,017,288.65</u>

New Jersey Cash Management Fund - During the year, the Township participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2018, the Township's deposits with the New Jersey Cash Management Fund were \$5,058,129.02.

Note 3: PROPERTY TAXES

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

	<u>Year Ended</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015 *</u>	<u>2014</u>
Tax Rate	\$ 3.789	\$ 3.793	\$ 3.725	\$ 3.658	\$ 5.561
Apportionment of Tax Rate:					
Municipal	\$.934	\$.936	\$.941	\$.943	\$ 1.451
Municipal Library	.033	.035	.034	.036	.054
County	.866	.902	.880	.865	1.290
Local School	1.777	1.744	1.697	1.644	2.504
Special District Tax:					
Garbage District	.179	.176	.173	.170	.262

* Revaluation

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2018	\$ 2,345,603,985.00
2017	2,350,051,566.00
2016	2,346,443,560.00
2015 *	2,345,766,571.00
2014	1,525,323,350.00

* Revaluation

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2018	\$ 89,080,988.24	\$ 86,773,547.51	97.41%
2017	89,210,383.37	86,837,597.26	97.34%
2016	87,601,004.42	85,279,951.27	97.35%
2015	86,368,349.63	83,848,802.70	97.08%
2014	84,949,378.79	82,511,022.38	97.13%

Note 3: PROPERTY TAXES (CONT'D)

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2018	\$ 790,542.82	\$ 2,088,145.37	\$ 2,878,688.19	3.23%
2017	699,159.21	2,234,429.00	2,933,588.21	3.29%
2016	805,606.71	2,122,541.21	2,928,147.92	3.34%
2015	567,712.60	2,308,964.44	2,876,677.04	3.33%
2014	424,527.41	2,253,848.10	2,678,375.51	3.15%

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2018	61
2017	54
2016	63
2015	55
2014	49

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2018	\$ 7,282,300.00
2017	2,550,800.00
2016	2,550,800.00
2015	2,550,800.00
2014	2,550,800.00

Note 5: MUNICIPAL ASSESSMENTS RECEIVABLE

When owners do not maintain their properties in accordance with Township ordinances, assessments are imposed for the maintenance of the property. The balance due for the current and previous four years was as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ 112,814.05
2017	21,789.00
2016	21,789.00
2015	21,789.00
2014	23,295.86

Note 6: MORTGAGES RECEIVABLE

At December 31, 2018, the Township has loans receivable recorded in the Trust Other Funds from various families that were granted funds for the purposes of property improvements under the Township's housing rehabilitation program. The term of the loans call for an interest rate of one percent and principal to be repaid monthly over two-hundred and forty months or at the time the property is sold or title transferred, which is decided by the family at the inception of the loan. Some of the loans are to be repaid on a monthly basis and others are to be repaid at the time of the sale or title transfer. The balance of these loans at December 31, 2018 was \$8,983.25.

Note 7: FUND BALANCES APPROPRIATED

The following schedules detail the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2018	\$ 7,271,327.09	\$ 1,197,500.00	16.47%
2017	5,756,232.25	1,022,500.00	17.76%
2016	3,805,698.78	200,000.00	5.26%
2015	3,022,535.19	600,000.00	19.85%
2014	1,795,077.87	255,079.87	14.21%

Golf Course Utility Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2018	\$ 117,757.57	\$ 62,720.00	53.26%
2017	119,521.02	20,000.00	16.73%
2016	74,345.01	35,000.00	47.08%
2015	91,761.92	45,000.00	49.04%
2014	103,864.77	60,000.00	57.77%

Note 8: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current		\$ 1,506,557.05
Federal and State Grant	\$ 19,435.77	
Trust - Animal Control	90.75	15,000.00
Trust - Other	156,521.98	
General Capital	1,341,887.68	
Golf Course Utility - Operating	1,245.87	519.95
Golf Course Utility - Capital	2,894.95	
	<u>\$ 1,522,077.00</u>	<u>\$ 1,522,077.00</u>

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

Note 9: PENSION PLANS

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

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

General Information about the Pension Plans**Plan Descriptions**

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

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

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

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

Tier Definition

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

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 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

The following represents the membership tiers for PFRS:

Tier Definition

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

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

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

Contributions

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

The Township's contractually required contribution rate for the year ended December 31, 2018 was 13.66% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - Based on the most recent PERS measurement date of June 30, 2018, the Township's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$1,023,475.00, and was payable by April 1, 2019. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$942,544.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$567,998.93.

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

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

The Township's contractually required contribution rate for the year ended December 31, 2018 was 28.32% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2018, the Township's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$2,532,964.00, and was payable by April 1, 2019. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$2,383,209.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$912,835.89.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2018 was 3.15% of the Township's covered payroll.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2018 is \$282,035.00, and was payable by April 1, 2019. Based on the PFRS measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2017 was \$232,841.00, which was paid on April 1, 2018.

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

For the year ended December 31, 2018, the Township had no employees participating in this plan.

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

Public Employees' Retirement System - At December 31, 2018, the Township's proportionate share of the PERS net pension liability was \$20,259,556.00. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2018 measurement date, the Township's proportion was 0.1028952196%, which was an increase of 0.0011518131% from its proportion measured as of June 30, 2017.

At December 31, 2018, the Township's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is \$1,117,526.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the Township's contribution to PERS was \$972,544.00, and was paid on April 1, 2018.

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

Township's Proportionate Share of Net Pension Liability	\$ 35,058,837.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>4,762,163.00</u>
	<u>\$ 39,821,000.00</u>

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2018 measurement date, the Township's proportion was 0.2590877011%, which was a decrease of (0.0101958351%) from its proportion measured as of June 30, 2017. Likewise, at June 30, 2018, the State of New Jersey's proportion, on-behalf of the Township, was 0.2590877011%, which was a decrease of (0.0101958351%) from its proportion, on-behalf of the Township, measured as of June 30, 2017.

At December 31, 2018, the Township's proportionate share of the PFRS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is \$1,824,316.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the Township's contribution to PFRS was \$2,383,209.00, and was paid on April 1, 2018.

At December 31, 2018, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the Plan as of the June 30, 2018 measurement date is \$564,071.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

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

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 386,353.00	\$ 356,678.00	\$ 743,031.00	\$ 104,465.00	\$ 145,082.00	\$ 249,547.00
Changes of Assumptions	3,338,439.00	3,009,329.00	6,347,768.00	6,477,929.00	8,984,975.00	15,462,904.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments				190,035.00	191,804.00	381,839.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	469,782.00	449,598.00	919,380.00	354,269.00	2,980,070.00	3,334,339.00
Township Contributions Subsequent to the Measurement Date	511,738.00	1,266,482.00	1,778,220.00			
	<u>\$ 4,706,312.00</u>	<u>\$ 5,082,087.00</u>	<u>\$ 9,788,399.00</u>	<u>\$ 7,126,698.00</u>	<u>\$ 12,301,931.00</u>	<u>\$ 19,428,629.00</u>

\$511,738.00 and \$1,266,482.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2019. These amounts were based on an estimated April 1, 2020 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2018 to the Township's year end of December 31, 2018.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

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

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

Year Ending Dec 31,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2019	\$ 135,048.00	\$ (643,252.00)	\$ (508,204.00)
2020	(217,936.00)	(1,608,477.00)	(1,826,413.00)
2021	(1,340,148.00)	(3,229,804.00)	(4,569,952.00)
2022	(1,150,673.00)	(2,227,850.00)	(3,378,523.00)
2023	(358,415.00)	(776,943.00)	(1,135,358.00)
	<u>\$ (2,932,124.00)</u>	<u>\$ (8,486,326.00)</u>	<u>\$ (11,418,450.00)</u>

Actuarial Assumptions

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

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

For PERS, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent modified 2014 projection scale thereafter.

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

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

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

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

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

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

Sensitivity of Township's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

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

	PERS		
	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
Township's Proportionate Share of the Net Pension Liability	<u>\$ 25,474,057.00</u>	<u>\$ 20,259,556.00</u>	<u>\$ 15,884,923.00</u>

Note 9: PENSION PLANS (CONT'D)**Sensitivity of Township's Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

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

	PFRS		
	1% Decrease (5.51%)	Current Discount Rate (6.51%)	1% Increase (7.51%)
Township's Proportionate Share of the Net Pension Liability	\$ 46,921,903.00	\$ 35,058,837.00	\$ 25,273,969.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>6,373,564.22</u>	<u>4,762,163.00</u>	<u>3,433,050.51</u>
	<u>\$ 53,295,467.22</u>	<u>\$ 39,821,000.00</u>	<u>\$ 28,707,019.51</u>

Pension Plan Fiduciary Net Position

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

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information**

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

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

	<u>Measurement Date Ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Proportion of the Net Pension Liability	0.1028952196%	0.1017434065%	0.1010490132%
Township's Proportionate Share of the Net Pension Liability	\$ 20,259,556.00	\$ 23,684,239.00	\$ 29,927,819.00
Township's Covered Payroll (Plan Measurement Period)	\$ 7,202,384.00	\$ 6,959,932.00	\$ 6,942,460.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	281.29%	340.29%	431.08%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%
	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.1019301596%	0.1066554322%	0.1029114824%
Township's Proportionate Share of the Net Pension Liability	\$ 22,881,278.00	\$ 19,968,814.00	\$ 19,668,429.00
Township's Covered Payroll (Plan Measurement Period)	\$ 7,029,892.00	\$ 7,357,840.00	\$ 7,039,184.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	325.49%	271.40%	279.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Contributions - Public Employees' Retirement System (PERS) (Last Six Years)***

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Contractually Required Contribution	\$ 1,023,475.00	\$ 942,544.00	\$ 897,705.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(1,023,475.00)</u>	<u>(942,544.00)</u>	<u>(897,705.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 7,491,595.00	\$ 7,305,606.00	\$ 6,953,551.00
Township's Contributions as a Percentage of Covered Payroll	13.66%	12.90%	12.91%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 876,326.00	\$ 879,252.00	\$ 775,417.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(876,326.00)</u>	<u>(879,252.00)</u>	<u>(775,417.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 6,936,061.00	\$ 7,110,665.00	\$ 7,258,296.00
Township's Contributions as a Percentage of Covered Payroll	12.63%	12.37%	10.68%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Six Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Proportion of the Net Pension Liability	0.2590877011%	0.2692835362%	0.2768757032%
Township's Proportionate Share of the Net Pension Liability	\$ 35,058,837.00	\$ 41,572,172.00	\$ 52,890,342.00
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>4,762,163.00</u>	<u>4,656,433.00</u>	<u>4,441,477.00</u>
Total	<u>\$ 39,821,000.00</u>	<u>\$ 46,228,605.00</u>	<u>\$ 57,331,819.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 8,595,364.00	\$ 8,640,576.00	\$ 8,866,668.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	407.88%	481.13%	596.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.48%	58.60%	52.01%
	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.2699374696%	0.2896178346%	0.2968137408%
Township's Proportionate Share of the Net Pension Liability	\$ 44,962,173.00	\$ 36,431,237.00	\$ 39,458,708.00
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>3,943,032.00</u>	<u>3,932,032.00</u>	<u>3,678,031.00</u>
Total	<u>\$ 48,905,205.00</u>	<u>\$ 40,363,269.00</u>	<u>\$ 43,136,739.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 8,641,260.00	\$ 9,086,620.00	\$ 9,315,008.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	520.32%	400.93%	423.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Contributions - Police and Firemen's Retirement System (PFRS) (Last Six Years)***

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Contractually Required Contribution	\$ 2,532,964.00	\$ 2,383,209.00	\$ 2,257,480.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(2,532,964.00)</u>	<u>(2,383,209.00)</u>	<u>(2,257,480.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 8,943,603.00	\$ 8,642,661.00	\$ 8,472,342.00
Township's Contributions as a Percentage of Covered Payroll	28.32%	27.57%	26.65%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 2,194,189.00	\$ 2,224,465.00	\$ 2,165,487.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(2,194,189.00)</u>	<u>(2,224,465.00)</u>	<u>(2,165,487.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 8,672,192.00	\$ 8,708,801.00	\$ 8,944,369.00
Township's Contributions as a Percentage of Covered Payroll	25.30%	25.54%	24.21%

Note 9: PENSION PLANS (CONT'D)**Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***Changes in Benefit Terms

None

Changes in Assumptions

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

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

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

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

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

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

Changes in Assumptions

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

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

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

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

Early Retirement Incentive Program – Legislation enacted in 1991 and 1993 made early retirement available through Early Retirement Incentive Programs. These programs, which were subject to the approval of the Township's governing body, were available to employees who met certain minimum requirements. The Township participates in three Early Retirement Incentive Programs, ERIP 1, 2 and 4. Under each of these programs, there is an accrued liability. Under Program 1, the accrued liability as of December 31, 2018 was \$19,413.00 payable in annual installments of \$6,471.00 with the last installment due on April 1, 2021. For Program 2, the accrued liability as of December 31, 2018 was \$116,115.00 payable in annual installments of \$7,741.00 with the last installment due on April 1, 2033. For Program 4, the accrued liability as of December 31, 2018 was \$264,948.00 payable in annual installments of \$88,316.00 with the last installment due on April 1, 2021.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**State Health Benefits Local Government Retired Employees Plan****General Information about the OPEB Plan**

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

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

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

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

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**State Health Benefits Local Government Retired Employees Plan (Cont'd)****General Information about the OPEB Plan (Cont'd)**

Contributions (Cont'd) - The Township was billed monthly by the Plan and paid \$51,339.96 for the year ended December 31, 2018, representing 31% of the Township's covered payroll. During the year ended December 31, 2018, no active employees were in the plan and no retirees were required to make contribution.

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

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80% of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Township, is not known, however, under the Special Funding Situation, the State's OPEB expense, on-behalf of the Township, is \$602,376.00 for the year ended December 31, 2018 representing 3.67% of the Township's covered payroll.

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB Liability - At December 31, 2018 the Township's and State's proportionate share of the net OPEB liability were as follows:

Township's Proportionate Share of Net OPEB Liability	\$	756,384.00
State of New Jersey's Proportionate Share of Net OPEB Liability Associated with the Township		<u>19,899,340.00</u>
	\$	<u>20,655,724.00</u>

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**State Health Benefits Local Government Retired Employees Plan (Cont'd)****OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

OPEB Liability (Cont'd) - The Township's proportion of the net OPEB liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2017 through June 30, 2018. For the June 30, 2018 measurement date, the Township's proportion was .004828% which was an increase of .000062% from its proportion measured as of the June 30, 2017 measurement date.

The State's proportion of the net OPEB liability, on-behalf of the Township was based on the ratio of the plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2017 through June 30, 2018. For the June 30, 2018 measurement date, the State's proportion on-behalf of the Township was .320242% which was a decrease of (.006685%) from its proportion measured as of the June 30, 2017 measurement date.

OPEB Expense - At December 31, 2018, the Township's proportionate share of the OPEB expense, calculated by the Plan as of the June 30, 2018 measurement date is \$17,632.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the Township made contributions to the Plan totaling \$51,339.96.

At December 31, 2018, the State's proportionate share of the OPEB expense, associated with the Township, calculated by the Plan as of the June 30, 2018 measurement date is \$602,376.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		\$ 153,573.00
Changes of Assumptions		191,867.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	\$ 400.00	
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	12,334.00	81,739.00
Township Contributions Subsequent to the Measurement Date	25,669.98	
	<u>\$ 38,403.98</u>	<u>\$ 427,179.00</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

State Health Benefits Local Government Retired Employees Plan (Cont'd)

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - \$25,669.98 reported as deferred outflows of resources resulting from the Township's contributions subsequent to the measurement date will be included as a reduction of the Township's net OPEB liability during the year ending December 31, 2019.

The Township will amortize the above other deferred outflow of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions		
Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04
June 30, 2018	-	8.14
Net Difference between Projected and Actual Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions		
Year of OPEB Plan Deferral:		
June 30, 2017	8.04	8.04
June 30, 2018	8.14	8.14

Other amounts included as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in future periods as follows:

<u>Year Ending Dec. 31,</u>	
2019	\$ (62,471.00)
2020	(62,471.00)
2021	(62,471.00)
2022	(62,513.00)
2023	(62,581.00)
Thereafter	(101,938.00)
	<u>\$ (414,445.00)</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**State Health Benefits Local Government Retired Employees Plan (Cont'd)****Actuarial Assumptions**

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

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

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

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

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

100% of active members are considered to participate in the Plan upon retirement.

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

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**State Health Benefits Local Government Retired Employees Plan (Cont'd)****Actuarial Assumptions (Cont'd)**

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

Sensitivity of the net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Township's Proportionate Share of the Net OPEB Liability	\$ 887,438.00	\$ 756,384.00	\$ 651,701.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>23,347,187.00</u>	<u>19,899,340.00</u>	<u>17,145,291.00</u>
	<u>\$ 24,234,625.00</u>	<u>\$ 20,655,724.00</u>	<u>\$ 17,796,992.00</u>

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

The Township's and State's proportionate share of the net OPEB Liability as of June 30, 2018, the Plan's measurement date, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Township's Proportionate Share of the Net OPEB Liability	\$ 630,946.00	\$ 756,384.00	\$ 918,720.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>16,599,240.00</u>	<u>19,899,340.00</u>	<u>24,170,160.00</u>
	<u>\$ 17,230,186.00</u>	<u>\$ 20,655,724.00</u>	<u>\$ 25,088,880.00</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**State Health Benefits Local Government Retired Employees Plan (Cont'd)****OPEB Plan Fiduciary Net Position**

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

Supplementary OPEB Information

In accordance with GASB 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Township's Proportionate Share of the net OPEB Liability (Last 2 Years) –

	<u>Measurement Date Ended June 30,</u>	
	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net OPEB Liability	0.004828%	0.004766%
Township's Proportionate Share of the Net OPEB Liability	\$ 756,384.00	\$ 973,016.00
State's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>19,899,340.00</u>	<u>28,427,653.00</u>
Total	<u>\$ 20,655,724.00</u>	<u>\$ 29,400,669.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 16,210,115.00	\$ 15,556,948.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	4.67%	6.25%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.97%	1.03%

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**State Health Benefits Local Government Retired Employees Plan (Cont'd)****Supplementary OPEB Information (Cont'd)*****Schedule of the Township's Contributions (Last 2 Years) –***

	<u>Year Ended December 31,</u>	
	<u>2018</u>	<u>2017</u>
Township's Required Contributions	\$ 51,339.96	\$ 58,798.35
Township's Contributions in Relation to the Required Contribution	<u>(51,339.96)</u>	<u>(58,798.35)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 16,435,198.00	\$ 15,948,267.00
Township's Contributions as a Percentage of Covered Payroll	0.31%	0.37%

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms - None

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

Township of Pennsauken Postemployment Health Benefits Plan

Plan Description and Benefits Provided - The Township provides postretirement health care benefits through a health plan for retirees and their families, which includes a medical, dental, prescription drug and vision plan. The Township's provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: eligible retirees who retire from active employment with the Township and who have at least thirty (30) years of service with the Township and are members of the New Jersey Public Retirement System (PERS) and police and firemen who retire with at least twenty-five (25) years of service with the Township and have at least twenty-five (25) years of service in the New Jersey Police and Firemen's Retirement System (PFRS). Medical coverage is provided for the retirees and their families; however once Medicare age is attained by the retired employee or their spouse, Medicare is primary and the Township provides supplementary medical insurance benefits. Prescription drugs and dental benefits are provided for retirees and their families. Vision benefits are provided for retired employees. Life Insurance is not provided. The Plan is administered by the Township; therefore, premium payments are made directly to the insurance carriers. Pursuant to Chapter 78 of P.L. 2011, effective June 28, 2011, retirees are required to contribute for medical and prescription drug benefits. Contributions are not required for employees with at least 20 years in the PERS or PFRS as of the effective date and meet the eligibility requirements of the employer pursuant to N.J.S.A. 40A:10-23, (i.e., age 62 with 15 years or 25 years of service). As of December 31, 2018, no retirees are required to make contributions.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Township of Pennsauken Postemployment Health Benefits Plan (Cont'd)**

Employees Covered by Benefit Terms - As of December 31, 2018, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employee or Beneficiaries Currently Receiving Benefit Payments	129
Inactive Employees Entitled to but not yet Receiving Benefit Payments	-
Active Employees	<u>188</u>
Total	<u><u>317</u></u>

Total OPEB Liability

The Township's total OPEB liability of \$64,926,096.00 was measured as of December 31, 2018 and was determined by an actuarial valuation as of this same date.

Actuarial Assumptions and Other Inputs - The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Mortality – Mortality rates are based on the RP-2000 Combined Mortality Table for Males and Females as appropriate.

Discount Rate – Future costs have been discounted at the rate of 3.64% compounded annually. The rate is based upon the S&P Municipal Bond 20 Year High Grade Rate Index which consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years as of December 2018. For December 2017, future costs were discounted at the rate of 3.16% compounded annually. Eligible bonds are rated at least AA by Standard and Poor's Ratings Service, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating was used. Prior to 2017, an interest rate of 5% was assumed.

Turnover – Terminations of employment other than for death or retirement will occur in the future in accordance with the U.S. Office of Personnel Management regarding the experience of the employee group covered by the Federal Retirement System.

Disability – The actuary has assumed no terminations of employment due to disability. Retirees resulting from a disability were factored into the determination of age at retirement.

Age at Retirement – Active participants, on average, will receive their benefits when eligible but no earlier than age 55.

Spousal Coverage – Married employees will remain married.

Health Care Cost Inflation – Health care gross costs will increase at an annual rate of 7.0% for Pre-Medicare medical benefits and 5% for Post-Medicare medical benefits.

Administration Expenses – Annual cost to administer the retiree claims, approximately 2%, is included in the annual health care costs.

Final Average Salary – Final average salary for retirees age 55 and over is \$83,660.00.

The actuary has used their professional judgement in applying these assumptions to this Plan.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Township of Pennsauken Postemployment Health Benefits Plan (Cont'd)****Changes in Total OPEB Liability**

Balance at December 31, 2017		\$ 79,649,517.00
Changes for the Year:		
Service Cost	\$ 2,032,032.00	
Interest Cost	2,860,414.00	
Benefit Payments	(2,133,411.00)	
Changes in Assumptions	(4,836,402.00)	
Difference Between Expected and Actual Experience	<u>(12,646,054.00)</u>	
Net Changes		<u>(14,723,421.00)</u>
Balance at December 31, 2018		<u>\$ 64,926,096.00</u>

Changes of benefit terms reflect no increase in the retirees' share of health insurance premiums.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.16% at December 31, 2017 to 3.64% at December 31, 2018.

Sensitivity of Total OPEB Liability to Changes in Discount Rate - The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated for using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1.00% Decrease <u>2.64%</u>	Current Discount Rate <u>3.64%</u>	1.00% Increase <u>4.64%</u>
Total OPEB Liability	<u>\$ 75,632,314.00</u>	<u>\$ 64,926,096.00</u>	<u>\$ 56,347,184.00</u>

Sensitivity of Total OPEB Liability to Changes in Healthcare Cost Trend Rates - The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1.00% Decrease <u>6.00%</u>	Healthcare Cost Trend Rates <u>7.00%</u>	1.00% Increase <u>8.00%</u>
Total OPEB Liability	<u>\$ 55,967,271.00</u>	<u>\$ 64,926,096.00</u>	<u>\$ 76,097,759.00</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Township of Pennsauken Postemployment Health Benefits Plan (Cont'd)**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2018, the Township recognized OPEB expense of \$2,707,139.00. As of December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ -	\$ 4,836,402.00
Difference Between Expected and Actual Experience	-	12,646,054.00
Contributions Subsequent to the Measurement Date	-	-
	<u>\$ -</u>	<u>\$ 17,482,456.00</u>

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

<u>Year Ending Dec. 31,</u>	
2019	\$ (2,185,307.00)
2020	(2,185,307.00)
2021	(2,185,307.00)
2022	(2,185,307.00)
2023	(2,185,307.00)
Thereafter	<u>(6,555,921.00)</u>
	<u>\$ (17,482,456.00)</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information**

In accordance with GASBS No. 75, the following information is also presented for the Township's OPEB Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of Changes in the Township's Total OPEB Liability and Related Ratio's -**Total OPEB Liability**

Service Cost	\$ 2,032,032.000
Interest Cost	2,860,414.00
Benefit Payments	(2,133,411.00)
Changes in Assumptions	(4,836,402.00)
Difference Between Expected and Actual Experience	<u>(12,646,054.00)</u>
Net Change in Total OPEB Liability	(14,723,421.00)
Total OPEB Liability - Beginning of Year	<u>79,649,517.00</u>
Total OPEB Liability - End of Year	<u>\$ 64,926,096.00</u>
Covered-Employee Payroll	\$ 19,738,519.60
Total OPEB Liability as a Percentage of Covered-Employee Payroll	328.93%

Notes to Schedule:

Changes of Benefit Terms:
None

Changes of Assumptions:

The discount rate changed from 3.16% as of the December 31, 2017 measurement date to 3.64% as of the December 31, 2018 measurement date.

Note 11: COMPENSATED ABSENCES

Non-uniformed Township employees are entitled to fifteen paid sick leave days each year and uniformed employees are entitled to seventeen paid sick leave days each year. Police and fire employees are entitled to seventeen paid sick leave days each year. Unused sick leave may be accumulated and carried forward. Vacation days not used during the year may be accumulated and carried forward; however, only a maximum of one's year unused vacation days may be carried forward. All full-time employees are entitled to three personal holidays, plus fourteen or thirteen holidays depending upon whether they are uniformed or non-uniformed employees respectively. All police and fire employees may carry forward an unlimited number of unused vacation days and holidays but are compensated for a maximum of one hundred upon termination.

Permanent part-time employees are entitled to compensated absences; however, regular part-time employees are not compensated for absences.

The Township compensates employees with more than thirty years of service for one half of their unused sick leave upon termination or retirement. Employees with less than thirty-five years of service are not compensated.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2018, accrued benefits for compensated absences are valued at \$1,628,894.93.

Note 12: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 13: LEASE OBLIGATIONS

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

- Capital:
Seventy-eight (78) Golf Carts
- Operating:
One (1) 2015 Ford Escape

Capital Leases - The following is an analysis of the Township's capital leases:

<u>Description</u>	<u>Balance at December 31,</u>	
	<u>0</u>	
Golf Carts	\$ 211,073.70	None

The following schedule represents the remaining principal and interest payments, through maturity, for capital leases:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 58,971.71	\$ 6,792.49	\$ 65,764.20
2020	61,252.08	4,512.12	65,764.20
2021	63,620.62	2,143.58	65,764.20
2022	27,229.29	172.46	27,401.75
	<u>\$ 211,073.70</u>	<u>\$ 13,620.65</u>	<u>\$ 224,694.35</u>

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

<u>Year</u>	<u>Amount</u>
2019	\$ 4,500.00
2020	1,175.00

Rental payments under operating leases for the year 2018 were \$4,500.00.

Note 14: CAPITAL DEBT**General Obligation and Refunding Bonds**

General Obligation Bonds, Series 2011 - On August 31, 2011, the Township issued \$12,850,000.00 in general obligation bonds, with interest rates ranging from 2.5% to 4.0%. The purpose of the bonds is to fund various capital ordinances in the Township. The final maturity of the bonds is August 15, 2026.

General Obligation Bonds, Series 2016 - On June 22, 2016, the Township issued \$13,236,000.00 in general obligation bonds, with interest rates ranging from 1.0% to 2.375%. The purpose of the bonds is to fund various capital ordinances in the Township. The final maturity of the bonds is March 1, 2029.

Refunding Bonds, Series 2017 - On June 15, 2017, the Township issued \$4,455,000.00 in refunding bonds, with an interest rate of 1.95%. The purpose of the bonds is to refund a portion of the Township's 2008 General Obligation Bonds. The final maturity of the bonds is September 1, 2023.

The following schedule represents the remaining debt service, through maturity, for the general obligation and refunding bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 2,678,131.00	\$ 577,869.76	\$ 3,256,000.76
2020	2,741,707.00	515,489.26	3,257,196.26
2021	2,805,284.00	451,596.76	3,256,880.76
2022	2,888,861.00	386,139.76	3,275,000.76
2023	2,947,082.00	318,577.26	3,265,659.26
2024-2028	8,755,149.00	676,510.00	9,431,659.00
2029	1,161,053.00	13,787.00	1,174,840.00
	<u>\$ 23,977,267.00</u>	<u>\$ 2,939,969.80</u>	<u>\$ 26,917,236.80</u>

Golf Course Utility Debt – General Obligation and Refunding Bonds

General Obligation Bonds, Series 2016 - On June 22, 2016, the Township issued \$1,014,000.00 in general obligation bonds, with interest rates ranging from 1.0% to 2.375%. The purpose of the bonds is to fund various capital ordinances in the Township's golf course utility. The final maturity of the bonds is March 1, 2029.

Refunding Bonds, Series 2017 - On June 15, 2017, the Township issued \$365,000.00 in refunding bonds, with an interest rate of 1.95%. The purpose of the bonds is to refund a portion of the Township's 2008 General Obligation Bonds. The final maturity of the bonds is September 1, 2023.

Note 14: CAPITAL DEBT (CONT'D)**Golf Course Utility Debt – General Obligation and Refunding Bonds (Cont'd)**

The following schedule represents the remaining debt service, through maturity, for the general obligation and refunding bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 141,869.00	\$ 24,309.50	\$ 166,178.50
2020	143,293.00	21,492.50	164,785.50
2021	144,716.00	18,647.50	163,363.50
2022	146,139.00	15,773.50	161,912.50
2023	152,918.00	12,867.50	165,785.50
2024-2028	414,851.00	32,653.00	447,504.00
2029	88,947.00	1,056.00	90,003.00
	<u>\$ 1,232,733.00</u>	<u>\$ 126,799.50</u>	<u>\$ 1,359,532.50</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 29,237,267.00	\$ 29,096,465.00	\$ 28,816,000.00
Water Utility:			
Bonds and Notes (Note A)	3,989,740.29	4,622,938.02	5,219,304.39
Golf Course Utility:			
Bonds and Notes	1,232,733.00	1,368,535.00	1,479,000.00
Total Issued	<u>34,459,740.29</u>	<u>35,087,938.02</u>	<u>35,514,304.39</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	6,450.00	328,950.00	3,450.00
Total Authorized but not Issued	<u>6,450.00</u>	<u>328,950.00</u>	<u>3,450.00</u>
Total Issued and Authorized but not Issued	<u>34,466,190.29</u>	<u>35,416,888.02</u>	<u>35,517,754.39</u>

Note 14: CAPITAL DEBT (CONT'D)

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Deductions</u>			
Water Utility:			
Self-Liquidating (Note A)	\$ 3,989,740.29	\$ 4,622,938.02	\$ 5,219,304.39
Golf Course Utility:			
Self-Liquidating	1,232,733.00	1,368,535.00	1,479,000.00
Total Deductions	<u>5,222,473.29</u>	<u>5,991,473.02</u>	<u>6,698,304.39</u>
Net Debt	<u>\$ 29,243,717.00</u>	<u>\$ 29,425,415.00</u>	<u>\$ 28,819,450.00</u>

Note A - Represents the Township of Pennsauken's share of the debt of the Merchantville-Pennsauken Water Commission. The Commission is jointly owned by the Township of Pennsauken and the Borough of Merchantville.

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 1.204%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 39,234,000.00	\$ 39,234,000.00	
Self-Liquidating	5,222,473.29	5,222,473.29	
General	29,243,717.00		\$ 29,243,717.00
	<u>\$ 73,700,190.29</u>	<u>\$ 44,456,473.29</u>	<u>\$ 29,243,717.00</u>

Net debt \$29,243,717.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$2,429,866,173.33, equals 1.204%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 85,045,316.07
Less: Net Debt	<u>29,243,717.00</u>
Remaining Borrowing Power	<u>\$ 55,801,599.07</u>

Note 14: CAPITAL DEBT (CONT'D)**Calculation of "Self-Liquidating Purpose,"
Golf Course Utility Per N.J.S.A. 40:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$	1,592,282.47
Deductions:		
Operating and Maintenance Costs	\$	1,419,095.00
Debt Service		<u>165,898.36</u>
Total Deductions		<u>1,584,993.36</u>
Excess in Revenue	\$	<u>7,289.11</u>

**Calculation of "Self-Liquidating Purpose,"
Merchantville-Pennsauken Water Commission Per N.J.S.A. 40:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$	10,234,385.11
Deductions:		
Operating and Maintenance Costs	\$	7,014,505.38
Debt Service		<u>680,977.24</u>
Total Deductions		<u>7,695,482.62</u>
Excess in Revenue	\$	<u>2,538,902.49</u>

Note 15: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2018, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following funds:

<u>Description</u>	<u>Balance December 31, 2018</u>	<u>2019 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorizations	\$ 180,000.00	\$ 180,000.00
Animal Control Fund:		
Deficit in Reserve for Animal Control Expenditures	11,070.35	11,070.35

The appropriations in the 2019 Budget as adopted are not less than that required by the statutes.

Note 16: RISK MANAGEMENT

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

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

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

The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	\$ 11,219.80	\$ 16.85	\$ 7,003.12	\$ 5,084.41
2017	5,312.35	1.08	11,954.33	850.88
2016	27,780.19	0.46	20,638.99	7,491.78

It is estimated that unreimbursed payments on behalf of the Township at December 31, 2018 are \$166.29.

Self-Insurance Plan - The Township has adopted a plan of self-insurance for workers' compensation insurance, and as a result, has established a trust fund to fund potential claims up to \$500,000.00 per any one accident. Scibal Associates acts as administrator of the plan. The Township purchases commercial coverage for claims in excess of \$500,000.00. There have been no settlements that exceed the Township's coverage for years ended December 31, 2018, 2017, and 2016.

Payments from the reserve for 2018, 2017 and 2016 were \$394,836.54, \$344,584.78 and \$212,382.04, respectively. At December 31, 2018, there is no balance in the reserve. The 2019 adopted budget includes an appropriation in the amount of \$308,880.00 to fund the reserve for future claims. The management of the Township believes that the 2019 budget appropriation to fund the reserve is adequate to meet the needs of the Township and any additional funding required for claims in excess of the trust fund's reserve will be paid and charged to future budgets.

Note 17: CONTINGENCIES

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

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

Note 18: INTERGOVERNMENTAL SERVICE AGREEMENTS

Pennsauken Sewerage Authority - The Township has entered into a service agreement with the Pennsauken Sewerage Authority, a component unit of the Township, whereby the Township has agreed to pay any shortfall the Authority may encounter in making payments for either operating expenses or debt service requirements. Should the Township make any payments in accordance with this agreement, the Authority would be required to repay any amounts advanced by the Township plus interest at a rate of 1% per year above the highest rate paid by the Authority on any outstanding bonds.

Merchantville - Pennsauken Water Commission - The Township has entered into a service agreement with the Merchantville - Pennsauken Water Commission, which is a component unit of the Township of Pennsauken and the Borough of Merchantville. Both municipalities act as guarantors of all Commission bonds and loans in accordance with the following percentages:

Township of Pennsauken	88.42%
Borough of Merchantville	11.58%

No payments were required to be made by the Township relative to any intergovernmental service agreements during the year 2018.

Note 19: CONCENTRATIONS

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

Note 20: TAX ABATEMENTS

The Township is authorized to enter into property tax abatement agreements for commercial and industrial structures under N.J.S.A. 40A:21-1 known as the "Five Year Exemption and Abatement Law" and long-term exemption agreements under N.J.S.A. 40A:20. Under these laws, the Township may grant property tax abatements for a period of five years from the date of completion of construction for the purpose of encouraging the construction of new commercial and industrial structures or other terms for long-term exemptions for the purpose of economic development or affordable housing.

For the year ended December 31, 2018, the Township abated property taxes totaling \$1,569,790.54 under these programs, including the following long-term tax exemption agreements that each exceeded ten percent (10%) of the total amount abated:

- An abatement of \$190,904.35 to the operator of a recreational facility to foster economic development.
- An abatement of \$339,950.76 to the owner of a HUD approved apartment complex for affordable housing.
- An abatement of \$337,382.54 to the owner of a senior housing facility to provide for affordable housing for senior citizens.
- An abatement of \$216,651.37 to the owner of a HUD approved apartment complex for affordable housing for senior citizens.
- An abatement of \$162,341.13 to the owner of a senior housing facility to provide for affordable housing for senior citizens.

Note 21: REDEVELOPMENT ZONES

The Township has created two redevelopment zones. One encompasses waterfront properties with more than 700 acres of underused industrial property. The Township is uniquely situated on an urban waterfront which mirrors a growing international trend. Communities across the country and around the world are rediscovering and capitalizing on the potential of urban waterfronts. The Township is in the process of investigating interested parties to oversee the entire redevelopment process in this unique environment. In addition, substantial studies, planning and testing have already been conducted to facilitate the redevelopment effort. Moreover, the New Jersey Department of Environmental Protection and the Township have executed a Brownfield's Development Area Initiative Memorandum of Understanding to promote environmental protection for the waterfront development area and to foster neighborhood revitalization.

The other redevelopment zone is located along the Route 73 corridor, an area beginning close to the Tacony-Palmyra Bridge and continuing into the southern end of the Borough of Cinnaminson, known as the "Crossroads Redevelopment Area". The Camden County Improvement Authority ("CCIA"), the governmental economic development agency of Camden County, found the Crossroads Redevelopment Area to be an attractive location for residential and retail redevelopment activities. Specifically, to facilitate redevelopment of the Crossroads Redevelopment Area, the CCIA applied for and received a grant from the Casino Reinvestment Development Authority and was designated by the Township as the redevelopment authority for a portion of the Crossroads Redevelopment Area by Ordinance 02-43 duly adopted after public hearing on December 30, 2002. Site clearance, preparation and environmental studies and remediation have been completed and the CCIA has sold the property to DELCO Development, LLC, a qualified nationally recognized multi-family developer.

DELCO has begun the redevelopment of the 35 acre Crossroads Redevelopment Area, a project named Haddon Pointe, that includes the construction of 189 Townhouses, 9 residential apartment buildings comprising a total of 240 units, a club house and other related site improvements. The first five (5) apartment buildings were completed in the fall of 2018 and as of June 1, 2019, are near full occupancy. The remaining four (4) apartment buildings are currently under construction with an expected completion date of November 2019. Permits have been obtained and work has begun on the initial phase of the Townhomes section. The estimated completion date for the entire project is June 2022.

Note 22: SUBSEQUENT EVENTS

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

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
General Capital Fund:		
Various Recreational Improvements	2/21/2019	\$ 204,250.00
Various Capital Improvements and the Acquisition of Various Capital Equipment	3/21/2019	2,384,500.00

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

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

	<u>Regular</u>	<u>Federal and State Grant</u>
Balance December 31, 2017	\$ 11,329,796.73	
Increased by Receipts:		
Due to B.I.G. Council	\$ 25.00	
Miscellaneous Revenue not Anticipated	384,324.01	
2018 Appropriation Refunds	2,114,225.56	
2017 Appropriation Reserves Refunds	512,303.27	
Tax Collector	89,850,511.43	
Petty Cash Funds	2,150.00	
Due from United States Department of Treasury	107,473.47	
Protested Checks	976.00	
Revenue Accounts Receivable	13,113,105.95	
Due Pennsauken Garbage District	3,576,513.16	
Due Pennsauken Free Public Library	1,179.21	
Due State of New Jersey -- Veteran and Senior Citizen Deductions	266,419.53	
Due State of New Jersey -- Training Fees Surcharge	52,193.10	
Due State of New Jersey -- Marriage Licenses	4,675.00	
Due Bank	182.00	
Federal and State Grants Receivable		\$ 111,557.93
Due Federal and State Grant Fund	3,981.51	
Due Trust - Other Funds	471,933.60	
Due General Capital Fund	3,272,368.05	
Due Golf Course Utility Operating Fund	<u>234,357.16</u>	
	<u>113,968,897.01</u>	<u>\$ 111,557.93</u>
	125,298,693.74	111,557.93

(Continued)

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

	<u>Regular</u>	<u>Federal and State Grant</u>
Decreased by Disbursements:		
Refund of Prior Year Revenue	\$ 1,058.74	
Refund of Miscellaneous Revenue Not Anticipated	4,651.04	
2018 Appropriations	37,118,969.45	
Petty Cash Funds	2,150.00	
Reserve for Election Expenses	2,100.00	
Protested Checks	3,893.00	
2017 Appropriation Reserves	1,179,761.38	
Due Pennsauken Garbage District	3,657,520.21	
Due Pennsauken Free Public Library	16,736.21	
Tax Overpayments	73,763.81	
Due State of New Jersey -- Training Fees Surcharge	62,636.00	
Due State of New Jersey -- Marriage Licenses	7,650.00	
County Taxes Payable	20,289,637.98	
Due County for Added and Omitted Taxes	17,510.63	
Local School District Tax Payable	41,672,065.35	
Special District Tax Payable	4,200,000.00	
Due Bank	42.82	
Reserve for Federal and State Grants -- Appropriated		\$ 107,576.42
Special Emergency Notes	520,000.00	
Due Current Fund		3,981.51
Due Animal Control Fund	120,300.00	
Due Trust - Other Fund	270,033.25	
Due General Capital Fund	2,850,000.00	
Due Golf Course Utility Operating Fund	<u>164,340.05</u>	
	<u>\$ 112,234,819.92</u>	<u>\$ 111,557.93</u>
Balance December 31, 2018	<u>\$ 13,063,873.82</u>	<u>\$ -</u>

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Current Cash
Per N.J.S. 40A:5-5 -- Collector
For the Year Ended December 31, 2018

Balance December 31, 2017		\$	1,210,044.65
Increased by Receipts:			
Interest and Costs on Taxes	\$ 665,172.11		
Taxes Receivable	87,045,306.43		
Tax Title Liens	65,637.79		
Payment in Lieu of Taxes Receivable	249,840.75		
Protested Checks	118,031.14		
Revenue Accounts Receivable	151,360.07		
Prepaid Payment in Lieu of Taxes	4,808.48		
Prepaid Taxes	974,943.48		
Tax Overpayments	84,379.07		
Due Bank	1,510.00		
Due to Tax Title Lien Redemption Account	2,250,206.03		
Due to Camden County Municipal Utility Authority	577,107.03		
Due to Pennsauken Sewerage Authority	39,296.30		
			92,227,598.68
			93,437,643.33
Decreased by Disbursements:			
Payments to Treasurer	89,850,511.43		
Due Bank	600.12		
Due to Tax Title Lien Redemption Account	2,250,206.03		
Due to Camden County Municipal Utility Authority	576,646.04		
Due to Pennsauken Sewerage Authority	39,296.30		
Protested Checks	117,231.14		
			92,834,491.06
Balance December 31, 2018		\$	603,152.27

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
 Schedule of Change Funds
 As of December 31, 2018

<u>Office</u>	<u>Amount</u>
Fire Prevention	\$ 100.00
Tax Collector	875.00
Treasurer	200.00
Clerk of Municipal Court	350.00
	\$ 1,525.00
	\$ 1,525.00

Exhibit SA-4

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
 Statement of Petty Cash Funds
 For the Year Ended December 31, 2018

<u>Office</u>	<u>Received from Treasurer</u>	<u>Returned to Treasurer</u>
Fire Prevention	\$ 400.00	\$ 400.00
Treasurer	1,000.00	1,000.00
Police Department	750.00	750.00
	\$ 2,150.00	\$ 2,150.00
	\$ 2,150.00	\$ 2,150.00

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
 Statement of Taxes Receivable
 For the Year Ended December 31, 2018

Year	Balance	2018 Levy	Added Taxes	Collections		Due from State of New Jersey	Transferred to Tax Title Liens	Overpayments Applied	Cancellations	Balance
	Dec. 31, 2017			2017	2018					Dec. 31, 2018
2013	\$ 1,166.57			\$	1,166.57					
2014	5,188.60				5,047.98					\$ 140.62
2015	3,860.48				3,860.48					
2016	23,759.95				23,759.95					
2017	2,200,453.40		\$ 28,750.00		2,158,274.50	\$ 4,250.00	\$ 27,542.84	\$ 2,058.30	\$ 21,422.87	15,654.89
	2,234,429.00		28,750.00		2,192,109.48	4,250.00	27,542.84	2,058.30	21,422.87	15,795.51
2018		\$ 89,080,988.24		\$ 1,625,747.25	84,853,196.95	285,811.96	124,104.93	8,791.35	110,985.94	2,072,349.86
	\$ 2,234,429.00	\$ 89,080,988.24	\$ 28,750.00	\$ 1,625,747.25	\$ 87,045,306.43	\$ 290,061.96	\$ 151,647.77	\$ 10,849.65	132,408.81	\$ 2,088,145.37

Due State of New Jersey - Veteran and Senior Citizen
 Deductions Disallowed \$ 28,750.00

Analysis of 2018 Property Tax Levy:

Tax Yield:

General Purpose Tax	\$ 84,674,214.36
Special District Tax	4,200,000.00
Added / Omitted Taxes	<u>206,773.88</u>
	<u>\$ 89,080,988.24</u>

Tax Levy:

Local District School Tax	\$ 41,658,909.00
County Taxes:	
County Tax	\$ 20,289,637.98
Due County for Added and Omitted Taxes	<u>47,327.05</u>
Total County Taxes	20,336,965.03
Garbage District Taxes	4,200,000.00
Local Tax for Municipal Purposes	21,909,982.97
Levied for Municipal Library	795,017.03
Add: Additional Tax Levied	<u>180,114.21</u>
Local Tax for Municipal Purposes Levied	<u>22,885,114.21</u>
	<u>\$ 89,080,988.24</u>

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

Balance December 31, 2017		\$ 699,159.21
Increased by:		
Interest and Costs from Tax Sales of June 18, 2018	\$ 5,373.63	
Transferred from Taxes Receivable:		
2018	\$ 124,104.93	
2017	<u>27,542.84</u>	
	<u>151,647.77</u>	
		<u>157,021.40</u>
		856,180.61
Decreased by:		
Receipts:		
Collector		<u>65,637.79</u>
Balance December 31, 2018		<u><u>\$ 790,542.82</u></u>

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Municipal Assessments Receivable
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 21,789.00
Increased by:	
Accrued in 2018	<u>91,025.05</u>
Balance December 31, 2018	<u><u>\$ 112,814.05</u></u>

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Payment in Lieu of Taxes Receivable
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 4,586.54
Increased by:		
Accrued in 2018		<u>260,727.86</u>
		265,314.40
Decreased by:		
Application of 2017 Prepaid Payment in Lieu of Taxes	\$ 10,207.26	
Receipts:		
Collector	<u>249,840.75</u>	
		<u>260,048.01</u>
Balance December 31, 2018		<u><u>\$ 5,266.39</u></u>

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Due from United States Department of Treasury
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 107,473.47
Decreased by:	
Receipts	<u>\$ 107,473.47</u>

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Protested Checks Receivable
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 5,590.56
Increased by:		
Disbursements:		
Checks Protested -- Treasurer	\$ 3,893.00	
Checks Protested -- Collector	<u>117,231.14</u>	<u>121,124.14</u>
		126,714.70
Decreased by:		
Receipts:		
Checks Protested -- Treasurer	976.00	
Checks Protested -- Collector	<u>118,031.14</u>	<u>119,007.14</u>
Balance December 31, 2018		<u><u>\$ 7,707.56</u></u>

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Due from Bank
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 7,914.12
Increased by:		
Charges Paid by the Trust - Other Fund:		
Payroll	\$ 239.26	
Workers' Compensation Fund	<u>142.84</u>	
		\$ 382.10
Disbursements:		
Collector		600.12
Treasurer		<u>42.82</u>
		<u>1,025.04</u>
		8,939.16
Decreased by:		
Receipts:		
Collector		1,510.00
Treasurer		<u>182.00</u>
		<u>1,692.00</u>
Balance December 31, 2018		<u><u>\$ 7,247.16</u></u>

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

	Balance <u>Dec. 31, 2017</u>	Accrued <u>in 2018</u>	Collected		Other	Balance <u>Dec. 31, 2018</u>
			<u>Collector</u>	<u>Treasurer</u>		
Treasurer:						
Cable Franchise Fees	\$ 175,770.07	\$ 176,191.19		\$ 175,770.07		\$ 176,191.19
Consolidated Municipal Property Tax Relief Aid		66,385.00		66,385.00		
Energy Receipts Tax		5,432,765.00		5,432,765.00		
Payments in Lieu of Taxes		1,661,926.26		1,661,926.26		
Lease of Municipal Assets -- Landfill		250,000.00		250,000.00		
Golf Course Utility -- Payment in Lieu of Taxes		70,000.00			\$ 70,000.00	
Uniform Fire Safety Act -- Life Hazard Use Fees		232,497.51		232,497.51		
Pennsauken Sewerage Authority -- Payment in Lieu of Taxes		150,000.00		150,000.00		
Merchantville - Pennsauken Water Commission Antenna Fee		353,229.62		353,229.62		
Fees and Permits:						
Cellular Telephone Lease Agreements		83,098.14		83,098.14		
Outdoor Sign Rental		9,614.70		9,614.70		
State Death Certificates		12,085.00		12,085.00		
Tax Searches		60.00		60.00		
Construction Code Official:						
Licenses -- Other:						
Builder		16,096.00		16,096.00		
Fees and Permits:						
Building Permits		410,320.90		410,320.90		
Certificates of Compliance -- Elevator		36,650.00		36,650.00		
Certificates of Occupancy		15,462.00		15,462.00		
Electrical Permits		182,225.20		182,225.20		
Fire Sub-code Permits		40,081.80		40,081.80		
Housing Code Letters		76,148.00		76,148.00		
Plumbing Permits		167,636.80		167,636.80		
Rent Board Applications		110,755.00		110,755.00		
Smoke Detector Inspection Fees		45,596.00		45,596.00		
Street Opening Permits		15,100.00		15,100.00		
Trash Dumpster Permits		5,910.00		5,910.00		
Penalties and Fines		10,225.00		10,225.00		
Clerk:						
Licenses -- Alcoholic Beverages		61,300.00		61,300.00		
Licenses -- Other:						
Billards		75.00		75.00		
Board of Health		5,130.00		5,130.00		
Limousine License		200.00		200.00		
Marriage		561.00		561.00		
Peddler / Solicitor		450.00		450.00		

(Continued)

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

	Balance <u>Dec. 31, 2017</u>	Accrued <u>in 2018</u>	Collected		Other	Balance <u>Dec. 31, 2018</u>
			<u>Collector</u>	<u>Treasurer</u>		
Clerk (Cont'd):						
Licenses -- Other (Cont'd):						
Precious Metal		\$ 300.00		\$ 300.00		
Raffle		480.00		480.00		
Taxicab		1,380.00		1,380.00		
Used Car Lot		2,000.00		2,000.00		
Fees and Permits:						
Bid Specifications		1,235.00		1,235.00		
Coin Operated Device Permits		435.00		435.00		
Town Wide Yard Sale		1,155.00		1,155.00		
Vital Statistics		4,320.00		4,320.00		
Photocopies		117.75		117.75		
Fire Department:						
Fees and Permits:						
Fire Inspection Fees		151,453.65		151,453.65		
Police Department:						
Accident and Police Reports		18,147.00		18,147.00		
Emergency Medical Squad:						
Emergency Medical Technician Billing Fees		1,209,965.84		1,209,965.84		
Municipal Court:						
Fines and Costs	\$ 50,920.76	807,086.78		804,963.46		\$ 53,044.08
Recreation Department:						
Swimming Pool Admissions		72,845.00		72,845.00		
Fees and Permits:						
Recreation		6,710.00		6,710.00		
Planning and Zoning:						
Fees and Permits:						
Planning Board Fees		3,600.00		3,600.00		
Zoning Board Fees		13,815.00		13,815.00		
Abandoned and Vacant Property Initiative:						
Fees and Permits:						
Abandoned Property Registration		977,775.00		977,775.00		
Abandoned Property Discharge Fee		100.00		100.00		
Abandoned Property Fines		54,250.00		54,250.00		
Abandoned Property Non-Compliant		68,600.00		68,600.00		

(Continued)

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

	<u>Balance</u>	<u>Accrued</u>	<u>Collected</u>		<u>Other</u>	<u>Balance</u>
	<u>Dec. 31, 2017</u>	<u>in 2018</u>	<u>Collector</u>	<u>Treasurer</u>		<u>Dec. 31, 2018</u>
Interest on Investments and Deposits		\$ 111,730.07	\$ 4,312.58	\$ 92,104.25	\$ 15,313.24	
Tax Office:						
Certificates of Redemption		6,825.00	6,825.00			
Grasscutting/Property Maintenance Fees		138,918.35	138,918.35			
Interest on Payments in Lieu of Taxes		1,304.14	1,304.14			
	<u>\$ 226,690.83</u>	<u>\$ 13,352,323.70</u>	<u>\$ 151,360.07</u>	<u>\$ 13,113,105.95</u>	<u>\$ 85,313.24</u>	<u>\$ 229,235.27</u>
Due Animal Control Fund:						
Collected by Animal Control Fund					\$ 289.93	
Due Trust - Other Fund:						
Collected by Trust Other Fund					14,380.62	
Due General Capital Fund:						
Collected by General Capital Fund					642.69	
Due Golf Course Utility Operating Fund					<u>70,000.00</u>	
					<u>\$ 85,313.24</u>	

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Property Acquired for Taxes (At Assessed Valuation)
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 2,550,800.00
Increased by:		
Adjustment due to Revaluation		<u>4,745,100.00</u>
		7,295,900.00
Decreased by:		
Sales of Properties:		
Collected by Treasurer -- Miscellaneous Revenue not Anticipated	\$ 14,850.00	
Loss on Sale	<u>(1,250.00)</u>	
		<u>13,600.00</u>
Balance December 31, 2018		<u><u>\$ 7,282,300.00</u></u>

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Due to / from Pennsauken Garbage District
For the Year Ended December 31, 2018

Balance December 31, 2017 (Due to)	\$ 74,951.50
Increased by:	
Receipts	<u>3,576,513.16</u>
	3,651,464.66
Decreased by:	
Disbursements	<u>3,657,520.21</u>
Balance December 31, 2018 (Due from)	<u><u>\$ 6,055.55</u></u>

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Deferred Charges
N.J.S. 40A:4-53 Special Emergency
For the Year Ended December 31, 2018

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Not Less Than 1/5 of Amount Authorized</u>	<u>Balance Dec. 31, 2017</u>	<u>Raised in 2018 Budget</u>	<u>Balance Dec. 31, 2018</u>
6/5/2013	Contractually Required Severance Liabilities	\$ 800,000.00	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00	
5/21/2014	Revaluation Program	900,000.00	180,000.00	360,000.00	180,000.00	\$ 180,000.00
		<u>\$ 1,700,000.00</u>	<u>\$ 340,000.00</u>	<u>\$ 520,000.00</u>	<u>\$ 340,000.00</u>	<u>\$ 180,000.00</u>

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Due to Township of Pennsauken Library
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 19,197.00
Increased by:	
Receipts	<u>1,179.21</u>
	20,376.21
Decreased by:	
Disbursements	<u>16,736.21</u>
Balance December 31, 2018	<u><u>\$ 3,640.00</u></u>

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

Balance December 31, 2017		\$ 7,227.73
Increased by:		
Decreased by:		
Receipts	\$ 266,419.53	
Prior Year Veteran and Senior Citizens' Deductions		
Disallowed per Collector	<u>28,750.00</u>	
		<u>295,169.53</u>
		302,397.26
Decreased by:		
Accrued in 2018:		
Per the Tax Billings:		
Senior Citizen	\$ 96,000.00	
Disabled Persons	25,000.00	
Surviving Spouse	1,250.00	
Veterans	131,250.00	
Widow of a Veteran	<u>45,000.00</u>	
	298,500.00	
Adjustments by Collector:		
Allowed	4,706.48	
Disallowed	<u>(17,394.52)</u>	
	285,811.96	
Prior Year Veteran and Senior Citizens' Deductions		
Allowed per Collector:		
2017	<u>4,250.00</u>	
		<u>290,061.96</u>
Balance December 31, 2018		<u><u>\$ 12,335.30</u></u>

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
 Statement of Prepaid Payments in Lieu of Taxes
 For the Year Ended December 31, 2018

Balance December 31, 2017	\$	10,207.26
Increased by:		
Receipts:		
Collector		4,808.48
		15,015.74
Decreased by:		
Applied to Payments in Lieu of Taxes Receivable		10,207.26
Balance December 31, 2018	\$	4,808.48

Exhibit SA-19

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
 Statement of Reserve for Encumbrances
 For the Year Ended December 31, 2018

Balance December 31, 2017	\$	145,981.19
Increased by:		
2018 Budget Appropriations		206,069.66
		352,050.85
Decreased by:		
Transfer to 2017 Appropriation Reserves		145,981.19
Balance December 31, 2018	\$	206,069.66

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of 2017 Appropriation Reserves
For the Year Ended December 31, 2018

	Balance Dec. 31, 2017		Budget After Transfers	Paid or Charged	Refunds	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>				
OPERATIONS -- WITHIN "CAPS"						
General Government:						
Mayor and Township Committee						
Salaries and Wages		\$ 3,752.88	\$ 3,752.88	\$ 3,625.00		\$ 127.88
Other Expenses	\$ 850.00	500.00	850.00	850.00		
Administrative and Executive						
Salaries and Wages		3.34	3.34			3.34
Other Expenses	1,024.94	1,129.88	829.82	824.94		4.88
Municipal Clerk's Office						
Salaries and Wages		5.55	5.55			5.55
Other Expenses	773.91	1,915.74	3,874.65	3,871.64		3.01
Data Processing Center						
Other Expenses		28,536.10	30,501.10	30,500.00		1.10
Purchasing Department						
Salaries and Wages		2.06	2.06			2.06
Other Expenses	4,202.39	10.07	4,492.46	4,066.81		425.65
Financial Administration						
Salaries and Wages		0.75	0.75			0.75
Other Expenses		13,923.69	6,663.69	6,662.51		1.18
Assessment of Taxes						
Salaries and Wages		4.36	4.36			4.36
Other Expenses	148.09	319.30	92.39	88.09		4.30
Collection of Taxes						
Salaries and Wages		14.71	14.71			14.71
Other Expenses	1,345.00	434.12	3,149.12	3,145.00		4.12
Maintenance of Township Owned Property						
Other Expenses		15.00	15.00			15.00
Legal Services and Costs						
Other Expenses	2,656.84	19,552.14	11,958.98	11,949.92		9.06
Human Resources						
Salaries and Wages		3.87	3.87			3.87
Other Expenses	35.00	5.48	40.48	35.00		5.48
Municipal Prosecutor						
Salaries and Wages		10.16	10.16			10.16
Municipal Court						
Salaries and Wages		88.95	88.95			88.95
Other Expenses		4.60	6,184.60	6,183.11		1.49

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of 2017 Appropriation Reserves
For the Year Ended December 31, 2018

	Balance Dec. 31, 2017		Budget After Transfers	Paid or Charged	Refunds	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>				
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
General Government (Cont'd):						
Engineering Services and Costs						
Salaries and Wages		\$ 1.02	\$ 1.02			\$ 1.02
Other Expenses		864.44	4.44			4.44
Public Buildings and Grounds						
Salaries and Wages		16.56	16.56			16.56
Other Expenses	\$ 3,310.82	3,090.11	3,165.93	\$ 3,009.48		156.45
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Planning Board						
Salaries and Wages		12.03	12.03			12.03
Other Expenses		134.70	134.70			134.70
Zoning Board						
Salaries and Wages		23.04	23.04			23.04
Other Expenses		107.11	107.11			107.11
Insurance:						
Employee Group Health	921.00	39,525.36	220,106.36	432,914.69	\$ 224,012.01	11,203.68
General Liability	4,863.00	8.25	34,556.25	37,069.30	4,517.72	2,004.67
Workers' Compensation		185,243.41	126,073.41	126,073.41		
Economic Development						
Other Expenses		563.05	33.05	31.57		1.48
Department of Public Safety:						
Bureau of Fire Prevention:						
Uniform Fire Safety Act (P.L. 1983, Ch. 383)						
Salaries and Wages		7.70	7.70			7.70
Other Expenses	841.31	790.61	636.92	552.33		84.59
Fire Department						
Salaries and Wages		39.10	39.10			39.10
Other Expenses:						
Fire Department	14,243.47	383.91	12,582.38	10,970.94		1,611.44
Fire Hydrant Service	4,239.40	2.20	4,241.60	4,239.40		2.20
Police						
Salaries and Wages		3,149.57	(273,020.43)		277,041.72	4,021.29
Other Expenses	40,013.34	45,697.14	36,985.48	35,785.05		1,200.43
Police Reserve						
Salaries and Wages		5.00	5.00			5.00
Traffic Control						
Salaries and Wages		20.50	20.50			20.50
Other Expenses		18.12	15,503.12	15,500.44		2.68

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of 2017 Appropriation Reserves
For the Year Ended December 31, 2018

	Balance Dec. 31, 2017		Budget After Transfers	Paid or Charged	Refunds	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>				
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Department of Public Safety (Cont'd):						
First Aid Organization						
Salaries and Wages		\$ 18.08	\$ 18.08			\$ 18.08
Other Expenses	\$ 15,040.85	464.59	19,245.44	\$ 17,323.72		1,921.72
Emergency Management Services						
Salaries and Wages		1.88	1.88			1.88
Other Expenses		155.56	155.56			155.56
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):						
Construction Code Official						
Salaries and Wages		13.07	13.07			13.07
Other Expenses	2,435.86	12,088.12	201,793.98	201,708.16		85.82
Streets and Roads:						
Public Works						
Salaries and Wages		46.34	46.34			46.34
Other Expenses	7,356.96	28.34	9,030.30	8,875.98		154.32
Township Garage						
Salaries and Wages		20.50	(1,514.50)		\$ 1,515.08	0.58
Other Expenses	8,846.32	10.06	10,026.38	11,240.49	1,831.61	617.50
Street Lighting		123,457.87	123,457.87	123,457.87		
Health and Welfare:						
Senior Citizens of Pennsauken Township						
Salaries and Wages		1.06	1.06			1.06
Other Expenses	1,932.36	4,963.07	6,895.43	6,501.58		393.85
Utility Expenses:						
Motor Fuels	12,315.58	45.49	12,361.07	12,315.58		45.49
Electricity		46,667.46	29,387.46	32,768.44	3,385.13	4.15
Telephone	1,814.44	828.76	5,343.20	5,340.47		2.73
Natural Gas or Propane	1,887.85	5,496.88	8,399.73	8,399.45		0.28
Sewerage Authority		1.00	1.00			1.00

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of 2017 Appropriation Reserves
For the Year Ended December 31, 2018

	Balance Dec. 31, 2017		Budget After Transfers	Paid or Charged	Refunds	Balance Lapsed
	Encumbered	Reserved				
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Recreation and Education:						
Recreation						
Salaries and Wages		\$ 20.19	\$ 20.19			\$ 20.19
Other Expenses	\$ 1,901.63	47.16	2,698.79	\$ 2,555.23		143.56
Swimming Pool						
Salaries and Wages		0.20	0.20			0.20
Other Expenses	700.00	12.69	1,377.69	1,375.00		2.69
Celebration of Public Events, Anniversary or Holiday						
Other Expenses	11,371.80	269.10	9,255.90	9,041.75		214.15
Historical Preservation						
Other Expenses	909.03	500.00	909.03	909.03		
Shade Tree Commission						
Other Expenses		305.00	5.00			5.00
Unclassified:						
Sick Pay		3.02	3.02			3.02
Total Operations within "CAPS"	145,981.19	545,401.17	692,707.36	1,179,761.38	\$ 512,303.27	25,249.25
Total General Appropriations for Municipal Purposes -- Within "CAPS"	145,981.19	545,401.17	692,707.36	1,179,761.38	512,303.27	25,249.25
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
MUNICIPAL -- WITHIN "CAPS"						
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)		1,326.28	1.28			1.28
Total Statutory Expenditures		1,326.28	1.28			1.28
Total Deferred Charges and Statutory Expenditures Municipal -- Within "CAPS"		1,326.28	1.28			1.28
Total General Appropriations for Municipal Purposes -- Within "CAPS"	145,981.19	546,727.45	692,708.64	1,179,761.38	512,303.27	25,250.53

(Continued)

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of 2017 Appropriation Reserves
For the Year Ended December 31, 2018

	Balance Dec. 31, 2017		Budget After Transfers	Paid or Charged	Refunds	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>				
OPERATIONS -- EXCLUDED FROM "CAPS"						
Maintenance of Free Public Library (P.L. 1985, Ch. 82 & 541)	<u> </u>	\$ 702.12	\$ 702.12	<u> </u>	<u> </u>	\$ 702.12
Total Other Operations Excluded from "CAPS"	<u> </u>	702.12	702.12	<u> </u>	<u> </u>	702.12
Total General Appropriations	<u>\$ 145,981.19</u>	<u>\$ 547,429.57</u>	<u>\$ 693,410.76</u>	<u>\$ 1,179,761.38</u>	<u>\$ 512,303.27</u>	<u>\$ 25,952.65</u>
Refunded -- Receipts Disbursed				\$ 1,179,761.38	\$ 512,303.27	
				<u>\$ 1,179,761.38</u>	<u>\$ 512,303.27</u>	

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

Balance December 31, 2017 (2018 Taxes)	\$ 1,625,747.25
Increased by:	
Receipts:	
Collector	<u>974,943.48</u>
	2,600,690.73
Decreased by:	
Application to 2018 Taxes Receivable	<u>1,625,747.25</u>
Balance December 31, 2018 (2019 Taxes)	<u><u>\$ 974,943.48</u></u>

Exhibit SA-22

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 1,848.30
Increased by:	
Receipts:	
Collector	<u>84,379.07</u>
	86,227.37
Decreased by:	
Applied to Taxes Receivable:	
2017 Taxes	\$ 2,058.30
2018 Taxes	<u>8,791.35</u>
	\$ 10,849.65
Refunds:	
Disbursements:	
Treasurer	<u>73,763.81</u>
	<u>84,613.46</u>
Balance December 31, 2018	<u><u>\$ 1,613.91</u></u>

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Due to State of New Jersey --
Training Fees Surcharge
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 25,962.00
Increased by:		
Receipts		52,193.10
		78,155.10
Decreased by:		
Disbursements		62,636.00
Balance December 31, 2018		\$ 15,519.10
<u>Analysis of Balance December 31, 2018</u>		
<u>Month</u>		<u>Amount</u>
Fourth Quarter 2018		\$ 15,519.10

Exhibit SA-24

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of Due to State of New Jersey --
Marriage and Domestic Partnership Licenses
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 4,031.00
Increased by:		
Adjustment -- Fund Balance	\$ 94.00	
Receipts	4,675.00	
		4,769.00
		8,800.00
Decreased by:		
Disbursements		7,650.00
Balance December 31, 2018		\$ 1,150.00
<u>Analysis of Balance December 31, 2018</u>		
Third and Fourth Quarter 2018 -- Licenses		\$ 1,150.00

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2018

2018 Levy:	
County Tax	\$ 20,289,637.98
Decreased by:	
Disbursements	<u>\$ 20,289,637.98</u>

Exhibit SA-26

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

Balance December 31, 2017	\$ 17,510.63
Increased by:	
County Share of 2018 Taxes	<u>47,327.05</u>
	64,837.68
Decreased by:	
Disbursements	<u>17,510.63</u>
Balance December 31, 2018	<u>\$ 47,327.05</u>

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
 Statement of Local School District Tax Payable
 For the Year Ended December 31, 2018

Balance December 31, 2017	\$	3,478,153.92
2018 Levy -- Calendar Year		<u>41,658,909.00</u>
		45,137,062.92
Decreased by:		
Disbursements		<u>41,672,065.35</u>
Balance December 31, 2018	\$	<u><u>3,464,997.57</u></u>

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
 Statement of Special District Tax
 For the Year Ended December 31, 2018

2018 Levy -- Garbage District Tax	\$	4,200,000.00
Decreased by:		
Disbursements		<u><u>\$ 4,200,000.00</u></u>

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
 Statement of Special Emergency Notes
 For the Year Ended December 31, 2018

<u>Resolution Number</u>	<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Paid</u>	<u>Balance Dec. 31, 2018</u>
2016:184	Special Emergency Notes	06/21/17	06/20/18	2.00%	\$ 520,000.00	\$ 520,000.00	\$ -

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
 Statement of Reserve Election Expenses
 For the Year Ended December 31, 2018

Balance December 31, 2017	\$	2,100.00
Decreased by:		
Disbursements	\$	2,100.00
		2,100.00

Exhibit SA-31

TOWNSHIP OF PENNSAUKEN
CURRENT FUND
 Statement of Due to Camden County Municipal Utility Authority
 For the Year Ended December 31, 2018

Increased by:		
Receipts -- Collector	\$	577,107.03
Decreased by:		
Disbursements -- Collector		576,646.04
		576,646.04
Balance December 31, 2018	\$	460.99
		460.99

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

<u>Grant</u>	<u>Balance Dec. 31, 2017</u>	<u>Accrued</u>	<u>Received</u>	<u>Cancellations</u>	<u>Balance Dec. 31, 2018</u>
Federal Grants:					
Bulletproof Vest Partnership Program		\$ 7,547.21	\$ 7,547.21		
Click It or Ticket		5,500.00	5,302.60	\$ 197.40	
Distracted Driving Statewide Crackdown Grant		6,600.00	5,273.29	1,326.71	
FEMA Emergency Management Assistance Program	\$ 2,400.00	7,000.00	9,400.00		
Justice Assistance Grant (JAG)	31,839.00	10,680.00	20,688.62	765.38	\$ 21,065.00
Total Federal Grants	34,239.00	37,327.21	48,211.72	2,289.49	21,065.00
State Grants:					
Governor's Council on Alcoholism and Drug Abuse	28,157.16	28,157.16	16,758.52	11,522.64	28,033.16
New Jersey Division of Motor Vehicles - Drunk Driving Enforcement Grant		21,587.69	21,587.69		
Total State Grants	28,157.16	49,744.85	38,346.21	11,522.64	28,033.16
Total Federal and State Grants	62,396.16	87,072.06	86,557.93	13,812.13	49,098.16
Local Grants:					
ANJEC Open Space Stewardship Grant	1,500.00				1,500.00
Camden County Recreation Facility Enhancement Grant	25,000.00	25,000.00	25,000.00		25,000.00
Total Other Grants	26,500.00	25,000.00	25,000.00		26,500.00
Total Federal, State and Local Grants	\$ 88,896.16	\$ 112,072.06	\$ 111,557.93	\$ 13,812.13	\$ 75,598.16
Current Fund Balance				\$ 2.00	
Reserve for Federal and State Grants -- Appropriated				13,810.13	
				<u>\$ 13,812.13</u>	

TOWNSHIP OF PENNSAUKEN
FEDERAL AND STATE GRANT FUND
 Statement of Due from Current Fund
 For the Year Ended December 31, 2018

Balance December 31, 2017		\$	15,668.77
Increased by:			
Disbursements	\$	3,981.51	
Fund Balance:			
Federal and State Grants Receivable Canceled		2.00	
			3,983.51
			19,652.28
Decreased by:			
Fund Balance:			
Federal and State Grants Appropriated:			
Cancellations			216.51
Balance December 31, 2018		\$	19,435.77

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

<u>Grant</u>	<u>Balance Dec. 31, 2017</u>	<u>Federal and State Grants Receivable</u>	<u>Realized as Revenue in 2018</u>	<u>Balance Dec. 31, 2018</u>
Federal Grants:				
Bulletproof Vest Partnership Program	\$ 893.29	\$ 7,547.21	\$ 893.29	\$ 7,547.21
Click It or Ticket		5,500.00	5,500.00	
Distracted Driving Statewide Crackdown Grant		6,600.00	6,600.00	
FEMA Emergency Management Assistance Program		7,000.00		7,000.00
Justice Assistance Grant (JAG)		10,680.00	10,680.00	
Total Federal Grants	893.29	37,327.21	23,673.29	14,547.21
State Grants:				
Body Armor Replacement Fund Grant	6,686.57		6,686.57	
Governor's Council on Alcoholism and Drug Abuse		28,157.16	28,157.16	
New Jersey Division of Motor Vehicles - Drunk Driving Enforcement Grant	17,382.45	21,587.69	17,382.45	21,587.69
Total State Grants	24,069.02	49,744.85	52,226.18	21,587.69
Total Federal and State Grants	24,962.31	87,072.06	75,899.47	36,134.90
Local Grants:				
Camden County Recreation Facility Enhancement Grant		25,000.00	25,000.00	
Total Local Grants		25,000.00	25,000.00	
Total Federal and State Grants	\$ 24,962.31	\$ 112,072.06	\$ 100,899.47	\$ 36,134.90

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

Grant	Balance Dec. 31, 2017		Transferred from Budget Appropriations	Paid or Charged	Encumbrances	Cancellations	Balance Dec. 31, 2018
	Encumbered	Reserved					
Federal Grants:							
Bulletproof Vest Partnership Program			\$ 893.29	\$ 893.29			
Click It or Ticket			5,500.00	5,302.60		\$ 197.40	
Distracted Driving Statewide Crackdown Grant			6,600.00	5,273.29		1,326.71	
FEMA Emergency Management Assistance Program		\$ 5,000.00		5,000.00			
Justice Assistance Grant (JAG)		11,148.38	10,680.00			763.38	\$ 21,065.00
Total Federal Grants		16,148.38	23,673.29	16,469.18		2,287.49	21,065.00
State Grants:							
Body Armor Replacement Fund Grant			6,686.57	6,686.57			
Governor's Council on Alcoholism and Drug Abuse	\$ 398.51	24,266.37	28,157.16	13,853.11	\$ 1,200.00	11,739.15	26,029.78
Municipal Court Alcohol, Education and Rehabilitation Grant		15.60					15.60
New Jersey Division of Motor Vehicles -- Drunk Driving Enforcement Grant	240.00	18,660.76	17,382.45	36,283.21			
Total State Grants	638.51	42,942.73	52,226.18	56,822.89	1,200.00	11,739.15	26,045.38
Total Federal and State Grants	638.51	59,091.11	75,899.47	73,292.07	1,200.00	14,026.64	47,110.38
Local Grants							
ANJEC Open Space Stewardship Grant		873.00					873.00
Camden County Recreation Facility Enhancement Grant	1,047.50	17,952.50	25,000.00	34,284.35			9,715.65
Total Local Grants	1,047.50	18,825.50	25,000.00	34,284.35			10,588.65
Total Federal, State and Local Grants	\$ 1,686.01	\$ 77,916.61	\$ 100,899.47	\$ 107,576.42	\$ 1,200.00	\$ 14,026.64	\$ 57,699.03
Disbursements				\$ 107,576.42			
Federal, State and Local Grants Receivable						\$ 13,810.13	
Due Current Fund - Fund Balance						216.51	
						\$ 14,026.64	

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF PENNSAUKEN
TRUST FUNDS
Statement of Trust Fund Cash
Per N.J.S. 40A:5-5 -- Treasurer
For the Year Ended December 31, 2018

	<u>Animal Control Fund</u>			<u>Other</u>
Balance December 31, 2017	\$	1,620.52		\$ 1,962,080.42
Increased by Receipts:				
Due Current Fund	\$	120,589.93		\$ 2,483,579.40
Due State of New Jersey		1,182.00		
Reserve for Animal Control Expenditures		7,926.00		
Community Development Block Grant Receivable			297,508.72	
Due Bank			50.52	
Reserve for Payroll Deductions Payable			11,984,050.74	
Net Payroll			12,114,603.32	
Reserve for Economic Development -- Urban Development Action Grant			91.78	
Reserve for Section 8 Program			586,169.12	
Reserve for Section 8 - Unrestricted			57,033.09	
Miscellaneous Reserves:				
Reserve for Street Opening Deposits			4,500.00	
Reserve for Escrow Deposits			1,500.00	
Reserve for Unemployment Compensation Insurance			11,236.65	
Reserve for Special Law Enforcement Officers: State Allocation			11,803.98	
Reserve for Housing Rehabilitation Program			326.58	
Reserve for Tax Title Lien Redemption			4,118,354.88	
Reserve for Worker's Compensation Insurance			394,836.54	
		129,697.93		32,065,645.32

(Continued)

TOWNSHIP OF PENNSAUKEN
TRUST FUNDS
Statement of Trust Fund Cash
Per N.J.S. 40A:5-5 -- Treasurer
For the Year Ended December 31, 2018

	<u>Animal Control Fund</u>			<u>Other</u>
	\$ 131,318.45			\$ 34,027,725.74
Decreased by Disbursements:				
Due Current Fund			\$ 138,661.37	
State Registration Fees	\$ 1,182.00			
Reserve for Animal Control Expenditures	126,296.35			
Due Bank			0.02	
Reserve for Payroll Deductions Payable			11,991,806.99	
Net Payroll			12,114,603.32	
Reserve for Economic Development -- Urban Development Action Grant			4,003.16	
Reserve for Community Development Block Grant Program			156,480.00	
Reserve for Section 8 - Housing Assistance Payments			569,685.00	
Reserve for Section 8 - Unrestricted			52,849.74	
Miscellaneous Reserves:				
Reserve for Street Opening Deposits			1,900.00	
Reserve for Escrow Deposits			1,000.00	
Reserve for Unemployment Compensation Insurance			7,003.12	
Reserve for Planning and Zoning Deposits			216,611.27	
Reserve for Special Law Enforcement Officers: State Allocation			13,413.84	
Reserve for Tax Title Lien Redemption			5,563,415.92	
Reserve for Worker's Compensation Insurance			394,836.54	
	<u>127,478.35</u>			<u>31,226,270.29</u>
Balance December 31, 2018	<u>\$ 3,840.10</u>			<u>\$ 2,801,455.45</u>

TOWNSHIP OF PENNSAUKEN
ANIMAL CONTROL FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2018

Balance December 31, 2017		\$	97.58
Increased by:			
2018 Budget Appropriation:			
Deferred Charges --			
Deficit in Reserve for Animal Control Fund Expenditures	\$		13,283.10
Dog Warden - Other Expenses			<u>107,300.00</u>
			<u>120,583.10</u>
			120,680.68
Decreased by:			
Receipts:			
Interest Earned on Deposits			289.93
Interfunds Received			<u>120,300.00</u>
			<u>120,589.93</u>
Balance December 31, 2018		\$	<u><u>90.75</u></u>

TOWNSHIP OF PENNSAUKEN
ANIMAL CONTROL FUND
Statement of Deferred Charge -- Deficit in Reserve for Animal Control Expenditures
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 13,283.10
Increased by:	
Reserve for Animal Control Fund Expenditures	<u>11,070.35</u>
	24,353.45
Decreased by:	
Due Current Fund:	
2018 Budget Appropriation:	
Deferred Charges -- Deficit in Reserve for Animal Control Fund Expenditures	<u>13,283.10</u>
Balance December 31, 2018	<u><u>\$ 11,070.35</u></u>

TOWNSHIP OF PENNSAUKEN
ANIMAL CONTROL FUND
Statement of Due to State of New Jersey -- State Registration Fees
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 1.20
Increased by:	
Receipts:	
2018 Licenses	<u>1,182.00</u>
	1,183.20
Decreased by:	
Disbursements	<u>1,182.00</u>
Balance December 31, 2018	<u><u>\$ 1.20</u></u>

TOWNSHIP OF PENNSAUKEN
ANIMAL CONTROL FUND
Statement of Reserve for Animal Control Expenditures
For the Year Ended December 31, 2018

Increased by:			
Deferred Charge -- Deficit in Reserve for Animal Control Expenditures	\$	11,070.35	
Receipts:			
Registrar		7,926.00	
Due Current Fund:			
2018 Budget Appropriation:			
Dog Warden - Other Expenses		107,300.00	
			\$ 126,296.35
Decreased by:			
Expenditures under R.S. 4:19-15.11:			
Disbursements			\$ 126,296.35
 <u>Animal License Fees Collected:</u>			
 <u>Year</u>			
2016			\$ 9,859.80
2017			8,202.20
			\$ 18,062.00

TOWNSHIP OF PENNSAUKEN
 TRUST - OTHER FUND
 Schedule of Housing Rehabilitation Program Inventory
 As of December 31, 2018

Balance December 31, 2018	\$ <u>72,000.00</u>
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Exhibit SB-7

TOWNSHIP OF PENNSAUKEN
 TRUST - OTHER FUND
 Statement of Community Development Block Grant Program Receivable
 For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 322,043.50
Increased by:	
Accrued in 2018	<u>100,000.00</u>
	422,043.50
Decreased by:	
Cancellation - Year XXXV	\$ 21,700.00
Receipts	<u>297,508.72</u>
	<u>319,208.72</u>
Balance December 31, 2018	\$ <u>102,834.78</u>
<u>Analysis of Balance December 31, 2018</u>	
Year XXXIV	\$ 2,834.78
Year XXXX	<u>100,000.00</u>
	<u>\$ 102,834.78</u>

TOWNSHIP OF PENNSAUKEN
TRUST - OTHER FUND
Statement of Due Current Fund
For the Year Ended December 31, 2018

	Total	Street Opening and Other Escrow Deposits	Community Development Block Grant	Payroll	Planning and Zoning Deposits	Unemployment Compensation	Housing Rehabilitation Program	Section 8 Program	Tax Title Lien Redemption	Workers' Compensation	Urban Development Action Grant -- Revolving Loan Account	Reserve for Public Defender	Reserve for Housing Trust	Reserve for Parking Offense Adjudication Act
Balance December 31, 2017 (Due to)	\$ (28,877.81)	\$ (121,117.69)	\$ (156,799.24)	\$ (14,414.34)	\$ 289,481.36	\$ 485.50			\$ (5,039.52)	\$ (19,881.78)	\$ (19,078.68)	\$ 15,713.28	\$ (309.41)	\$ 2,082.71
Increased by:														
Disbursements:														
Interfunds Returned	137,174.06		130,000.00				\$ 1,614.76	\$ 5,559.30						
Bank Fees -- Due from Bank	382.10			239.26						142.84				
Made on behalf of Current Fund:														
2018 Budget Appropriations	1,105.21			1,105.21										
Collections made by Current Fund:														
Collector	2,250,206.03							2,250,206.03						
Treasurer	334,759.54	500.00			291,902.58							41,300.76	558.20	498.00
	<u>2,723,626.94</u>	<u>500.00</u>	<u>130,000.00</u>	<u>1,344.47</u>	<u>291,902.58</u>		<u>1,614.76</u>	<u>5,559.30</u>	<u>2,250,206.03</u>	<u>142.84</u>		<u>41,300.76</u>	<u>558.20</u>	<u>498.00</u>
	<u>2,694,749.13</u>	<u>(120,617.69)</u>	<u>(26,799.24)</u>	<u>(13,069.87)</u>	<u>581,383.94</u>	<u>485.50</u>	<u>1,614.76</u>	<u>5,559.30</u>	<u>2,245,166.51</u>	<u>(19,738.94)</u>	<u>(19,078.68)</u>	<u>57,014.04</u>	<u>248.79</u>	<u>2,580.71</u>
Decreased by:														
Receipts:														
Interest on Investments and Deposits	14,380.62	0.94	129.82	4,064.82	106.60				9,202.80	235.55			640.09	
Interfunds Received	215,485.50				215,000.00	485.50								
Interfunds Received from Collector	2,250,206.03							2,250,206.03						
Collections made on behalf of Current Fund:														
Miscellaneous Revenue not Anticipated:														
Miscellaneous Refunds	3,507.25			3,507.25										
Miscellaneous Revenue not Anticipated:														
Forfeited Street Opening Deposits	100.00	100.00												
Payments made by Current Fund:														
Reserve for Community Development Block Grant	2,500.16		2,500.16											
Reserve for Payroll Deductions Payable	3,500.00			3,500.00										
Reserve for Section 8 Program	5,559.30							5,559.30						
Miscellaneous Reserves	42,988.29						1,614.76					41,373.53		
	<u>2,538,227.15</u>	<u>100.94</u>	<u>2,629.98</u>	<u>11,072.07</u>	<u>215,106.60</u>	<u>485.50</u>	<u>1,614.76</u>	<u>5,559.30</u>	<u>2,259,408.83</u>	<u>235.55</u>		<u>41,373.53</u>	<u>640.09</u>	
Balance December 31, 2018 (Due from)	<u>\$ 156,521.98</u>	<u>\$ (120,718.63)</u>	<u>\$ (29,429.22)</u>	<u>\$ (24,141.94)</u>	<u>\$ 366,277.34</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,242.32)</u>	<u>\$ (19,974.49)</u>	<u>\$ (19,078.68)</u>	<u>\$ 15,640.51</u>	<u>\$ (391.30)</u>	<u>\$ 2,580.71</u>

TOWNSHIP OF PENNSAUKEN
TRUST - OTHER FUND
Statement of Due to Bank
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 83.25
Increased by:	
Receipts	<u>50.52</u>
	133.77
Decreased by:	
Disbursements	<u>0.02</u>
Balance December 31, 2018	<u><u>\$ 133.75</u></u>

TOWNSHIP OF PENNSAUKEN
TRUST - OTHER FUND
Statement of Reserve for Payroll Deductions Payable
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 270,338.13
Increased by:		
Receipts		11,984,050.74
		12,254,388.87
Decreased by:		
Disbursements	\$ 11,991,806.99	
Paid by Current Fund	3,500.00	
		11,995,306.99
Balance December 31, 2018		\$ 259,081.88
<u>Analysis of Balance (Deficit), December 31, 2018</u>		
AFLAC I & II		\$ 6,034.74
Boston Mutual and ASI - (ELO I & II)		107.75
Flexible Spending Accounts		(1.12)
Health Savings Account		11,165.41
Miscellaneous		2,836.46
Pennsauken Neighbors Helping Neighbors		60.00
Police and Firemen's Retirement System		152,035.42
Public Employees' Retirement System		83,537.49
Public Employees' Retirement System -- Contributory Insurance		3,155.79
State of New Jersey Unemployment Insurance - Employer		(10,461.42)
Union Dues -- AFSME		3,939.00
Union Dues -- F.O.P.		5,600.00
Union Dues -- Firemen's		1,072.36
		\$ 259,081.88

TOWNSHIP OF PENNSAUKEN
TRUST - OTHER FUND
Statement of Reserve for Economic Development --
Urban Development Action Grant
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 4,008.06
Receipts:	
Interest on Investments and Deposits	<u>91.78</u>
	4,099.84
Decreased by:	
Disbursements	<u>4,003.16</u>
Balance December 31, 2018	<u><u>\$ 96.68</u></u>

TOWNSHIP OF PENNSAUKEN
TRUST - OTHER FUND
 Statement of Reserve for Community Development Block Grant Program
 For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 169,514.94
Increased by:		
Accrued in 2018		100,000.00
		269,514.94
Decreased by:		
Cancellation -- Year XXXV	\$ 21,700.00	
Due Current Fund:		
Payments made by Current Fund	\$ 2,500.16	
Disbursements	156,480.00	
	158,980.16	
		180,680.16
Balance December 31, 2018		\$ 88,834.78
<u>Analysis of Balance December 31, 2018</u>		
Year XXXIV		\$ 2,834.78
Year XXXX		86,000.00
		\$ 88,834.78

TOWNSHIP OF PENNSAUKEN
TRUST - OTHER FUND
Statement of Reserve for Section 8 Program
For the Year Ended December 31, 2018

<hr/>		
Balance December 31, 2017:		
Restricted for Housing Assistance Payments	\$ 8,205.24	
Unrestricted	<u>31,637.72</u>	
		\$ 39,842.96
Increased by:		
Receipts:		
U.S. Department of Housing and Urban Development --		
Section 8 Housing Choice Vouchers:		
Restricted for Housing Assistance Payments	\$ 584,906.00	
Unrestricted Administrative Fees	<u>55,951.00</u>	
		640,857.00
Miscellaneous:		
Restricted for Housing Assistance Payments	1,263.12	
Unrestricted	<u>1,082.09</u>	
		<u>2,345.21</u>
		<u>643,202.21</u>
		683,045.17
Decreased by:		
Disbursements:		
Restricted for Housing Assistance Payments	569,685.00	
Unrestricted	<u>52,849.74</u>	
		622,534.74
Due Current Fund:		
Payments made by the Current Fund - Unrestricted	<u>5,559.30</u>	
		<u>628,094.04</u>
Balance December 31, 2018:		
Restricted for Housing Assistance Payments	24,689.36	
Unrestricted	<u>30,261.77</u>	
		<u>\$ 54,951.13</u>

TOWNSHIP OF PENNSAUKEN
TRUST - OTHER FUND
Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2018

	Balance <u>Dec. 31, 2017</u>	Increased by		Decreased by		Balance <u>Dec. 31, 2018</u>
		<u>Receipts</u>	Due Current <u>Fund</u>	<u>Disbursements</u>	Due Current <u>Fund</u>	
Reserve for Street Opening Deposits	\$ 3,900.00	\$ 4,500.00	\$ 500.00	\$ 1,900.00	\$ 100.00	\$ 6,900.00
Reserve for Escrow Deposits	19,441.93	1,500.00		1,000.00		19,941.93
Reserve for Unemployment Compensation Insurance	850.88	11,236.65		7,003.12		5,084.41
Reserve for Parking Offense Adjudication Act	2,082.71		498.00			2,580.71
Reserve for Public Defender	15,713.28		41,300.76		41,373.53	15,640.51
Reserve for Planning and Zoning Deposits	300,842.65		291,902.58	216,611.27		376,133.96
Reserve for Special Law Enforcement Officers: State Allocation	23,424.95	11,803.98		13,413.84		21,815.09
Reserve for Housing Trust			558.20			558.20
Reserve for Housing Rehabilitation Program	152,221.36	326.58			1,614.76	150,933.18
Reserve for Tax Title Lien Redemption	1,333,964.26	4,118,354.88	2,250,206.03	5,563,415.92		2,139,109.25
Reserve for Worker's Compensation Insurance		394,836.54		394,836.54		
	<u>\$ 1,852,442.02</u>	<u>\$ 4,542,558.63</u>	<u>\$ 2,584,965.57</u>	<u>\$ 6,198,180.69</u>	<u>\$ 43,088.29</u>	<u>\$ 2,738,697.24</u>
Collections by Current Fund:						
Treasurer			\$ 334,759.54			
Collector			2,250,206.03			
			<u>\$ 2,584,965.57</u>			

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

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

Balance December 31, 2017		\$ 191,428.32
Increased by Receipts:		
Due Current Fund		<u>2,850,642.69</u>
		3,042,071.01
Decreased by Disbursements:		
Contracts Payable	\$ 280,187.59	
Improvement Authorizations	<u>2,684,465.63</u>	
		<u>2,964,653.22</u>
Balance December 31, 2018		<u><u>\$ 77,417.79</u></u>

TOWNSHIP OF PENNSAUKEN
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2018

	Balance (Overdraft) Dec. 31, 2017	Receipts		Disbursements		Transfers		Balance (Overdraft) Dec. 31, 2018
		Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
Due from State of New Jersey:								
Transportation Trust Fund Grant Receivable	\$ (62,969.90)				\$ 567,547.00	\$ 476,028.05		\$ (154,488.85)
Department of Environmental Protection Grant Receivable					593,845.00			(593,845.00)
Due Current Fund	(775,162.32)	\$ 2,850,642.69			3,402,368.05			(1,326,887.68)
Due Animal Control Fund	(15,000.00)							(15,000.00)
Contracts Payable	292,587.03			\$ 280,187.59	12,399.44	406,916.97		406,916.97
Capital Improvement Fund	2,421.90				127,500.00	130,000.00		4,921.90
Fund Balance	30,756.65					51,340.00		82,096.65
Improvement Authorizations:								
Ordinance								
<u>Number</u>								
07-03	Completion of Various Capital Improvements and Acquisition of Capital Equipment	2,954.68						2,954.68
09-05	Completion of Various Capital Improvements and Acquisition of Capital Equipment	(2,000.00)						(2,000.00)
11-05	Completion of Various Capital Improvements and Acquisition of Capital Equipment	(500.00)						(500.00)
11-15	Acquisition of and Improvements to Various Abandoned Homes	110,593.78						110,593.78
13-06	Completion of Various Capital Improvements and Acquisition of Capital Equipment	8,765.20		\$ 6,900.20		2,240.00		(375.00)
14-04	Completion of Various Capital Improvements and Acquisition of Capital Equipment	21,550.57		8,435.62		5,991.11		7,123.84
15-04;16-03	Completion of Various Capital Improvements and Acquisition of Capital Equipment	67,903.41		53,373.10				14,530.31
16-02	Completion of Various Capital Improvements and Acquisition of Capital Equipment	102,851.97		32,713.82		9,234.77	5,266.78	66,170.16
17-03; 17-16	Completion of Various Capital Improvements and Acquisition of Capital Equipment	575,071.54		500,381.86		7,215.80	7,132.66	74,606.54
17-08	Replacement of the HVAC System in the Township Library	(168,396.19)		108,037.27		4,535.25	323,000.00	42,031.29
18-02	Completion of Various Capital Improvements and Acquisition of Capital Equipment			1,974,623.76		377,700.04	3,710,892.00	1,358,568.20
		<u>\$ 191,428.32</u>	<u>\$ 2,850,642.69</u>	<u>\$ 2,684,465.63</u>	<u>\$ 280,187.59</u>	<u>\$ 5,110,576.46</u>	<u>\$ 5,110,576.46</u>	<u>\$ 77,417.79</u>

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

Balance December 31, 2017	\$ 26,581,465.00
Decreased by:	
2018 Budget Appropriation to Pay Bonds	<u>2,604,198.00</u>
Balance December 31, 2018	<u><u>\$ 23,977,267.00</u></u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2017	2018 Authorizations	Balance Dec. 31, 2018	Financed by Bond Anticipation Notes	Analysis of Balance December 31, 2018		
						Expenditures	Unexpended Improvement Authorizations	
General Improvements:								
09-05	Completion of Various Capital Improvements and Acquisition of Capital Equipment	\$ 2,000.00		\$ 2,000.00		\$ 2,000.00		
11-05	Completion of Various Capital Improvements and Acquisition of Capital Equipment	500.00		500.00		500.00		
13-06	Completion of Various Capital Improvements and Acquisition of Capital Equipment	375.00		375.00		375.00		
16-02	Completion of Various Capital Improvements and Acquisition of Capital Equipment	575.00		575.00			\$ 575.00	
17-03; 17-16	Completion of Various Capital Improvements and Acquisition of Capital Equipment	2,517,500.00		2,517,500.00	\$ 2,515,000.00		2,500.00	
17-08	Replacement of the HVAC System in the Township Library	323,000.00		323,000.00	323,000.00			
18-02	Completion of Various Capital Improvements and Acquisition of Capital Equipment		\$ 2,422,500.00	2,422,500.00	2,422,000.00		500.00	
		<u>\$ 2,843,950.00</u>	<u>\$ 2,422,500.00</u>	<u>\$ 5,266,450.00</u>	<u>\$ 5,260,000.00</u>	<u>\$ 2,875.00</u>	<u>\$ 3,575.00</u>	
Improvement Authorizations Unfunded							\$ 678,417.12	
Less Unexpended Proceeds of Bond Anticipation Notes Issued:								
Ordinance Number 17-03; 17-16, 17-08, and 18-02							<u>674,842.12</u>	
							<u>\$ 3,575.00</u>	

TOWNSHIP OF PENNSAUKEN
GENERAL CAPITAL FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 775,162.32
Increased by:		
Capital Improvement Fund:		
2018 Budget Appropriation	\$ 130,000.00	
Collections by Current Fund:		
New Jersey Transportation Trust Fund Receivable	\$ 476,028.05	
Premium on Bond Anticipation Notes -- Fund Balance	51,340.00	
Bond Anticipation Notes Issued	<u>2,745,000.00</u>	
	<u>3,272,368.05</u>	<u>3,402,368.05</u>
Decreased by:		
Receipts:		
Interfunds Received	2,850,000.00	
Interest Earned	<u>642.69</u>	
	<u>2,850,642.69</u>	<u>4,177,530.37</u>
		<u>2,850,642.69</u>
Balance December 31, 2018		<u><u>\$ 1,326,887.68</u></u>

TOWNSHIP OF PENNSAUKEN
GENERAL CAPITAL FUND
Statement of Due from State of New Jersey --
Transportation Trust Fund Grant Receivable
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 62,969.90
Increased by:	
Accrued in 2018:	
2018 Improvement Authorizations -- Funded	<u>567,547.00</u>
	630,516.90
Decreased by:	
Collected by the Current Fund	<u>476,028.05</u>
Balance December 31, 2018	<u><u>\$ 154,488.85</u></u>

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

Ordinance Number	Improvement Descriptions	Date	Ordinance		Balance December 31, 2017		2018 Authorizations				Balance December 31, 2018		
			Amount	Funded	Unfunded	Capital Improvement Fund	Grants	Deferred Charges to Future Taxation - Unfunded	Paid or Charged	Cancellation of Contracts Payable	Funded	Unfunded	
General Improvements:													
07-03	Completion of Various Capital Improvements and Acquisition of Capital Equipment	3/28/2007	\$ 2,364,000.00	\$ 2,954.68								\$ 2,954.68	
11-15	Acquisition of and Improvements to Various Abandoned Homes	6/29/2011	200,000.00	110,593.78								110,593.78	
13-06	Completion of Various Capital Improvements and Acquisition of Capital Equipment	3/20/2013	2,312,500.00	8,765.20	\$ 375.00				\$ 9,140.20				
14-04	Completion of Various Capital Improvements and Acquisition of Capital Equipment	3/19/2014	3,267,980.00	21,550.57					14,426.73			7,123.84	
15-04;	Completion of Various Capital Improvements and												
16-03	Acquisition of Capital Equipment	3/25/2015	2,770,120.00	67,903.41					53,373.10			14,530.31	
16-02	Completion of Various Capital Improvements and Acquisition of Capital Equipment	3/22/2016	2,942,100.00	102,851.97	575.00				41,948.59	\$ 5,266.78		66,170.16 \$ 575.00	
17-03;	Completion of Various Capital Improvements and												
17-16	Acquisition of Capital Equipment	2/22/2017	2,885,000.00	19,362.65	558,208.89				507,597.66	7,132.66		77,106.54	
17-08	Replacement of the HVAC System in the Township Library	5/24/2017	340,000.00	154,603.81					112,572.52			42,031.29	
18-02	Completion of Various Capital Improvements and Acquisition of Capital Equipment	3/28/2018	3,711,392.00										
				<u>\$ 333,982.26</u>	<u>\$ 713,762.70</u>	<u>\$ 127,500.00</u>	<u>\$ 1,161,392.00</u>	<u>\$ 2,422,500.00</u>	<u>\$ 3,091,382.60</u>	<u>\$ 12,399.44</u>	<u>\$ 1,001,736.68</u>	<u>\$ 678,417.12</u>	
State of New Jersey --													
Transportation Trust Fund Grant Receivable								\$ 567,547.00					
Department of Environmental Protection Grant Receivable								593,845.00					
								<u>\$ 1,161,392.00</u>					
Disbursements									\$ 2,684,465.63				
Contracts Payable									406,916.97				
									<u>\$ 3,091,382.60</u>				

TOWNSHIP OF PENNSAUKEN
GENERAL CAPITAL FUND
Statement of Contracts Payable
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 292,587.03
Increased by:		
Accrued in 2018		<u>406,916.97</u>
		699,504.00
Decreased by:		
Disbursements	\$ 280,187.59	
Cancellations:		
Improvement Authorizations	<u>12,399.44</u>	<u>292,587.03</u>
Balance December 31, 2018		<u><u>\$ 406,916.97</u></u>

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

Balance December 31, 2017	\$ 2,421.90
Increased by:	
Due Current Fund:	
2018 Budget Appropriation	<u>130,000.00</u>
	132,421.90
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>127,500.00</u>
Balance December 31, 2018	<u><u>\$ 4,921.90</u></u>

TOWNSHIP OF PENNSAUKEN
GENERAL CAPITAL FUND
 Statement of Bonds Anticipation Notes
 For the Year Ended December 31, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Amount of Original Issue</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2018</u>
General Improvements:										
17-03; 17-16	Completion of Various Capital Improvements and Acquisition of Capital Equipment	\$ 2,515,000.00	06/21/17	06/21/17	06/20/18	2.50%	\$ 2,515,000.00		\$ 2,515,000.00	\$ 2,515,000.00
17-08	Library HVAC System Improvements	323,000.00	06/19/18	06/19/18	06/18/19	3.00%		\$ 2,515,000.00		\$ 2,515,000.00
18-02	Completion of Various Capital Improvements and Acquisition of Capital Equipment	2,422,000.00	06/19/18	06/19/18	06/18/19	3.00%		323,000.00		323,000.00
								<u>2,422,000.00</u>		<u>2,422,000.00</u>
							<u>\$ 2,515,000.00</u>	<u>\$ 5,260,000.00</u>	<u>\$ 2,515,000.00</u>	<u>\$ 5,260,000.00</u>
Renewals										
Collected by Current Fund								\$ 2,515,000.00	\$ 2,515,000.00	
								<u>2,745,000.00</u>		
								<u>\$ 5,260,000.00</u>	<u>\$ 2,515,000.00</u>	

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date of Maturity of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>
			<u>Outstanding Dec. 31, 2018</u>	<u>Date</u>				
General Obligation Bonds	09/01/08	\$ 9,940,000.00				\$ 745,000.00	\$ 745,000.00	
General Obligation Bonds	08/31/11	12,850,000.00	08/15/19	\$ 905,000.00	3.00%			
			08/15/20	930,000.00	3.00%			
			08/15/21	960,000.00	3.00%			
			08/15/22	1,000,000.00	3.00%			
			08/15/23	1,035,000.00	3.125%			
			08/15/24	1,080,000.00	3.25%			
			08/15/25	1,120,000.00	3.50%			
			08/15/26	1,140,000.00	4.00%	9,050,000.00	880,000.00	\$ 8,170,000.00
General Obligation Bonds	06/22/16	13,236,000.00	03/01/19	938,131.00	2.00%			
			03/01/20	956,707.00	2.00%			
			03/01/21	975,284.00	2.00%			
			03/01/22	993,861.00	2.00%			
			03/01/23	1,017,082.00	2.00%			
			03/01/24	1,035,659.00	2.00%			
			03/01/25	1,058,880.00	2.00%			
			03/01/26	1,082,101.00	2.00%			
			03/01/27	1,105,322.00	2.00%			
			03/01/28	1,133,187.00	2.25%			
			03/01/29	1,161,053.00	2.375%	12,381,465.00	924,198.00	11,457,267.00
Refunding Bonds	06/15/17	4,455,000.00	09/01/19	835,000.00	1.95%			
			09/01/20	855,000.00	1.95%			
			09/01/21	870,000.00	1.95%			
			09/01/22	895,000.00	1.95%			
			09/01/23	895,000.00	1.95%	4,405,000.00	55,000.00	4,350,000.00
						<u>\$ 26,581,465.00</u>	<u>\$ 2,604,198.00</u>	<u>\$ 23,977,267.00</u>

TOWNSHIP OF PENNSAUKEN
GENERAL CAPITAL FUND
 Statement of Bonds and Notes Authorized but not Issued
 For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	Balance Dec. 31, 2017	Increased by 2018 Authorizations	Decreased by Notes Issued	Balance Dec. 31, 2018
General Improvements:					
09-05	Completion of Various Capital Improvements and Acquisition of Capital Equipment	\$ 2,000.00			\$ 2,000.00
11-05	Completion of Various Capital Improvements and Acquisition of Capital Equipment	500.00			500.00
13-06	Completion of Various Capital Improvements and Acquisition of Capital Equipment	375.00			375.00
16-02	Completion of Various Capital Improvements and Acquisition of Capital Equipment	575.00			575.00
17-03; 17-16	Completion of Various Capital Improvements and Acquisition of Capital Equipment	2,500.00			2,500.00
17-08	Replacement of the HVAC System in the Township Library	323,000.00		\$ 323,000.00	
18-02	Completion of Various Capital Improvements and Acquisition of Capital Equipment				
			<u>\$ 2,422,500.00</u>	<u>2,422,000.00</u>	<u>500.00</u>
		<u>\$ 328,950.00</u>	<u>\$ 2,422,500.00</u>	<u>\$ 2,745,000.00</u>	<u>\$ 6,450.00</u>

SUPPLEMENTAL EXHIBITS
GOLF COURSE UTILITY FUND

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY FUND
Statement of Golf Course Utility Cash
Per N.J.S. 40A:5-5 -- Treasurer
For the Year Ended December 31, 2018

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2017	\$ 162,573.57	\$ 1,691.44
Increased by Receipts:		
Playing Fees	\$ 893,822.00	
Equipment Rental Fees	447,710.00	
Miscellaneous	230,742.46	
2018 Appropriation Refunds	47,878.11	
Petty Cash	150.00	
Due Golf Course Utility Operating Fund		\$ 8.01
2017 Appropriation Reserves Refunds	<u>9,133.42</u>	
	<u>1,629,435.99</u>	<u>8.01</u>
	1,792,009.56	1,699.45
Decreased by Disbursements:		
2018 Appropriations	1,360,392.39	
Petty Cash	150.00	
2017 Appropriation Reserves	36,420.28	
Due Current Fund	<u>234,357.16</u>	
	<u>1,631,319.83</u>	
Balance December 31, 2018	<u><u>\$ 160,689.73</u></u>	<u><u>\$ 1,699.45</u></u>

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY CAPITAL FUND
 Analysis of Golf Course Utility Capital Cash
 For the Year Ended December 31, 2018

	Balance (Overdraft) <u>Dec. 31, 2017</u>	<u>Receipts</u> <u>Miscellaneous</u>	Balance (Overdraft) <u>Dec. 31, 2018</u>
Due Current Fund	\$ (2,375.00)		\$ (2,375.00)
Due Golf Course Utility Operating Fund	(527.96)	\$ 8.01	(519.95)
Capital Improvement Fund	3,029.00		3,029.00
Reserve for Preliminary Expenses	38.58		38.58
Improvement Authorizations:			
Ordinance			
<u>Number</u>			
13-01	Completion of Various Capital Improvements and Acquisition of Equipment	1,438.29	1,438.29
15-04	Completion of Various Capital Improvements and Acquisition of Equipment	32.87	32.87
16-02	Completion of Various Capital Improvements and Acquisition of Equipment	55.66	55.66
		<u>\$ 1,691.44</u>	<u>\$ 1,699.45</u>
		<u>\$ 8.01</u>	<u>\$ 1,699.45</u>

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY OPERATING FUND
Schedule of Change Funds
As of December 31, 2018

Balance December 31, 2018	<u>\$ 800.00</u>
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Exhibit SD-4

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY OPERATING FUND
Statement of Petty Cash Funds
For the Year Ended December 31, 2018

Golf Course -- Received from Treasurer -- Disbursements	\$ 150.00
Decreased by:	
Returned to Treasurer -- Receipts	<u>\$ 150.00</u>

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY OPERATING FUND
 Statement of Due from Current Fund
 For the Year Ended December 31, 2018

Balance December 31, 2017		\$	1,228.76
Increased by:			
Disbursements:			
Interfunds Returned			<u>234,357.16</u>
			235,585.92
Decreased by:			
Anticipated as Revenue in Current Fund Budget:			
2018 Budget Appropriations:			
Golf Course Utility -- Payment in Lieu of Taxes		\$	70,000.00
Payments made by Current Fund:			
Accrued Interest on Bonds and Notes		\$	28,234.00
2018 Budget Appropriations:			
Bond Principal	\$		135,802.00
Other Expense	<u>304.05</u>		
			<u>136,106.05</u>
			<u>164,340.05</u>
			<u>234,340.05</u>
Balance December 31, 2018		\$	<u><u>1,245.87</u></u>

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY CAPITAL FUND
 Schedule of Fixed Capital
 As of December 31, 2018

<u>Account</u>	<u>Balance Dec. 31, 2018</u>
Construction of Clubhouse at the Golf Course	\$ 1,963,891.26
Improvements to Golf Course	2,874,273.58
Construction of a Clubhouse and the Restaurant Facility	150,000.00
Issuance Costs for Refunding Bonds	29,501.41
Construction of a Parking Lot	94,800.00
Construction of a Pool House and Maintenance Facility	181,925.00
Purchase of Golf Equipment	553,348.69
Construction of a Tunnel Under Haddonfield Road	850,000.00
Purchase of Real Property	<u>210,000.00</u>
	<u><u>\$ 6,907,739.94</u></u>

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY CAPITAL FUND
 Schedule of Fixed Capital Authorized and Uncompleted
 As of December 31, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2018</u>
General Improvements:				
13-01	Completion of Various Capital Improvements and Acquisition of Equipment	1/26/2013	\$ 325,000.00	\$ 325,000.00
15-04	Completion of Various Capital Improvements and Acquisition of Equipment	3/25/2015	65,000.00	65,000.00
16-02	Completion of Various Capital Improvements and Acquisition of Equipment	3/23/2016	141,500.00	141,500.00
				<u>\$ 531,500.00</u>

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY CAPITAL FUND
Statement of Due from Golf Course Utility Operating Fund
For the Year Ended December 31, 2018

Balance December 31, 2017	\$	527.96
Decreased by:		
Receipts:		
Interest on Investments and Deposits		<u>8.01</u>
Balance December 31, 2018	\$	<u><u>519.95</u></u>

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY OPERATING FUND
 Statement of 2017 Appropriation Reserves
 For the Year Ended December 31, 2018

	Balance December 31, 2017		Balance After Modification	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
Operating:					
Salaries and Wages		\$ 19.65	\$ 19.65		\$ 19.65
Other Expenses	\$ 14,113.43	19,003.14	33,116.57	\$ 27,286.86	5,829.71
Payment in Lieu of Taxes -- Current Fund		4,775.00	4,775.00		4,775.00
Total Operating	<u>14,113.43</u>	<u>23,797.79</u>	<u>37,911.22</u>	<u>27,286.86</u>	<u>10,624.36</u>
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		323.08	323.08		323.08
Total Utility Appropriations	<u>\$ 14,113.43</u>	<u>\$ 24,120.87</u>	<u>\$ 38,234.30</u>	<u>\$ 27,286.86</u>	<u>\$ 10,947.44</u>
Receipts:					
Refunds				\$ (9,133.42)	
Disbursements				<u>36,420.28</u>	
				<u>\$ 27,286.86</u>	

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY OPERATING FUND
 Statement of Accrued Interest on Bonds and Notes
 For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 6,319.05
Increased by:	
2018 Budget Appropriation:	
Interest on Bonds	30,096.36
	36,415.41
Decreased by:	
Paid by Current Fund	28,234.00
Balance December 31, 2018	\$ 8,181.41

Principal Outstanding <u>December 31, 2018</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period (Days)</u>	<u>Amount</u>
General Improvement Bonds:					
2016 Issue:					
\$ 877,733.00	Varies	09/01/18	12/31/18	122	\$ 5,867.59
2017 Issue:					
355,000.00	Varies	09/01/18	12/31/18	122	2,313.82
					\$ 8,181.41

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY CAPITAL FUND
 Schedule of Improvement Authorizations
 As of December 31, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Dec. 31, 2018 Funded</u>
General Improvements:				
13-01	Completion of Various Capital Improvements and Acquisition of Equipment	1/26/2013	\$ 325,000.00	\$ 1,438.29
15-04	Completion of Various Capital Improvements and Acquisition of Equipment	3/25/2015	65,000.00	32.87
16-02	Completion of Various Capital Improvements and Acquisition of Equipment	3/23/2016	141,500.00	<u>55.66</u>
				<u>\$ 1,526.82</u>

TOWNSHIP OF PENNSAUKEN
GOLF COURSE UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 6,070,704.94
Increased by:	
Payment of Serial Bonds	<u>135,802.00</u>
Balance December 31, 2018	<u><u>\$ 6,206,506.94</u></u>

PART II
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2018

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Pennsauken
Pennsauken, New Jersey 08110

Report on Compliance for Each Major Federal Program

We have audited the Township of Pennsauken's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Township's major federal program for the year ended December 31, 2018. The Township's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Township's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Township of Pennsauken's, in the County of Camden, State of New Jersey, compliance.

Opinion on Each Major Federal Program

In our opinion, the Township of Pennsauken, in the County of Camden, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2018.

Report on Internal Control over Compliance

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

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

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

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Certified Public Accountant
Registered Municipal Accountant

TOWNSHIP OF PENNSAUKEN
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2018

Federal Grantor/ Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Program or Award Amount	Matching Contribution	Grant Period From To	
<u>U.S. Department of Housing and Urban Development</u>						
Housing Voucher Cluster: Section 8 Housing Choice Vouchers	14.871	NJ118	\$ 640,857.00	N/A	1/1/18	12/31/18
Passed through County of Camden:						
CDBG - Entitlement Grants Cluster:						
Community Development Block Grants/Entitlement Grants:						
Year XXXIV	14.218	N/A	103,500.00	N/A	07/01/12	06/30/13
Year XXXV	14.218	N/A	90,700.00	N/A	07/01/13	06/30/14
Year XXXVII	14.218	N/A	114,445.00	N/A	07/01/15	06/30/16
Year XXXVIII	14.218	N/A	90,700.00	N/A	07/01/16	06/30/17
Year XXXIX	14.218	N/A	90,500.00	N/A	07/01/17	06/30/18
Year XXXX	14.218	N/A	100,000.00	N/A	07/01/18	06/30/19
Total Community Development Block Grants/Entitlement Grants Cluster						
Total Department of Housing and Urban Development						
<u>U.S. Department of Homeland Security</u>						
Passed through New Jersey State Police: Public Assistance Grants	97.036	066-1200-100-B65	718.25	N/A	06/23/15	06/23/15
<u>U.S. Department of Justice</u>						
Bulletproof Vest Partnership Program	16.607	N/A	893.29	N/A	09/01/16	08/31/18
Bulletproof Vest Partnership Program	16.607	N/A	7,547.21	N/A	09/01/17	08/31/19
Edward Byrne Memorial --						
Justice Assistance Grant	16.738	N/A	10,863.00	N/A	10/01/15	09/30/19
Justice Assistance Grant	16.738	N/A	10,591.00	N/A	10/01/16	09/30/20
Justice Assistance Grant	16.738	N/A	10,385.00	N/A	10/01/17	09/30/21
Justice Assistance Grant	16.738	N/A	10,680.00	N/A	10/01/18	09/30/22
Total U.S. Department of Justice						
<u>U.S. Department of Transportation</u>						
Passed through State Division of Highway Traffic Safety:						
Highway Safety Cluster:						
National Priority Safety Programs:						
Distracted Driving Incentive	20.616	066-1160-100-158	6,600.00	N/A	05/21/18	06/03/18
Occupant Protection Incentive Grants - Click it or Ticket	20.616	066-1160-100-155	5,500.00	N/A	04/01/18	04/21/18
Total State Division of Highway Safety/Highway Safety Cluster						
Total U.S. Department of Transportation						
<u>U.S. Department of Homeland Security</u>						
FEMA Emergency Management Assistance Program	97.042	N/A	9,400.00	N/A	07/01/16	06/30/17
FEMA Emergency Management Assistance Program	97.042	N/A	7,000.00	N/A	07/01/17	06/30/18

Total Federal Financial Assistance

(A) Adjustments represent portions of awards which have been canceled.

The accompanying Notes to Financial Statements and Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Balance Dec 31, 2017	Receipts or Revenues Realized	Adjustments (A)	Passed - Through to Subrecipients	Total Federal Disbursements / Expenditures	Encumbrances	Balance Dec 31, 2018	(Memo Only)	
							Cash Receipts	Accumulated Expenditures
	\$ 640,857.00			\$ (640,857.00)			\$ 640,857.00	\$ 640,857.00
	640,857.00			(640,857.00)			640,857.00	640,857.00
\$ 21,700.00		\$ (21,700.00)					78,639.89	103,500.00
40,503.61				(40,503.61)			40,503.61	69,000.00
16,811.33				(16,811.33)			90,700.00	114,445.00
90,500.00				(87,665.22)		\$ 2,834.78	87,665.22	90,700.00
	100,000.00			(14,000.00)		86,000.00		87,665.22
								14,000.00
169,514.94	100,000.00	(21,700.00)		(158,980.16)		88,834.78	297,508.72	479,310.22
169,514.94	740,857.00	(21,700.00)		(799,837.16)		88,834.78	938,365.72	1,120,167.22
	718.25			(718.25)			718.25	718.25
893.29				(893.29)				893.29
	7,547.21					7,547.21	7,547.21	
893.29	7,547.21			(893.29)		7,547.21	7,547.21	893.29
29.97		(29.97)					10,833.03	10,863.00
733.41		(733.41)					9,855.59	10,591.00
10,385.00						10,385.00		
	10,680.00					10,680.00		
11,148.38	10,680.00	(763.38)				21,065.00	20,688.62	21,454.00
12,041.67	18,227.21	(763.38)		(893.29)		28,612.21	28,235.83	22,347.29
	6,600.00	(1,326.71)		(5,273.29)			5,273.29	5,273.29
	5,500.00	(197.40)		(5,302.60)			5,302.60	5,302.60
	12,100.00	(1,524.11)		(10,575.89)			10,575.89	10,575.89
	12,100.00	(1,524.11)		(10,575.89)			10,575.89	10,575.89
5,000.00				(5,000.00)			2,400.00	9,400.00
	7,000.00					7,000.00	7,000.00	
5,000.00	7,000.00			(5,000.00)		7,000.00	9,400.00	9,400.00
\$ 186,556.61	\$ 778,902.46	\$ (23,987.49)	\$ -	\$ (817,024.59)	\$ -	\$ 124,446.99	\$ 987,295.69	\$ 1,163,208.65

TOWNSHIP OF PENNSAUKEN
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

Note 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "schedule") includes federal award activity of the Township of Pennsauken (hereafter referred to as the "Township") under programs of the federal government for the year ended December 31, 2018. The Township is defined in note 1 to the financial statements. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule. Because the schedule presents only a selected portion of the operations of the Township, it is not intended to and does not present the financial position and changes in operations of the Township.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule is reported on the modified accrual basis of accounting as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. This basis of accounting is described in note 1 to the financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3: INDIRECT COST RATE

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

Note 4: RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal reports.

Note 5: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent balances of grants that have been cancelled.

Note 6: MAJOR PROGRAMS

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

PART III
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018

TOWNSHIP OF PENNSAUKEN
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2018

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	_____ yes <u> X </u> no
Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes <u> X </u> no

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_____ yes <u> X </u> no
Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance)?	_____ yes <u> X </u> no

Identification of major programs:

CFDA Number(s)

14.871 _____

Name of Federal Program or Cluster

Section 8 Housing Choice Vouchers _____

Dollar threshold used to determine Type A programs	\$ 750,000.00
Auditee qualified as low-risk auditee?	_____ yes <u> X </u> no

TOWNSHIP OF PENNSAUKEN
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance Not Applicable

Internal control over major programs:

Material weakness(es) identified? _____ yes _____ no

Significant deficiency(ies) identified? _____ yes _____ none reported

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

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? _____ yes _____ no

Identification of major programs:

GMIS Number(s)

Name of State Program

Dollar threshold used to determine Type A programs _____

Auditee qualified as low-risk auditee? _____ yes _____ no

TOWNSHIP OF PENNSAUKEN
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

Section 2 - Schedule of Financial Statement Findings

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

None

TOWNSHIP OF PENNSAUKEN
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

Section 3 - Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

None.

TOWNSHIP OF PENNSAUKEN
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

Section 4 - Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

Not applicable.

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

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

FINANCIAL STATEMENT FINDINGS

None.

TOWNSHIP OF PENNSAUKEN
 Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Surety Bond</u>
Jack Killion	Mayor	
Betsy McBride	Deputy Mayor	
John Figueroa	Committeeman	
Rick Taylor	Committeeman	
William Orth	Committeewoman	
John Kneib	Administrator	\$ 500,000.00 (A)
Gene Padalino	Township Clerk, Deputy Registrar of Vital Statistics	20,000.00 (B)
Ronald S. Crane	Chief Financial Officer	265,000.00 (B)
Walter Nicgorski	Treasurer	500,000.00 (A)
Daniel O'Brien	Tax Collector, Tax Search Clerk	300,000.00 (C)
Steven M. Petrillo	Judge of the Municipal Court	500,000.00 (A)
Donna Kenney	Municipal Court Administrator	500,000.00 (A)
John Dymond	Tax Assessor	500,000.00 (A)
Dennis O'Rourke	Engineer	500,000.00 (A)
Hon. Louis R. Meloni	Solicitor	

All of the bonds were examined and were properly executed.

(A) All employees handling funds were covered by a Multiple Public Employees' Honesty Blanket Position written by Travelers Casualty and Surety Company of America.

(B) The Fidelity & Deposit Company of Maryland.

(C) The Travelers Casualty and Surety Company of America.

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APPRECIATION

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink that reads "Scott P. Barron". The signature is written in a cursive style with a large initial 'S' and a distinct 'P'.

Scott P. Barron
Certified Public Accountant
Registered Municipal Accountant

