



**TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX
NEW JERSEY**

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY DATA
AND INFORMATION**

**FOR THE YEARS ENDED
DECEMBER 31, 2018 AND 2017**

**WITH
REPORT OF INDEPENDENT AUDITORS**

HODULIK & MORRISON, P.A.

A division of



TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY

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MIDDLESEX COUNTY, NEW JERSEY

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MIDDLESEX COUNTY, NEW JERSEY

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TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY



PART I
INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Emphasis of Matter

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

Other Matters

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated September 27, 2019 on our consideration of the Township of Monroe's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of Monroe's internal control over financial reporting and compliance.



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



Andrew G. Hodulik
Registered Municipal Accountant
No. 406
Highland Park, New Jersey
September 27, 2019

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements - regulatory basis of the Township of Monroe, County of Middlesex, New Jersey as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township of Monroe's basic financial statements and have issued our report thereon date September 27, 2019. Our report was modified to reflect the departure from accounting principles generally accepted in the United States of America as disclosed in Note 2, that are embodied in the Other Comprehensive Basis of Accounting utilized for financial statement presentations, and was unqualified based upon that Other Comprehensive Basis of Accounting.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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



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

Highland Park, New Jersey
September 27, 2019

FINANCIAL STATEMENTS

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY

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

<u>ASSETS</u>	<u>Ref.</u>	<u>BALANCE</u> <u>DEC. 31, 2018</u>	<u>BALANCE</u> <u>DEC. 31, 2017</u>	<u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>	<u>Ref.</u>	<u>BALANCE</u> <u>DEC. 31, 2018</u>	<u>BALANCE</u> <u>DEC. 31, 2017</u>
Cash and Investments - Treasurer	A-4	\$ 19,126,391.11	\$ 36,694,604.86	Liabilities:			
Cash - Change Fund	A	<u>900.00</u>	<u>900.00</u>	Appropriation Reserves	A-3,A-9	\$ 3,362,844.60	\$ 2,974,577.17
		<u>19,127,291.11</u>	<u>36,695,504.86</u>	Reserve for Encumbrances	A-3,A-9	1,006,866.63	1,247,724.84
Receivables With Offsetting Reserves:				Prepaid Taxes	A-6	1,448,709.68	17,980,517.76
Taxes Receivable	A-6	1,890,005.66	1,818,542.03	Prepaid Licenses and Fees	A	15,095.00	-
Tax Title Liens Receivable	A-6	250,334.43	248,358.57	Various Payables	A-12	339,296.75	303,447.82
Property Acquired for Taxes (At Assessed Valuation)	A-6	1,569,800.00	1,569,800.00	Various Reserves	A-12	229,000.61	516,733.49
Revenue Accounts Receivable	A-7	<u>34,940.47</u>	<u>33,240.31</u>	Tax Overpayments	A-10	6,686.89	15,714.69
				Taxes Payable	A-11	-	1.00
		<u>3,745,080.56</u>	<u>3,669,940.91</u>	Due to State of N.J. per Ch. 20, P.L. 1976	A-5	30,964.79	32,908.40
Deferred Charges:				Interfunds Payable	A-15	<u>606,990.64</u>	<u>480,149.73</u>
Special Emergency - (40A:4-53):						7,046,455.59	23,551,774.90
Master Plan	A-8	<u>105,000.00</u>	<u>140,000.00</u>	Reserve for Receivables	Reserve	3,745,080.56	3,669,940.91
				Fund Balance	A-1	<u>12,185,835.52</u>	<u>13,283,729.96</u>
Total Current Fund		<u>22,977,371.67</u>	<u>40,505,445.77</u>	Total Current Fund		<u>22,977,371.67</u>	<u>40,505,445.77</u>
State and Federal Grant Fund:				State and Federal Grant Fund:			
Grants Receivable	A-13	18,746.96	28,257.96	Reserve for State and Federal Grants:			
Due from Current Fund	A-16	<u>606,990.64</u>	<u>480,149.73</u>	Appropriated	A-14	442,862.14	333,193.38
				Unappropriated	A-17	181,541.61	171,436.12
Total State and Federal Grant Fund		<u>625,737.60</u>	<u>508,407.69</u>	Reserve for Encumbrances	A-14	<u>1,333.85</u>	<u>3,778.19</u>
				Total State and Federal Grant Fund		<u>625,737.60</u>	<u>508,407.69</u>
		<u>\$ 23,603,109.27</u>	<u>\$ 41,013,853.46</u>			<u>\$ 23,603,109.27</u>	<u>\$ 41,013,853.46</u>

Note: See Notes to Financial Statements

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY

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

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>YEAR 2018</u>	<u>YEAR 2017</u>
Fund Balance Utilized	\$ 8,100,000.00	\$ 7,400,000.00
Miscellaneous Revenues Anticipated	11,096,088.60	10,771,111.19
Receipts from Delinquent Taxes	1,734,668.68	1,463,891.94
Receipts from Current Taxes	197,832,281.22	191,281,583.62
Non-Budget Revenue	130,670.13	602,586.41
Other Credits to Income:		
Unexpended Balances of Approp. Reserves	1,827,414.01	2,603,421.54
Tax Overpayments Canceled	3.15	-
Sale of Municipal Assets Realized	35,316.71	-
Reserves Canceled	117,463.44	-
Reserve for Grants Canceled	-	28,355.67
	220,873,905.94	214,150,950.37
Total Revenues		
 <u>EXPENDITURES AND OTHER CHARGES</u>		
Budget Appropriations:		
Operating		
Salaries and Wages	23,055,929.00	21,929,174.00
Other Expenses	19,516,849.02	18,886,081.00
State and Federal Programs Off-Set by Revenue	285,572.14	285,572.14
Municipal Debt Service	7,027,217.96	6,447,546.33
Capital Improvements	100,000.00	300,000.00
Deferred Charges and Statutory Expend.-Mun.	5,133,391.70	4,681,213.24
County Tax	35,716,376.71	34,599,664.12
Local District School Taxes	109,802,610.00	106,962,459.00
Special District Taxes	12,025,516.00	11,339,271.00
Municipal Open Space Taxes	1,155,170.04	1,138,489.83
Prior Year Sr. Cit. & Vet. Deductions Disallowed	15,133.57	7,246.18
Refund Prior Year Revenues	38,034.24	26,361.00
Grants Receivable Canceled	-	62,611.49
	213,871,800.38	206,665,689.33
Total Expenditures		

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY

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

<u>REVENUE AND OTHER INCOME REALIZED</u>		<u>YEAR 2018</u>	<u>YEAR 2017</u>
Excess in Revenue		7,002,105.56	7,485,261.04
Statutory Excess to Fund Balance		7,002,105.56	7,485,261.04
<u>FUND BALANCE</u>			
	<u>Ref.</u>		
Balance - January 1	A	13,283,729.96	13,198,468.92
		20,285,835.52	20,683,729.96
Decreased by:			
Utilization as Anticipated Revenue		8,100,000.00	7,400,000.00
Balance - December 31	A	\$ 12,185,835.52	\$ 13,283,729.96

Note: See Notes to Financial Statements

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY
 CURRENT FUND
 STATEMENT OF REVENUES - REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2018

	ANTICIPATED 2018 <u>BUDGET</u>	APPROP. N.J.S.A. <u>40A:4-87</u>	TOTAL <u>BUDGET</u>	<u>REALIZED</u>	EXCESS OR <u>(DEFICIT)</u>
Fund Balance Anticipated	\$ 8,100,000.00		\$ 8,100,000.00	\$ 8,100,000.00	\$ -
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	20,000.00		20,000.00	36,959.00	16,959.00
Fees and Permits	259,000.00		259,000.00	282,662.93	23,662.93
Fines and Costs:					
Municipal Court	400,000.00		400,000.00	427,327.85	27,327.85
Interest and Costs on Taxes	320,000.00		320,000.00	483,706.57	163,706.57
Interest on Investments and Deposits	200,000.00		200,000.00	524,481.18	324,481.18
Franchise Tax-Cable Companies	408,507.00		408,507.00	408,508.23	1.23
Energy Receipts Taxes	2,263,503.00		2,263,503.00	2,263,503.00	-
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S.A. 40A:4-36 and N.J.A.C. 5:23-4.17):					
Uniform Construction Code Fees	1,900,000.00		1,900,000.00	1,893,865.00	(6,135.00)
Shared Service Agreements Offset with Appropriations:					
Shared Service Agreement (Fire Districts and Board)	54,000.00		54,000.00	-	(54,000.00)
Public and Private Revenues Offset with Approps.:					
Drunk Driving Enforcement Fund		8,996.61	8,996.61	8,996.61	-
Distracted Driving Grant - U Drive, U Text, U Pay	6,600.00		6,600.00	6,600.00	-
Municipal Court Alcohol Education Rehabilitation Program		1,318.18	1,318.18	1,318.18	-
Clean Communities Program		85,474.25	85,474.25	85,474.25	-
Recycling Tonnage Grant	171,436.12		171,436.12	171,436.12	-
Senior Outreach	5,000.00	10,000.00	15,000.00	15,000.00	-
Cultural Arts Council	5,000.00		5,000.00	5,000.00	-
Occupant Protection - Click It or Ticket		5,500.00	5,500.00	5,500.00	-
Additional Revenues Offset with Appropriations:					
Ambulance Fees	2,090,000.00		2,090,000.00	2,523,028.85	433,028.85
Clinical Training Fees	26,000.00		26,000.00	40,895.00	14,895.00
Other Special Items:					
Utility Operating Surplus of the Prior Year	1,000,000.00		1,000,000.00	1,000,000.00	-
Capital Fund Balance	500,000.00		500,000.00	500,000.00	-
Hotel and Motel Occupancy Tax, P.L. 2003, C. 115	64,000.00		64,000.00	42,916.83	(21,083.17)

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY

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

	ANTICIPATED 2018 BUDGET	APPROP. N.J.S.A. 40A:4-87	TOTAL BUDGET	REALIZED	EXCESS OR (DEFICIT)
Reserve for Debt Service	332,000.00		332,000.00	332,000.00	-
MCIA Loan Reimbursements	36,909.00		36,909.00	36,909.00	-
Total Miscellaneous Revenues	<u>10,061,955.12</u>	<u>111,289.04</u>	<u>10,173,244.16</u>	<u>11,096,088.60</u>	<u>922,844.44</u>
Receipts from Delinquent Taxes	<u>1,550,000.00</u>		<u>1,550,000.00</u>	<u>1,734,668.68</u>	<u>184,668.68</u>
Subtotal General Revenues	<u>19,711,955.12</u>	<u>111,289.04</u>	<u>19,823,244.16</u>	<u>20,930,757.28</u>	<u>1,107,513.12</u>
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	<u>39,145,918.70</u>		<u>39,145,918.70</u>	<u>42,982,608.47</u>	<u>3,836,689.77</u>
Budget Totals	<u>58,857,873.82</u>	<u>111,289.04</u>	<u>58,969,162.86</u>	<u>63,913,365.75</u>	<u>\$ 4,944,202.89</u>
Non-Budget Revenues				<u>130,670.13</u>	
	<u>\$ 58,857,873.82</u>	<u>\$ 111,289.04</u>	<u>\$ 58,969,162.86</u>	<u>\$ 64,044,035.88</u>	

() Denotes Deficit
 Note: See Notes to Financial Statements

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY

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

	2018 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
<u>OPERATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT:</u>						
Office of the Mayor						
Salaries and Wages	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ -	\$ -	\$ -
Other Expenses	10,050.00	10,050.00	7,757.31	249.99	2,042.70	
Township Council						
Salaries and Wages	30,500.00	30,500.00	30,500.00	-	-	
Other Expenses	19,850.00	19,850.00	16,065.09	18.00	3,766.91	
Office of the Township Clerk						
Salaries and Wages	353,728.00	353,728.00	332,113.38		21,614.62	
Other Expenses	73,200.00	73,200.00	27,231.76	3,157.72	42,810.52	
Elections						
Salaries and Wages	16,990.00	16,990.00	16,990.00	-	-	
Other Expenses	25,000.00	25,000.00	19,978.22	-	5,021.78	
Office of the Business Administrator						
Salaries and Wages	353,606.00	375,606.00	358,711.51		16,894.49	
Other Expenses	21,200.00	21,200.00	6,406.99	677.49	14,115.52	
Human Resources						
Salaries and Wages	156,474.00	156,974.00	153,637.41		3,336.59	
Other Expenses	47,970.00	47,970.00	22,893.28	2,012.86	23,063.86	
Transportation						
Salaries and Wages	526,977.00	526,977.00	472,233.11		54,743.89	
Other Expenses	76,400.00	76,400.00	71,474.43	3,404.03	1,521.54	
Citizens Review Board						
Salaries and Wages	1,411.00	1,411.00	1,411.00		-	
Insurance						
General Liability	397,610.00	397,610.00	386,553.00	1,000.00	10,057.00	
Workers Compensation	391,300.00	391,300.00	306,300.00		85,000.00	
Employee Group Health	5,535,579.00	5,535,579.00	5,092,119.82	0.36	443,458.82	
Health Benefit Waiver	443,041.00	473,041.00	461,893.24	-	11,147.76	
Public Information and Public Advocacy						
Salaries and Wages	116,037.00	116,037.00	93,707.65		22,329.35	
Other Expenses	74,000.00	74,000.00	51,569.35	16,175.13	6,255.52	
Division of Recreation						
Salaries and Wages	1,074,569.00	1,024,569.00	965,691.34		58,877.66	
Other Expenses	279,983.00	279,983.00	207,817.60	27,864.12	44,301.28	
Division of Parks						
Salaries and Wages	389,701.00	389,701.00	319,317.16		70,383.84	
Other Expenses	86,100.00	86,100.00	67,346.06	11,436.59	7,317.35	

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY

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

	2018 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
Division of Treasury						
Salaries and Wages	435,784.00	435,784.00	415,983.00		19,801.00	
Other Expenses:						
Annual Audit	39,000.00	39,000.00	-	39,000.00	-	
Special Accounting	25,000.00	25,000.00	-	-	25,000.00	
Data Processing	60,000.00	60,000.00	33,590.67	2,043.06	24,366.27	
Miscellaneous Other Expense	25,500.00	25,500.00	13,687.42	741.36	11,071.22	
Division of Revenue Collection						
Salaries and Wages	347,113.00	347,113.00	334,861.00		12,252.00	
Other Expenses:						
Tax Sale Costs	6,500.00	6,500.00	4,110.00	411.65	1,978.35	
Tax Lien Foreclosure	600.00	600.00	-	-	600.00	
Miscellaneous Other Expense	19,000.00	19,000.00	13,437.98	557.00	5,005.02	
Division of Assessment						
Salaries and Wages	415,643.00	415,643.00	405,078.84		10,564.16	
Other Expenses	62,050.00	62,050.00	43,965.45	10,176.15	7,908.40	
Revaluation		-	-	-	-	
Division of Ambulance Services						
Salaries and Wages	1,997,292.00	1,845,992.00	1,659,301.60	-	186,690.40	
Other Expenses	53,350.00	53,350.00	30,438.26	6,361.83	16,549.91	
Police						
Salaries and Wages	9,569,562.00	9,417,062.00	8,907,528.91		509,533.09	
Other Expenses	555,275.00	555,275.00	376,544.34	74,962.44	103,768.22	
Emergency Management Services						
Salaries and Wages	99,125.00	99,125.00	99,125.00		-	
Other Expenses	8,900.00	8,900.00	5,504.06		3,395.94	
Office of the Township Engineer						
Other Expenses:						
Maintenance of Tax Map	61,000.00	61,000.00	55,192.81	5,807.19	-	
Miscellaneous Other Expense	255,500.00	273,500.00	253,000.00	18,000.00	2,500.00	
Division of Streets and Roads						
Salaries and Wages	1,902,267.00	1,932,267.00	1,849,585.99		82,681.01	
Other Expenses	336,000.00	436,000.00	316,937.68	56,858.92	62,203.40	
Vehicle Maintenance						
Salaries and Wages	261,222.00	261,222.00	239,125.73		22,096.27	
Other Expenses	437,600.00	467,600.00	372,396.99	36,211.82	58,991.19	
Solid Waste and Recycling						
Other Expenses	38,000.00	38,000.00	26,603.00	387.50	11,009.50	
Landfill						
Other Expenses	145,000.00	152,300.00	142,284.99	2,715.01	7,300.00	
Buildings and Grounds						
Salaries and Wages	668,435.00	688,435.00	657,952.16		30,482.84	
Other Expenses	621,750.00	621,750.00	492,709.47	85,398.83	43,641.70	

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY

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

	2018 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
Community Services Act						
Other Expenses	857,000.00	857,000.00	417,488.26	197,464.44	242,047.30	
Office of the Township Attorney						
Salaries and Wages	27,347.00	27,347.00	27,347.00		-	
Other Expenses	710,740.00	710,740.00	477,182.55	98,146.29	135,411.16	
Municipal Prosecutor						
Salaries and Wages	56,850.00	56,850.00	56,088.60		761.40	
Other Expenses	200.00	200.00	-	-	200.00	
Municipal Court						
Salaries and Wages	377,891.00	377,891.00	370,030.40		7,860.60	
Other Expenses	15,800.00	15,800.00	9,948.30	1,564.93	4,286.77	
Public Defender						
Salaries and Wages	24,204.00	24,204.00	24,204.00		-	
Animal Control						
Salaries and Wages	160,529.00	160,529.00	154,579.77		5,949.23	
Other Expenses	9,775.00	9,775.00	3,157.80	2,930.55	3,686.65	
Environmental Protection						
Other Expenses	1,000.00	1,000.00	-	-	1,000.00	
Building Demolition						
Other Expenses	300.00	300.00	-		300.00	
Municipal Land Use Law (NJSA 40:55D-1)						
Zoning Board of Adjustment						
Salaries and Wages	91,024.00	91,024.00	88,022.27		3,001.73	
Other Expenses	37,500.00	37,500.00	27,707.45	6,551.25	3,241.30	
Planning Board						
Salaries and Wages	8,153.00	8,153.00	8,153.00		-	
Other Expenses	100,000.00	100,000.00	91,080.49	6,077.51	2,842.00	
Division of Planning						
Salaries and Wages	257,755.00	257,755.00	238,218.87		19,536.13	
Other Expenses	34,150.00	34,150.00	16,609.94	9,411.47	8,128.59	
Shade Tree Commission						
Salaries and Wages	19,715.00	19,715.00	19,715.00		-	
Other Expenses	60,810.00	66,810.00	47,977.17	6,489.66	12,343.17	
Cultural Arts Commission						
Salaries and Wages	23,571.00	23,571.00	23,571.00		-	
Other Expenses	66,989.00	66,989.00	38,162.88	5,078.40	23,747.72	
Environmental & Con. Comm Commission						
Salaries and Wages	3,571.00	3,571.00	3,571.00		-	
Other Expenses	5,725.00	5,725.00	175.00	824.62	4,725.38	
Historic Preservation Commission						
Salaries and Wages	3,571.00	3,571.00	3,571.00		-	
Other Expenses	8,300.00	8,300.00	1,667.75		6,632.25	

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY

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

	2018 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
Senior Services						
Salaries and Wages	605,009.00	605,009.00	549,158.51		55,850.49	
Other Expenses	49,900.00	49,900.00	30,951.27	4,460.24	14,488.49	
Recreation and Youth Advisory Board						
Salaries and Wages	3,200.00	3,200.00	2,537.67		662.33	
Other Expenses	4,850.00	4,850.00	3,433.41	527.05	889.54	
Human Relations Commission						
Salaries and Wages	1,900.00	1,900.00	1,874.97		25.03	
Other Expenses	2,050.00	2,050.00	807.79	-	1,242.21	
Open Space and Farmland Preservation Commission						
Salaries and Wages	3,571.00	3,571.00	3,571.00		-	
Other Expenses	750.00	750.00	234.68	-	515.32	
Celebration of Public Events						
Other Expenses	47,600.00	47,600.00	41,786.57	1,521.00	4,292.43	
<u>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS</u>						
<u>OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17):</u>						
Uniform Construction Code						
Salaries & Wages	1,207,149.00	1,197,149.00	1,152,882.27		44,266.73	
Other Expenses	43,900.00	43,900.00	22,750.38	3,431.91	17,717.71	
Accumulated Absences	2,000.00	2,000.00	-		2,000.00	
Central Mailing	56,000.00	56,000.00	34,615.87	8,251.65	13,132.48	
Utilities	1,660,000.00	1,710,000.00	1,316,341.40	136,377.71	257,280.89	
Total Operations Within "CAPS"	35,613,093.00	35,563,093.00	31,562,839.35	894,737.73	3,105,515.92	-
Contingent	-	-	-	-	-	-
Total Operations Including Contingent Within "CAPS"	35,613,093.00	35,563,093.00	31,562,839.35	894,737.73	3,105,515.92	-
<u>DETAIL:</u>						
Salaries and Wages	21,608,446.00	21,317,146.00	20,054,951.12	-	1,262,194.88	-
Other Expenses (Including Contingent)	14,004,647.00	14,245,947.00	11,507,888.23	894,737.73	1,843,321.04	-
<u>DEFERRED CHARGES - MUNICIPAL WITHIN "CAPS"</u>						
<u>DEFERRED CHARGES</u>						
Prior Years Bills:						
Clearbrook-Community Services Act	35,856.00	35,856.00	35,856.00		-	
Encore-Community Services Act	4,499.54	4,499.54	4,499.54		-	
Encore-Community Services Act	9,253.16	9,253.16	9,253.16		-	

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY

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

	2018 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
STATUTORY EXPENDITURES:						
Contribution to:						
Public Employees' Retirement System	1,700,000.00	1,700,000.00	1,687,035.00		12,965.00	
Social Security System (O.A.S.I.)	1,491,746.00	1,541,746.00	1,479,011.89		62,734.11	
Police & Firemen's Retirement System	1,741,037.00	1,741,037.00	1,741,037.00		-	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	40,000.00	40,000.00	40,000.00		-	
Defined Contribution Retirement Plan	26,000.00	26,000.00	20,417.85		5,582.15	
Total Def. Charges and Statutory Expend. Municipal Within "CAPS"	5,048,391.70	5,098,391.70	5,017,110.44	-	81,281.26	-
Total General Appropriations for Municipal Purposes Within "CAPS"	40,661,484.70	40,661,484.70	36,579,949.79	894,737.73	3,186,797.18	-
OPERATIONS EXCLUDED FROM "CAPS"						
911 System						
Salaries and Wages	176,007.00	176,007.00	176,007.00		-	
Other Expenses	23,900.00	23,900.00	20,763.33	404.60	2,732.07	
Maintenance of Free Public Library	3,645,922.00	3,645,922.00	3,645,922.00		-	
NJPDES Stormwater Permit [N.J.S.A. 40A:4-45.3(cc)]:						
Division of Streets and Roads - Salaries and Wages	213,411.00	213,411.00	213,411.00		-	
Division of Streets and Roads - Other Expenses	211,565.00	211,565.00	161,723.96	13,244.78	36,596.26	
Vehicle Maintenance - Salaries and Wages	4,212.00	4,212.00	4,212.00		-	
Vehicle Maintenance - Other Expenses	7,000.00	7,000.00	7,000.00		-	
Solid Waste and Recycling - Other Expenses	70,000.00	70,000.00	70,000.00		-	
Recycling Tax	7,000.00	7,000.00	5,490.69	1,209.58	299.73	
SHARED SERVICE AGREEMENTS						
Shared Service (Fire Districts and Board)						
Other Expenses	54,000.00	54,000.00	50,827.98	1,287.27	1,884.75	
Shared Service (Recycling)						
Other Expenses	350,000.00	350,000.00	278,323.18	16,473.99	55,202.83	
Shared Service (County Health)						
Other Expenses	97,158.00	97,158.00	93,291.29		3,866.71	
ADDITIONAL APPROPRIATIONS OFFSET BY REVENUES						
Ambulance Services						
Salaries and Wages	1,328,153.00	1,328,153.00	1,328,153.00		-	
Other Expenses	761,847.00	761,847.00	616,947.88	75,594.76	69,304.36	
Clinical Coordinator Training Fees						
Salaries and Wages	10,000.00	10,000.00	10,000.00		-	
Other Expenses	16,000.00	16,000.00	5,925.37	3,913.92	6,160.71	

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY

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

	2018 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>						
SFSP Fire District Payment	8,757.00	8,757.00	8,757.00	-	-	-
Drunk Driving Enforcement Fund	-	8,996.61	8,996.61	-	-	-
Recycling Tonnage Grant	171,436.12	171,436.12	171,436.12	-	-	-
Clean Communities Program	-	85,474.25	85,474.25	-	-	-
Municipal Court Alcohol Education Rehabilitation Program	-	1,318.18	1,318.18	-	-	-
Senior Outreach	16,000.00	26,000.00	26,000.00	-	-	-
Cultural Arts Council	5,000.00	5,000.00	5,000.00	-	-	-
Occupant Protection - Click It or Ticket	-	5,500.00	5,500.00	-	-	-
Distracted Driving Grant	6,600.00	6,600.00	6,600.00	-	-	-
Total Operations Excluded from "CAPS"	7,183,968.12	7,295,257.16	7,007,080.84	112,128.90	176,047.42	-
<u>DETAIL:</u>						
Salaries and Wages	1,747,783.00	1,757,783.00	1,757,783.00	-	-	-
Other Expenses	5,436,185.12	5,537,474.16	5,249,297.84	112,128.90	176,047.42	-
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	100,000.00	100,000.00	100,000.00	-	-	-
Total Capital Improvements Excl. from "CAPS"	100,000.00	100,000.00	100,000.00	-	-	-
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	4,222,867.00	4,222,867.00	4,222,867.00	-	-	-
Payment of Bond Anticipation Notes and Capital Notes	366,000.00	366,000.00	366,000.00	-	-	-
Interest on Bonds	1,078,681.00	1,078,681.00	1,078,681.00	-	-	-
Interest on Notes	260,895.00	260,895.00	260,894.44	-	-	0.56
Green Trust Loan Program Principal and Interest	16,179.00	16,179.00	16,178.03	-	-	0.97
MCI A Revenue Bonds - Loans						
Principal	885,822.00	885,822.00	885,621.61	-	-	200.39
Interest	110,092.00	110,092.00	110,091.90	-	-	0.10
Capital Lease Obligations						
Principal	78,115.00	78,115.00	78,114.97	-	-	0.03
Interest	8,770.00	8,770.00	8,769.01	-	-	0.99
Total Municipal Debt Service - Excl. from "CAPS"	7,027,421.00	7,027,421.00	7,027,217.96	-	-	203.04

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY

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

	<u>2018 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELLED</u>
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"					
Deferred Charges					
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	<u>35,000.00</u>	<u>35,000.00</u>	<u>35,000.00</u>		<u>-</u>
Total Deferred Charges - Municipal Excluded from "CAPS"	<u>35,000.00</u>	<u>35,000.00</u>	<u>35,000.00</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>14,346,389.12</u>	<u>14,457,678.16</u>	<u>14,169,298.80</u>	<u>112,128.90</u>	<u>176,047.42</u>
Subtotal General Appropriations	<u>55,007,873.82</u>	<u>55,119,162.86</u>	<u>50,749,248.59</u>	<u>1,006,866.63</u>	<u>3,362,844.60</u>
Reserve for Uncollected Taxes	<u>3,850,000.00</u>	<u>3,850,000.00</u>	<u>3,850,000.00</u>		<u>-</u>
Total General Appropriations	<u>\$ 58,857,873.82</u>	<u>\$ 58,969,162.86</u>	<u>\$ 54,599,248.59</u>	<u>\$ 1,006,866.63</u>	<u>\$ 3,362,844.60</u>
				A	A
Adopted Budget		\$ 58,857,873.82			
Approp. by N.J.S.A. 40A:4-87		<u>111,289.04</u>			
		<u>\$ 58,969,162.86</u>			
Disbursed			\$ 50,403,923.43		
Reserve for Uncollected Taxes			3,850,000.00		
Due to Grant Fund			310,325.16		
Deferred Charges - Emergency Authorizations			<u>35,000.00</u>		
			<u>\$ 54,599,248.59</u>		

Note: See Notes to Financial Statements

Ref.

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY

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

<u>ASSETS</u>	<u>BALANCE DEC. 31,2018</u>	<u>BALANCE DEC. 31,2017</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>BALANCE DEC. 31,2018</u>	<u>BALANCE DEC. 31,2017</u>
Animal Control Fund:			Animal Control Fund:		
Cash and Investments	\$ 26,001.31	\$ 32,115.36	Reserve for Encumbrances	\$ 20,355.00	\$ 13,408.00
Due from State of NJ - License Fees	1.20	-	Reserve for Animal Control Expenditures	5,647.51	18,707.36
Total	<u>26,002.51</u>	<u>32,115.36</u>	Total	<u>26,002.51</u>	<u>32,115.36</u>
Trust-Other Fund:			Trust-Other Fund:		
Cash and Investments	4,481,535.99	4,614,445.56	Reserve for Community Development	153,025.03	388,665.53
Due From Water Sewer Operating	161,488.15	161,488.15	Reserve for Encumbrances	338,671.94	170,416.42
Community Development Grants Receivable	413,790.85	523,407.31	Due to Payroll Trust	14,842.00	14,842.00
Total	<u>5,056,814.99</u>	<u>5,299,341.02</u>	Reserve for Various Deposits	4,550,276.02	4,725,417.07
			Total	<u>5,056,814.99</u>	<u>5,299,341.02</u>
Affordable Housing Trust Fund:			Affordable Housing Trust Fund:		
Cash and Investments	12,217,953.03	11,857,382.20	Reserve for Encumbrances	266,954.40	226,598.64
Total	<u>12,217,953.03</u>	<u>11,857,382.20</u>	Reserve for Affordable Housing Trust	11,950,998.63	11,630,783.56
			Total	<u>12,217,953.03</u>	<u>11,857,382.20</u>
Unemployment Trust Fund:			Unemployment Trust Fund:		
Cash and Investments	173,529.54	183,294.06	Reserve for Unemployment Trust	193,529.54	203,294.06
Due from Water Sewer Operating	20,000.00	20,000.00	Total	<u>193,529.54</u>	<u>203,294.06</u>
Total	<u>193,529.54</u>	<u>203,294.06</u>			
Payroll Trust:			Payroll Trust:		
Cash and Investments	486,647.27	421,949.45	Payroll Deductions Payable	504,115.16	439,426.93
Due from Water Sewer operating	2,625.89	2,635.48	Total	<u>504,115.16</u>	<u>439,426.93</u>
Due From Other Trust	14,842.00	14,842.00			
Total	<u>504,115.16</u>	<u>439,426.93</u>			

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY

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

<u>ASSETS</u>	<u>BALANCE</u> <u>DEC. 31.2018</u>	<u>BALANCE</u> <u>DEC. 31,2017</u>	<u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>	<u>BALANCE</u> <u>DEC. 31.2018</u>	<u>BALANCE</u> <u>DEC. 31,2017</u>
Developers' Escrow:			Developers' Escrow:		
Cash and Investments	12,815,154.81	11,967,044.60	Reserve for Encumbrances	36,362.05	31,205.87
Cash and Investments	5,234,643.36	5,029,342.02	Due to Water and Sewer Operating Fund	106,807.77	103,313.04
			Due to Water and Sewer Capital Fund	1,963.47	1,963.47
			Developers' Escrow Funds-Utility	5,125,872.12	4,924,065.51
			Developers' Escrow Funds	<u>12,778,792.76</u>	<u>11,935,838.73</u>
 Total	 <u>18,049,798.17</u>	 <u>16,996,386.62</u>	 Total	 <u>18,049,798.17</u>	 <u>16,996,386.62</u>
Self Insurance:			Self Insurance:		
Cash and Investments	652,251.81	659,431.63	Reserve for Encumbrances	42,789.78	30,347.13
Due from Water Sewer operating	180.52	188.97	Reserve for Self Insurance	<u>609,642.55</u>	<u>629,273.47</u>
 Total	 <u>652,432.33</u>	 <u>659,620.60</u>	 Total	 <u>652,432.33</u>	 <u>659,620.60</u>
Open Space Trust Fund:			Open Space Trust Fund:		
Cash and Investments	6,204,627.82	6,051,545.06	Reserve for Encumbrances	132,155.81	286,905.31
			Reserve for Open Space	<u>6,072,472.01</u>	<u>5,764,639.75</u>
 Total	 <u>6,204,627.82</u>	 <u>6,051,545.06</u>	 Total	 <u>6,204,627.82</u>	 <u>6,051,545.06</u>
	 <u>\$ 42,905,273.55</u>	 <u>\$ 41,539,111.85</u>		 <u>\$ 42,905,273.55</u>	 <u>\$ 41,539,111.85</u>

Note: See Notes to Financial Statements

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY

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

	Ref.	December 31, 2018	December 31, 2017
Assets			
Cash	C-2	\$ 6,172,527.35	\$ 8,998,497.20
Cash - affordable housing capital fund	C-2	1,625,265.77	1,611,907.29
Due from developer	C-4	-	15,500.00
Grants receivable	C-7	3,702,440.01	4,600,614.06
Deferred charges to future taxation:			
Funded	C-5	46,185,063.54	50,693,886.40
Unfunded	C-6	36,602,809.75	34,139,309.75
		<u>\$ 94,288,106.42</u>	<u>\$ 100,059,714.70</u>
Liabilities, reserves and fund balance			
Green trust loan program	C-15	\$ 98,149.96	\$ 112,154.57
General serial bonds	C-14	42,575,000.00	47,305,000.00
Bond anticipation notes	C-13	20,072,000.00	19,600,000.00
MCIA loan program	C-15	2,151,339.12	3,036,960.73
MCIA lease purchase agreements	C-15	1,360,574.46	239,771.10
Reserve for encumbrances	C-9	2,588,634.24	3,310,273.71
Improvement authorizations:			
Funded	C-9	3,648,248.43	4,547,049.98
Unfunded	C-9	18,504,091.69	18,016,491.22
Reserve for receivables	Reserve	310,000.00	325,500.00
Reserve for affordable housing	C-8	1,625,265.77	1,611,907.29
Capital improvement fund	C-10	147,600.00	184,000.00
Miscellaneous reserves	C-11	547,990.68	545,557.03
Reserve for debt service	C-12	403,000.00	709,500.00
Fund balance	C-1	256,212.07	515,549.07
		<u>\$ 94,288,106.42</u>	<u>\$ 100,059,714.70</u>
Bonds and notes authorized but not issued (Exhibit C-16)		<u>\$ 16,532,909.75</u>	<u>\$ 14,539,309.75</u>

Note: See Notes to the Financial Statements

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY

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

		December 31,	
	Ref.	2018	2017
Balance, January 1	C	\$ 515,549.07	\$ 885,548.22
Increased by:			
Premium on Bond Anticipation Notes		240,663.00	154,690.07
Canceled Funded Improvement Authorizations		-	310.78
		240,663.00	155,000.85
		756,212.07	1,040,549.07
Decreased by:			
Appropriated to Capital Ordinance		-	25,000.00
Appropriated to Budget Revenue		500,000.00	500,000.00
		500,000.00	525,000.00
Balance, December 31	C	\$ 256,212.07	\$ 515,549.07

Note: See Notes to the Financial Statements

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY

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

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE</u> <u>DEC. 31, 2018</u>	<u>BALANCE</u> <u>DEC. 31, 2017</u>	<u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCES</u>	<u>REF.</u>	<u>BALANCE</u> <u>DEC. 31, 2018</u>	<u>BALANCE</u> <u>DEC. 31, 2017</u>
Operating Fund:				Operating Fund:			
Cash and Investments - Treasurer	D- 5	\$ 14,800,451.13	\$ 10,838,396.09	Liabilities:			
Due from Developer Escrow	D-11	106,807.77	103,313.04	Appropriation Reserves	D-4, D-10	\$ 2,204,397.20	\$ 1,898,222.40
Due From Water-Sewer Capital Fund	D-11	-	85,915.48	Reserve for Encumbrances	D-4, D-10	514,221.51	576,521.45
		<u>14,907,258.90</u>	<u>11,027,624.61</u>	Accounts Payable	D-10	179,976.14	197,438.50
				Various Reserves	D-9	271,841.42	294,626.67
				Due to Payroll	D-11	2,625.89	2,635.48
				Due to Water-Sewer Capital Fund	D-11	2,940,827.07	-
				Due to Trust Fund	D-11	161,488.15	161,488.15
				Due to Unemployment Trust	D-11	20,000.00	20,000.00
				Due to Self Insurance Trust	D-11	180.52	188.97
Receivables and Inventory With				Accrued Interest Payable	D-8	591,238.59	527,336.25
Full Reserves:				Bond Indenture Reserve	D-9	<u>2,291,000.00</u>	<u>2,291,000.00</u>
Consumer Accounts Receivable	D-7	<u>1,063,714.10</u>	<u>1,012,214.48</u>			9,177,796.49	5,969,457.87
		<u>1,063,714.10</u>	<u>1,012,214.48</u>	Reserve for Receivables	Reserve	1,063,714.10	1,012,214.48
				Fund Balance	D- 1	<u>5,729,462.41</u>	<u>5,058,166.74</u>
Total Operating Fund		<u>15,970,973.00</u>	<u>12,039,839.09</u>	Total Operating Fund		<u>15,970,973.00</u>	<u>12,039,839.09</u>

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY

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

<u>ASSETS</u>	<u>REF</u>	<u>BALANCE</u> <u>DEC. 31, 2018</u>	<u>BALANCE</u> <u>DEC. 31, 2017</u>	<u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCES</u>	<u>REF</u>	<u>BALANCE</u> <u>DEC. 31, 2018</u>	<u>BALANCE</u> <u>DEC. 31, 2017</u>
Capital Fund:				Capital Fund:			
Cash and Investments - Treasurer	D-5	\$ 6,892,728.97	\$ 9,919,436.41	Serial Bonds Payable	D-18	\$ 31,490,000.00	\$ 32,810,000.00
Due from Water-Sewer Operating Fund	D-11	2,940,827.07	-	Bond Anticipation Note Payable	D-17	7,928,000.00	6,928,000.00
Due from Developer Escrow	D-11	1,963.47	1,963.47	Loans Payable - NJEIT	D-19	1,356,375.06	1,485,345.05
Fixed Capital	D-12	147,338,667.37	147,338,667.37	Reserve for Encumbrances	D-14	1,443,106.59	1,270,438.89
Fixed Capital Authorized and Uncompleted	D-13	<u>55,369,500.00</u>	<u>55,369,500.00</u>	Retainage Payable	D-20	42,058.50	42,058.50
				Improvement Authorizations:			
				Funded	D-14	4,422,303.47	4,570,589.82
				Unfunded	D-14	14,802,740.11	15,915,011.60
				Interfunds Payable	D-11	-	85,915.48
				Reserve for:			
				Capital Outlay	D-15	207,013.49	214,145.24
				Various Reserves	D-20	531,897.69	531,897.69
				Amortization	D-20	146,890,751.78	145,441,781.79
				Deferred Amortization	D-20	1,181,000.00	1,181,000.00
				Reserve for Debt Service	D-20	267,757.23	267,757.23
				Reserve for Bond Resolution	D-16	1,017,971.74	1,017,971.74
				Fund Balance	D-2	<u>962,711.22</u>	<u>867,654.22</u>
Total Capital Fund		<u>212,543,686.88</u>	<u>212,629,567.25</u>	Total Capital Fund		<u>212,543,686.88</u>	<u>212,629,567.25</u>
		<u>\$ 228,514,659.88</u>	<u>\$ 224,669,406.34</u>			<u>\$ 228,514,659.88</u>	<u>\$ 224,669,406.34</u>

There were Bonds and Notes Authorized but not Issued at December 31, 2018 in the amount of \$13,647,515.00 and December 31, 2017 in the amount of \$14,647,515.00 (See Exhibit D-21).

Note: See Notes to Financial Statements

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY

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

<u>REVENUE AND OTHER INCOME</u>	<u>REF.</u>	<u>YEAR 2018</u>	<u>YEAR 2017</u>
Fund Balance Utilized		\$ 1,577,040.00	\$ 1,385,575.00
Utility Service Charges		16,899,034.74	15,475,439.47
Miscellaneous Revenues		1,372,839.85	968,416.93
Non Budget Revenues		146.34	-
Other Credits to Income:			
Accounts Payable/Accrued Interest Adjustments		1,619.90	-
Unexpend. Balance of Appropriation Reserves		<u>1,402,332.65</u>	<u>987,400.68</u>
Total Revenues		<u>21,253,013.48</u>	<u>18,816,832.08</u>
 <u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operating		14,309,687.00	14,268,005.00
Capital Improvements		300,000.00	300,000.00
Debt Service		2,744,990.81	2,907,491.91
Deferred Charges and Statutory Expend.		<u>650,000.00</u>	<u>600,000.00</u>
Total Expenditures		<u>18,004,677.81</u>	<u>18,075,496.91</u>
Excess/(Deficit) in Revenues		3,248,335.67	741,335.17
 <u>FUND BALANCE</u>			
Balance - January 1,	D	<u>5,058,166.74</u>	<u>7,002,406.57</u>
		8,306,502.41	7,743,741.74
Decreased by:			
Utilized as Anticipated Revenue		1,577,040.00	1,385,575.00
Appropriated in Current Fund Budget		<u>1,000,000.00</u>	<u>1,300,000.00</u>
Balance - December 31,	D	<u>\$ 5,729,462.41</u>	<u>\$ 5,058,166.74</u>

Note: See Notes to Financial Statements

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY

WATER-SEWER UTILITY CAPITAL FUND
 STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

	REF.		
Balance - January 1, 2018	D	\$	867,654.22
Increased by:			
Premium on Sale of Bond Anticipation Notes			<u>95,057.00</u>
Balance - December 31, 2018	D	\$	<u><u>962,711.22</u></u>

Note: See Notes to Financial Statements

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY

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

	2018 <u>BUDGET</u>	<u>REALIZED</u>	EXCESS OR <u>(DEFICIT)</u>
Operating Surplus Anticipated	\$ 1,577,040.00	\$ 1,577,040.00	\$ -
Water-Sewer Utility Service Charges	15,475,000.00	16,899,034.74	1,424,034.74
Miscellaneous Revenues	<u>953,825.00</u>	<u>1,372,839.85</u>	<u>419,014.85</u>
	<u>\$ 18,005,865.00</u>	<u>\$ 19,848,914.59</u>	<u>\$ 1,843,049.59</u>

Analysis of Realized Revenues:

Analysis of Water-Sewer Utility Charges:

Service Charges- Residential and Commercial	\$ 10,460,672.16
Service Charges- Schools, Municipal, Institution	199,083.36
Service Charges- Fire Protection	990,543.06
Service Charges- Interlocals	834,578.15
Service Charges Connection Fees	2,896,750.87
Service Charges- Review and Inspection	390,546.95
Service Charges- Cell Tower Lease	438,093.64
Service Charges- Miscellaneous	<u>688,766.55</u>
	<u>\$ 16,899,034.74</u>

Analysis of Miscellaneous Revenues:

Developer Fees	\$ 1,076,394.56
Interest on Investments	144,021.77
Meter Purchase	8,100.00
Miscellaneous	<u>144,323.52</u>
	<u>\$ 1,372,839.85</u>

Note: See Notes to Financial Statements

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY

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

	2018 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
Operating:						
Salaries and Wages	\$ 3,963,087.00	\$ 3,963,087.00	\$ 3,647,061.65	\$ -	\$ 316,025.35	\$ -
Other Expenses	10,346,600.00	10,346,600.00	8,225,789.56	441,839.96	1,678,970.48	-
Capital Improvements:						
Capital Outlay	300,000.00	300,000.00	87,018.45	72,381.55	140,600.00	-
Debt Service:						
Payment of Bond Principal	1,320,000.00	1,320,000.00	1,320,000.00			-
Interest on Bonds	1,087,675.00	1,087,675.00	1,087,675.00			-
Interest on Notes	135,869.00	135,869.00	135,869.00			-
NJEIT 2012 Loan	165,725.00	165,725.00	164,537.81			1,187.19
Monroe Township MCIA Debt Service	36,909.00	36,909.00	36,909.00			-
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	340,000.00	340,000.00	336,135.00		3,865.00	-
Social Security System (O.A.S.I.)	300,000.00	300,000.00	245,063.63		54,936.37	-
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)	10,000.00	10,000.00			10,000.00	-
	<u>\$ 18,005,865.00</u>	<u>\$ 18,005,865.00</u>	<u>\$ 15,286,059.10</u>	<u>\$ 514,221.51</u>	<u>\$ 2,204,397.20</u>	<u>\$ 1,187.19</u>

Ref.

D

D

Disbursed	\$ 14,026,947.28
Accrued interest on notes	135,869.00
Interest on NJEIT Loan	35,567.82
Accrued interest on bonds	1,087,675.00
	<u>\$ 15,286,059.10</u>

Note: See Notes to Financial Statements.

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY

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

	<u>BALANCE</u> <u>DEC. 31, 2018</u>	<u>BALANCE</u> <u>DEC. 31, 2017</u>
General Fixed Assets:		
Land	\$ 3,769,000.00	\$ 3,769,000.00
Land Improvements	4,495,603.75	4,495,603.75
Buildings	22,703,740.16	22,703,740.16
Equipment	<u>18,779,987.62</u>	<u>18,197,520.59</u>
Total General Fixed Assets	<u>\$ 49,748,331.53</u>	<u>\$ 49,165,864.50</u>
Investment in General Fixed Assets	<u>\$ 49,748,331.53</u>	<u>\$ 49,165,864.50</u>

See Notes to Financial Statements

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2018 AND 2017

Note 1: FORM OF GOVERNMENT

The Township is managed under the Faulkner Act form of government authorized under NJSA: 40:69A-31 et. seq. Voters elect the Township Council of five (5) members to staggered, four-year terms. The Mayor is the chief executive and is directly elected to a four-year term. The Township Council is the legislative body of the municipality. The Mayor appoints department heads with Council approval. By ordinance, the business administrator supervises administration of departments, subject to the Mayor's direction.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Description of Funds

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

Current Fund - resources and expenditures for governmental operations of a general nature, including Federal and State grant funds, except as otherwise noted.

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

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

Water and Sewer Utility Fund - resources and expenditures for the operations and acquisition of capital facilities of the municipally owned Water and Sewer Utility.

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

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

C. Basis of Accounting and Measurement Focus

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

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

Revenues – Revenues are recorded as received in cash except for statutory reimbursements and grant funds that are due from other governmental units. State and Federal grants, entitlements and shared revenues received for operating purposes are realized as revenues when anticipated in the Township budget. Receivables for property taxes and utility consumer charges are recorded with offsetting reserves within the Current Fund and Water and Sewer Utility Fund, respectively. Other amounts that are due to the Township, which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable, with the exception of utility consumer charges, which should be recognized in the period they are earned and become measurable.

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

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

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

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

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

Property Acquired for Taxes - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the governmental fixed asset account group at the lower of cost or fair market value.

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

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

Sale of Municipal Assets - Cash proceeds from the sale of Township owned property may be realized as revenue or reserved until utilized as an item of revenue in a subsequent year budget. Year-end balances of reserved proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of the sales contracts become legally enforceable.

Fixed Assets - Property and equipment purchased by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. Property and equipment purchased by the Utility Fund are recorded in their capital accounts at cost and are adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Fund represent charges to operations for the costs of acquisitions of property, equipment and improvements, and costs funded from sources other than bonded debt of the utility. The utility does not record depreciation on fixed assets. GAAP does not require the establishment of a reserve for amortization for utility fixed assets, but does require the recognition of depreciation of these assets as an operating expense of the utility.

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

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

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

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

Governmental Fixed Assets – New Jersey Administrative Code 5:30-5.6 established a mandate for fixed asset accounting by municipalities, effective December 31, 1985. Fixed assets used in governmental operations are accounted for in the Governmental Fixed Assets. Public domain (“infrastructure”) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets, sidewalks and drainage systems are not capitalized. All fixed assets have been valued at cost or estimated historical cost if the actual cost is not available, except for land and buildings at January 1, 1996, which have been valued at the assessed value.

Disclosures About Fair Value of Financial Instruments - The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

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

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

Recent Accounting Standards

GASB issued Statement No. 84, “Fiduciary Activities” in January 2017. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

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

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

GASB issued Statement No. 85, "Omnibus 2017" in March 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The provisions of this Statement are effective for periods beginning after June 15, 2017.

GASB issued Statement No. 86, "Certain Debt Extinguishment Issues" in May 2017. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

GASB issued Statement No. 87, "Leases" in June 2017. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB issued Statement No. 88 "Certain Disclosures Relate to Debt, Including Direct Borrowings and Direct Placements" in April 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

GASB issued Statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period" in June 2018. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

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

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

GASB issued Statement No. 90 "Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61" in August 2018. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

The Township does not prepare its financial statements in accordance with generally accepted accounting principles in the United States of America. The adoption of these new standards will not adversely affect the reporting on the Township's financial condition.

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

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

Water and Sewer Utility Fund – Effective February 1, 2009, pursuant to N.J.S.A. 40A:5A-20, the adoption of local ordinances and resolutions and the approval of the Local Finance Board, Department of Community Affairs, State of New Jersey, the Monroe Township Municipal Utilities Authority (MUA) was dissolved and its operations were absorbed by the Township of Monroe. The activity of the utility operations are recorded and reported within the Water and Sewer Utility Fund section of the Township's financial statements. The MUA, the previous entity, operated as a separate authority and reported its financial statements in accordance with accounting principles generally accepted in the United States. Upon this transition, the Township Water and Sewer Utility Fund reports its financial statements for the period February 1, 2009 through December 31, 2009, under the OCBOA form of accounting as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The primary differences between these accounting principles are as described above. In accordance with the establishment of the Water and Sewer Utility Fund, the Township converted the balance sheet reported by the MUA under the GAAP basis of accounting at January 31, 2009, to a balance sheet prepared by the Township as the Water and Sewer Utility Fund under the Township's OCBOA form of accounting as of February 1, 2009.

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION

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

A. Summary of Municipal Debt for Capital Projects

	<u>2018</u>	<u>2017</u>
<u>Issued:</u>		
General:		
Serial Bonds	\$ 42,575,000.00	\$ 47,305,000.00
Bond Anticipation Notes	20,072,000.00	19,600,000.00
Green Acres Trust Loans	98,149.96	112,154.57
MCIA Loan and Lease Programs	3,511,913.58	3,276,731.83
Water - Sewer Utility:		
Serial Bonds	31,490,000.00	32,810,000.00
NJEIT Loans	1,356,375.06	1,485,345.05
Bond Anticipation Notes	<u>7,928,000.00</u>	<u>6,928,000.00</u>
Total Issued	<u>107,031,438.60</u>	<u>111,517,231.45</u>
Net Issued	<u>107,031,438.60</u>	<u>111,517,231.45</u>
<u>Authorized But Not Issued:</u>		
General:		
Bonds and Notes	16,532,909.75	14,539,309.75
Water - Sewer Utility:		
Bonds and Notes	<u>13,647,515.00</u>	<u>14,647,515.00</u>
Total Authorized But Not Issued	<u>30,180,424.75</u>	<u>29,186,824.75</u>
Total Bonds and Notes Issued and Authorized but not Issued	<u>\$ 137,211,863.35</u>	<u>\$ 140,704,056.20</u>

NOTES TO FINANCIAL STATEMENTS

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

A. Summary of Municipal Debt for Capital Projects (Cont'd.)

Summarized below are the Township's individual bond and loan issues which were outstanding at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
<u>General Debt:</u>		
<u>Serial Bonds and Bond Anticipation Notes:</u>		
\$30,075,000, General Obligation Bonds - 2012 serial bond issued 2012 with final maturity 2027, remaining interest rates at 2.00% to 3.00%	\$ 18,000,000.00	\$ 20,000,000.00
\$5,055,000, General Obligation Refunding Bonds - 2012 serial bond issued 2012 with final maturity 2019, remaining interest rates at 2.94% to 4.00%	820,000.00	1,645,000.00
\$28,235,000, General Obligation Bonds - 2013 serial bond issued 2013 with final maturity 2033, remaining interest rates at 2.25% to 3.00%	22,500,000.00	24,000,000.00
\$2,435,000, General Obligation Refunding Bonds - 2015 serial bond issued 2015 with final maturity 2021, remaining interest rates at 3.00% to 4.00%	1,255,000.00	1,660,000.00
\$19,600,000, General Capital Bond Anticipation Notes - 2017 issued 8/2/17, due on 6/13/18, interest 2.00%	-	19,600,000.00
\$20,072,000, General Capital Bond Anticipation Notes - 2018 issued 6/12/18, due on 6/11/19, interest 3.00%	<u>20,072,000.00</u>	<u>-</u>
Subtotal - Bonds and Bond Anticipation Notes	62,647,000.00	66,905,000.00
<u>Loans:</u>		
\$658,110.06, MCIA Loan Program issued 10/28/13 with final maturity 2018 interest 2.00% to 4.00%	-	140,051.21
\$796,721.23, MCIA Loan Program issued 9/30/14 with final maturity 2019 interest 1.50% to 3.00%	167,626.66	330,370.99
\$593,245.14, MCIA Loan Program issued 9/17/15 with final maturity 2020 interest 1.50% to 4.00%	247,568.89	365,391.51
\$1,272,775.86, MCIA Loan Program issued 9/26/16 with final maturity 2021 interest 2.00% to 4.00%	786,609.73	1,031,259.52
\$1,169,887.50, MCIA Loan Program issued 9/1/17 with final maturity 2022 interest 3.00%	949,533.84	1,169,887.50
MCIA Lease Program - Various - Item E	1,360,574.46	239,771.10
\$265,600.16, N.J. Green Trust Loan issued 1/11/05 with final maturity 2025 interest 2.000%	<u>98,149.96</u>	<u>112,154.57</u>
Subtotal - Loans	3,610,063.54	3,388,886.40
Subtotal - General Debt	<u>66,257,063.54</u>	<u>70,293,886.40</u>

NOTES TO FINANCIAL STATEMENTS

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

A. Summary of Municipal Debt for Capital Projects (Cont'd.)

Summarized below are the Township's individual bond and loan issues which were outstanding at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
<u>Water and Sewer Utility Debt:</u>		
<u>Serial Bonds:</u>		
\$30,000,000, Water-Sewer Capital Revenue Bonds serial bond issued 2015 with final maturity 2039, remaining interest rates at 3.000% to 4.000%	\$ 27,550,000.00	\$ 28,450,000.00
\$4,750,000, Water-Sewer Revenue Refunding Bonds serial bond issued 2016 with final maturity 2026, interest rates at 2.000% to 4.000% & NIC of 1.926%	3,940,000.00	4,360,000.00
\$6,928,000, Water - Sewer Bond Anticipation Notes issued 8/2/17, due on 6/13/18, interest 2.000%	-	6,928,000.00
\$7,928,000, Water - Sewer Bond Anticipation Notes issued 6/12/18, due on 6/11/19, interest 3.000%	7,928,000.00	-
\$1,060,000, NJ Environmental Infrastructure Trust Loan issued 2012 with final maturity 8/1/28 remaining interest rates at 3.000% to 5.000%	755,000.00	810,000.00
\$1,060,000, NJ Environmental Infrastructure Trust Loan issued 2012 with final maturity 8/1/28 remaining interest rates at 0.000%	<u>601,375.06</u>	<u>675,345.05</u>
Subtotal - Water and Sewer Utility Debt	<u>40,774,375.06</u>	<u>41,223,345.05</u>
Total Outstanding Debt	<u>\$ 107,031,438.60</u>	<u>\$ 111,517,231.45</u>

NOTES TO FINANCIAL STATEMENTS

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

B. Summary of Statutory Debt Condition - Annual Debt Statement

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

<u>2018</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 116,320,000.00	\$ 116,320,000.00	\$ -
Water - Sewer Utility Debt	54,421,890.06	54,421,890.06	-
General Debt	<u>82,789,973.29</u>	<u>17,208,240.00</u>	<u>65,581,733.29</u>
	<u>\$ 253,531,863.35</u>	<u>\$ 187,950,130.06</u>	<u>\$ 65,581,733.29</u>

Net Debt \$ 65,581,733.29 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$ 8,761,371,331.67 = 0.75%

<u>2017</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 122,300,000.00	\$ 122,300,000.00	\$ -
Water - Sewer Utility Debt	55,870,860.05	55,870,860.05	-
General Debt	<u>84,833,196.15</u>	<u>17,770,273.00</u>	<u>67,062,923.15</u>
	<u>\$ 263,004,056.20</u>	<u>\$ 195,941,133.05</u>	<u>\$ 67,062,923.15</u>

Net Debt \$ 67,062,923.15 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$ 8,356,824,743.00 = 0.80%

The Township's Borrowing Power Under N.J.S.A. 40A:2-6 as Amended, at December 31, was as follows:

	<u>2018</u>	<u>2017</u>
3 1/2% of Equalized Valuation Basis Municipal Net Debt	<u>\$ 306,647,996.61</u> <u>65,581,733.29</u>	<u>\$ 292,488,866.01</u> <u>67,062,923.15</u>
Remaining Borrowing Power	<u>\$ 241,066,263.32</u>	<u>\$ 225,425,942.86</u>

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)
 B. Summary of Statutory Debt Condition - Annual Debt Statement

Calculation of "Self-Liquidating Purpose"
Water and Sewer Utility Per N.J.S.A. 40A: 2-45

The calculation of "Self-Liquidating Purpose" for the Water and Sewer Utility Fund per N.J.S.A. 40A: 2-45 is as follows:

Cash Receipts From Fees, Rents or Other Charges for the year	<u>2018</u> \$ 19,849,060.93	<u>2017</u> \$ 17,829,431.40
Deductions:		
Operating and Maintenance Costs	14,959,687.00	14,868,005.00
Debt Service	<u>2,744,990.81</u>	<u>2,907,491.91</u>
Total Deductions	<u>17,704,677.81</u>	<u>17,775,496.91</u>
Excess in Revenue	<u>\$ 2,144,383.12</u>	<u>\$ 53,934.49</u>

The differences between the excess revenues for debt statement purposes and the statutory cash basis for the Water and Sewer Utility Fund is as follows:

Excess in Revenues - Cash Basis (D-1)	<u>2018</u> \$ 3,313,715.77	<u>2017</u> \$ 741,335.17
Add: Capital Improvements	<u>300,000.00</u>	<u>300,000.00</u>
	3,613,715.77	1,041,335.17
Less: Unexpend. Balance of Appropriation Reserves	1,402,332.65	987,400.68
Accounts Payable Cancelled	<u>67,000.00</u>	<u> </u>
Excess in Revenue	<u>\$ 2,144,383.12</u>	<u>\$ 53,934.49</u>

NOTES TO FINANCIAL STATEMENTS

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

C. Schedule of Annual Debt Service for Principal and Interest for the Bonded Debt Issued and Outstanding at December 31, 2018:

Calendar Year	General		Water - Sewer Utility*		Total
	Principal	Interest	Principa	Interest	
2019	\$ 4,735,000.00	\$ 1,179,225.00	\$	1,062,075.00	\$ 8,341,300.00
2020	3,915,000.00	1,042,975.00		1,006,875.00	7,354,850.00
2021	3,925,000.00	941,375.00		950,975.00	7,252,350.00
2022	3,500,000.00	819,375.00		893,875.00	6,668,250.00
2023	3,500,000.00	740,000.00		835,275.00	6,580,275.00
2024	3,500,000.00	662,812.50		774,775.00	6,492,587.50
2025	3,500,000.00	562,500.00		712,075.00	6,389,575.00
2026	3,500,000.00	457,500.00		663,350.00	6,290,850.00
2027	3,500,000.00	352,500.00		618,750.00	5,971,250.00
2028	1,500,000.00	247,500.00		573,750.00	3,821,250.00
2029	1,500,000.00	112,500.00		528,750.00	3,641,250.00
2030	1,500,000.00	180,000.00		483,750.00	3,663,750.00
2031	1,500,000.00	135,000.00		438,750.00	3,573,750.00
2032	1,500,000.00	90,000.00		393,750.00	3,483,750.00
2033	1,500,000.00	45,000.00		346,875.00	3,391,875.00
2034	-	-		300,000.00	1,800,000.00
2035	-	-		251,250.00	1,751,250.00
2036	-	-		202,500.00	1,702,500.00
2037	-	-		153,750.00	1,653,750.00
2038	-	-		103,125.00	1,603,125.00
2039	-	-		52,500.00	1,552,500.00
Total	\$ 42,575,000.00	\$ 7,568,262.50	\$	11,346,775.00	\$ 92,980,037.50

The detail of the Township financings are contained within the supplementary schedules section included within this report.

* Includes Water-Sewer Refunding bonds issued 2/10/16

As described previously within the Notes to the Financial Statements, effective February 1, 2009, the Township dissolved the Monroe Township Utilities Authority and created a Municipal Water and Sewer Utility. In connection with this transition, the Water and Sewer Utility assumed the responsibility for the MUA's previously issued debt. Pursuant to the 1977 General Bond Resolution, certain reserves are required to be maintained until the bonds are retired.

NOTES TO FINANCIAL STATEMENTS

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

D. Loan Agreements:

Loan Agreements - Middlesex County Improvement Authority

The Township has entered into various loan financings with the Middlesex County Improvement Authority for improvement programs. The improvement programs are financed through debt issued by the Middlesex County improvements Authority. During the year ended December 31, 2018, the Township made payments to the Middlesex County Improvement Authority with respect to the loan improvement programs in the amount of \$885,621.61.

New Jersey Green Trust Loan

The Township has contracted for the funding of Ballfield Improvements through the N.J. Green Trust Loan Program in the amount of \$265,600.16. Pursuant to the provisions of N.J.S.A. 40A: 2-1 et seq. the loan principal in the amount of \$98,149.97 and \$112,154.57 at December 31, 2018 and 2017 has been included in the calculation of the Township's statutory debt condition.

Schedule of Annual Debt Service for Principal and Interest for the Loan Agreements Issued and Outstanding at December 31, 2018

Calendar Year	MCIA Loans		NJ Green Trust		Total
	Principal	Interest	Principal	Interest	
2019	\$ 767,937.51	\$ 80,387.68	\$ 14,286.10	\$ 1,891.92	\$ 864,503.21
2020	622,053.64	52,384.17	14,573.25	1,604.77	690,615.83
2021	513,337.99	26,704.42	14,866.18	1,311.86	556,220.45
2022	248,009.98	7,440.30	15,164.98	1,013.04	271,628.30
2023	-	-	15,469.80	708.22	16,178.02
2024	-	-	15,780.75	397.29	16,178.04
2025	-	-	8,008.91	80.09	8,089.00
Total	<u>\$ 2,151,339.12</u>	<u>\$ 166,916.57</u>	<u>\$ 98,149.97</u>	<u>\$ 7,007.19</u>	<u>\$ 2,423,412.85</u>

The payment schedules for the respective loan agreements are set forth in the General Capital section of this report.

NOTES TO FINANCIAL STATEMENTS

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

E. Lease Agreements - Middlesex County Improvement Authority

The Township has entered into various lease/purchase agreements with the Middlesex County Improvement Authority for capital equipment. During the year ended December 31, 2018, the Township made principal lease payments in the amount of \$78,114.97. The lease payment schedules for the respective lease agreements are set forth in the General Capital section of this report. The following is a combined schedule of the future minimum lease payments under these capital leases and the present value of the net minimum lease payments at December 31, 2018:

Year Ended December 31:	
2019	\$ 340,910.88
2020	324,934.27
2021	299,942.42
2022	284,785.26
2023	269,165.70
Total minimum lease payments	<u>1,519,738.53</u>
Less amount representing interest/fees	<u>159,164.07</u>
Present value of future minimum lease payments	<u>\$ 1,360,574.46</u>

As a result of legislation that impacted and provided for limitations on increases in tax levy amounts (P.L. 2007, c.62), the characterization of certain lease payment obligations have been modified as of July 1, 2007. As of and subsequent to that date, any lease obligations that involve asset acquisitions or projects with estimated lives of five (5) years or greater, those obligations due to the conduit issuer are to be classified as debt, in accordance with debt authorized under N.J.S.A. 40 A-2-3 et seq. Lease obligations issued with respect to assets with estimated useful lives of less than five years and all lease obligations issued prior to July 1, 2007, are not considered debt of the local unit.

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

F. Loan Agreements

Department of Environmental Protection
Environmental Infrastructure Loans

The Township has contracted with the State of New Jersey, Department of Environmental Protection to fund a portion of the costs incurred for improvements to wells 17 and 19. Total final loan amount was \$2,612,985 which included \$522,595 of Principal Forgiveness. Information relating to these loans is as follows:

	<u>Loan #1</u>	<u>Loan #2</u>
Drawn Down Date	11/21/2016	11/21/2016
Final Loan Amount	\$1,060,000.00	1,183,520.00
Interest Rates	Various	0.00%
Due Dates	Aug. 1 & Feb. 1	Feb. 1 & Aug. 1
Number of Payments	19	19
Final Payment Date	08/01/28	08/01/27

Pursuant to the provisions of N.J.S.A. 40A: 2-1 et seq. the combined outstanding principle of these loans has been included in the calculation of the Township's statutory debt condition within the Water and Sewer Utility.

Schedule of Annual Debt Service for Principal and Interest for the
NJEIT Debt Issued and Outstanding at December 31, 2018:

Calendar Year	Fund Loan	Trust Loan		Total
	Principal	Principal	Interest	
2019	\$ 73,969.99	\$ 60,000.00	\$ 34,150.00	\$ 168,119.99
2020	73,969.99	65,000.00	31,150.00	170,119.99
2021	73,969.99	65,000.00	27,900.00	166,869.99
2022	73,969.99	70,000.00	24,650.00	168,619.99
2023	73,969.99	75,000.00	21,150.00	170,119.99
2024	73,969.99	75,000.00	17,400.00	166,369.99
2025	73,969.99	80,000.00	13,650.00	167,619.99
2026	73,969.99	85,000.00	9,650.00	168,619.99
2027	9,615.14	90,000.00	5,400.00	105,015.14
2028	-	90,000.00	2,700.00	92,700.00
Total	<u>\$ 601,375.06</u>	<u>\$ 755,000.00</u>	<u>\$ 187,800.00</u>	<u>\$ 1,544,175.06</u>

The detail of the Township financings are contained within the supplementary schedules section included within this report.

NOTES TO FINANCIAL STATEMENTS

Note 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective funds for the succeeding years were as follows:

	<u>Fund Balance Dec. 31, 2018</u>	<u>Utilized in Succeeding Budget</u>	<u>Utilized in Current Fund Budget</u>
Current Fund	\$12,185,835.52	\$8,950,000.00	N/A
Water -Sewer Utility Fund	5,729,462.41	1,300,000.00	\$900,000.00

	<u>Fund Balance Dec. 31, 2017</u>	<u>Utilized in Succeeding Budget</u>	<u>Utilized in Current Fund Budget</u>
Current Fund	\$13,283,729.96	\$8,100,000.00	N/A
Water -Sewer Utility Fund	5,058,166.74	1,577,040.00	\$1,000,000.00

Note 5: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2018 and 2017, the Township of Monroe had the following deferred charges to be raised in succeeding budgets:

	<u>2018</u>	<u>2017</u>
Special Emergency – (40A:4-53): Master Plan	\$ 105,000.00	\$ 140,000.00

Note 6: DEPOSITS AND INVESTMENTS

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

Deposits

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

Note 6: DEPOSITS AND INVESTMENTS (CONT'D.)

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

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

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

	<u>2018</u>	<u>2017</u>
Cash and Cash Equivalents	\$94,614,271.37	\$108,341,813.87
Change Funds (On-Hand)	<u>900.00</u>	<u>900.00</u>
 Total	 <u>\$94,615,171.37</u>	 <u>\$108,342,713.87</u>

Based upon GASB criteria, the Township considers change funds, cash in banks and investments in certificates of deposit as cash and cash equivalents. At December 31, 2018, the carrying amount of the Township’s deposits and investments was \$90,937,539.25 and the amount on deposit was \$94,614,271.37. As of December 31, 2018, with respect to Custodial Credit Risk for Township, the amounts reported were as follows; \$2,000,000.00 was covered by the Federal Depository Insurance Corporation and \$92,614,271.37 was considered covered under the provisions of NJGUDPA.

The Township has implemented the disclosure requirements of Governmental Accounting Standards Board Statement No. 40 “Deposits and Investment Risk Disclosures” (GASB 40) and accordingly the Township has assessed the Custodial Risk, the Concentration of Credit Risk and Interest Rate Risk of its cash and investments.

- (a) Custodial Credit Risk – The Township’s deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution’s trust department or agent but no in the depositor-governments name. The deposit risk is that, in the event of the failure of a depository financial institution, the Township will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The Township’s investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Township and are held by either: the counterparty or the counterparty’s trust department or agent but not in the Township’s name. The investment risk is that, in the event of the failure of the counterparty to a transaction, the Township will not be able to recover the value of the investment or collateral securities that in possession of an outside party.

Note 6: DEPOSITS AND INVESTMENTS (CONT'D.)

(b) Concentration of Credit Risk – This is the risk associated with the amount of investments that Township has with any one issuer that exceeds 5 percent or more of its total investments. Investment issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

(c) Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

In general, the Township does not have an investment policy regarding Credit Risk except to the extent outlined under the Township’s investment policy. The New Jersey Cash Management Fund is not rated.

(d) Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

The Township does not have a deposit policy for custodial risk. Based upon the existing deposit and investment practices, the Township is generally not exposed to credit risks, custodial credit risks (FDIC and NJGUDPA coverage’s) for its deposits and investments; concentration of credit risks and interest rate risks for its investments; nor is it exposed to foreign currency risks for its deposits and investments.

Investments

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;
2. Government money market mutual funds;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided such obligation bear a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Township or bonds or other obligations of school districts of which the Township is a part and within which the school district is located;
5. Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the Division of Investment of the Department of Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, c. 281 (C.52:18A-90.4); or

Note 6: DEPOSITS AND INVESTMENTS (CONT'D.)

8. Agreements for the repurchase of fully collateralized securities, if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3);
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is more than 30 days; and
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.19:9-41) and for which a master repurchase agreement providing for the custody and security of the collateral is executed.

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

In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

Note 7: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

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

Tax bills are prepared and mailed by the Collector of Taxes annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The New Jersey Statutes allow a grace period of 10 days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amount delinquent, and if a delinquency (including interest) is in excess of \$10,000.00 and remains in arrears after December 31, an additional flat penalty of 6% may be charged against the delinquency. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

Note 8: FIXED ASSETS

The Township's fixed assets are reported as follows:

	<u>Balance</u> <u>December 31, 2017</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>December 31, 2018</u>
Land	\$3,769,000.00	\$ -	\$ -	\$3,769,000.00
Land Improvements	4,495,603.75	-	-	4,495,603.75
Buildings	22,703,740.16	-	-	22,703,740.16
Machinery & equipment	<u>18,197,520.59</u>	<u>582,467.03</u>	-	<u>18,779,987.62</u>
	<u>\$49,165,864.50</u>	<u>\$582,467.03</u>	<u>\$ -</u>	<u>\$49,748,331.53</u>

Note 9. PENSION PLANS

Description of Plans - The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan's designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a projection period. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at www.state.nj.us/treasury/pensions, or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

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

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

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

Note 9. PENSION PLANS (CONT'D.)

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

Significant Legislation – Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PERS, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

For the year ended December 31, 2018 and 2017, the Township's total payrolls for all employees were \$30,401,395 and \$28,228,167, respectively. Total PERS covered payrolls were \$15,969,979 and \$14,947,634, respectively. Covered payroll refers to all compensation paid by the Township to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of 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% for State fiscal year 2018. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The Township's cash basis contributions to the Plan for the years ended December 31, 2018 and 2017 were \$2,019,115 and \$1,880,700, respectively. Township Contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contribution requirements were calculated. Township payments to PERS for the years ending December 31, 2018 and 2017 consisted of the following:

	<u>2018</u>	<u>2017</u>
Normal Cost	\$255,249	\$283,372
Amortization of Accrued Liability	<u>1,589,506</u>	<u>1,442,111</u>
Total Pension	1,844,755	1,725,483
NCGI Premiums	<u>94,526</u>	<u>86,116</u>
Total Regular Billing	1,939,281	1,811,599
LTD Expense	16,606	5,873
Additional Billings:		
ERI	<u>63,228</u>	<u>63,228</u>
Total PERS Payment	<u>\$2,019,115</u>	<u>\$1,880,700</u>

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

Note 9. PENSION PLANS (CONT'D.)

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

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

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

The following represents the membership tiers for PERS:

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

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

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

At June 30, 2018, the PERS reported a liability of \$19,689,501,539 for its Non-State Employer Member Group. The Township’s proportionate share of the net pension liability for the Non-State Employer Group that is attributable to the Township was \$42,327,453 or 0.214975%. At June 30, 2017, the PERS reported a net pension liability of \$23,278,401,588 for its Non-State Employer Member Group. The proportionate share of the State of New Jersey’s net pension liability for the Non-State Employer Member Group that is attributable to the Township was \$48,730,239 or 0.209337%.

Note 9. PENSION PLANS (CONT'D.)

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

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

Inflation	2.25%
Salary Increases: Through 2026	1.65-4.15% Based on age
Thereafter	2.65-5.15% Based on age
Investment rate of return	7.00%

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 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Note 9. PENSION PLANS (CONT'D.)

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

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's 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 estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

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

Note 9. PENSION PLANS (CONT'D.)

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

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

	At 1% Decrease (4.66%)	At current discount rate (5.66%)	At 1% increase (6.66%)
State	\$27,413,044,035	\$23,704,298,093	\$20,597,322,253
Local	<u>24,757,279,564</u>	<u>19,689,501,539</u>	<u>15,437,959,879</u>
PERS Plan Total	<u>\$52,170,323,599</u>	<u>\$43,393,799,632</u>	<u>\$36,035,282,132</u>
Township's proportionate share of the net pension liability	<u>\$53,221,895</u>	<u>\$42,327,453</u>	<u>\$33,187,713</u>

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

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

At December 31, 2018, the Township's deferred outflow of resources and deferred inflow of resources related to PERS were from the following sources, if GASB 68 was recognized:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Difference between expended and actual experience	\$807,191	\$218,254
Change in assumptions	6,974,863	13,534,068
Net difference between projected and actual earnings		
On pension plan investments		397,033
Changes in proportion and differences between Township		
Contributions and proportionate share of contributions	2,453,528	147,113
Township contributions subsequent to the measurement date	<u>2,019,115</u>	<u>0</u>
Total	<u>\$12,254,697</u>	<u>\$14,296,468</u>

Note 9. PENSION PLANS (CONT'D.)

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

Collective Deferred Outflows of Resources and Deferred Inflows of Resources – \$2,019,115 is reflected above as deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense as follows:

<u>Year ending</u>	<u>Amount</u>
2019	\$810,085
2020	205,278
2021	(2,260,550)
2022	(2,143,852)
2023	(671,849)
Total	<u>\$(4,060,889)</u>

Changes in Proportion - The previous amounts include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.63, 5.48, 5.57 and 5.72 years for the 2018, 2017, 2016, and 2015 amounts, respectively.

Additional Information

Collective balances at June 30, 2018

Collective deferred outflows of resources	\$4,684,852,302
Collective deferred inflows of resources	7,646,736,226
Collective net pension liability – Local group	19,689,501,539
Township's Proportion	0.21497473%

Note 9. PENSION PLANS (CONT'D.)

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

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

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

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

For the year ended December 31, 2018 and 2017, the Township's total payrolls for all employees were \$30,401,395 and \$28,228,167, respectively. Total PFRS covered payrolls were \$7,099,193 and \$6,597,767, respectively. Covered payroll refers to all compensation paid by the Township to active employees covered by the Plan.

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

Note 9. PENSION PLANS (CONT'D.)

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

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate was 10.0% in State fiscal year 2018. Employers’ contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The Township’s cash basis contributions to the Plan for the years ended December 31, 2018 and 2017 were \$1,741,037 and \$1,531,217, respectively. Township Contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contribution requirements were calculated. Township payments to PFRS for the years ending December 31, 2018 and 2017 consisted of the following:

	<u>2018</u>	<u>2017</u>
Normal Cost	\$518,313	\$499,982
Amortization of Accrued Liability	<u>1,131,799</u>	<u>944,670</u>
Total Pension	1,650,112	1,444,652
NCGI Premiums	<u>70,551</u>	<u>66,651</u>
Total Regular Billing	1,720,663	1,511,303
Additional Billings:		
ERI	<u>20,374</u>	<u>19,914</u>
Total PFRS Payment	<u>\$1,741,037</u>	<u>\$1,531,217</u>

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

The following represents the membership tiers for PFRS:

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

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

Note 9. PENSION PLANS (CONT'D.)

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

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

At June 30, 2018, the PFRS reported a net pension liability of \$13,531,648,591 for its Non-State, Non-Special Funding Situation Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State, Non-Special Funding Situation Employer Member Group was \$26,531,308 or 0.196069%. At June 30, 2017, the PFRS reported a net pension liability of \$15,438,066,691 for its Non-State, Non-Special Funding Situation Employer Member Group. The Township's proportionate of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$30,014,866 or 0.194421%.

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

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

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

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

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

Note 9. PENSION PLANS (CONT'D.)

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

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

<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 estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

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

Note 9. PENSION PLANS (CONT'D.)

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

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

	At 1% Decrease (5.51%)	At current discount rate (6.51%)*	At 1% increase (7.51%)
State	\$ 5,090,302,750	\$ 4,329,304,276	\$ 3,702,605,881
Local	<u>20,570,435,198</u>	<u>15,369,699,278</u>	<u>11,080,039,474</u>
PFRS Plan Total	<u>\$25,660,737,948</u>	<u>\$19,699,003,554</u>	<u>\$14,782,645,355</u>
Township's proportionate share of the net pension liability	<u>\$40,332,155</u>	<u>\$26,531,308</u>	<u>\$21,724,473</u>

*- Local Share includes \$1,838,050,687 of Special Funding Situation allocated to the State of NJ as a non-employer.

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

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

At December 31, 2018, the Township's deferred outflow of resources and deferred inflow of resources related to PFRS were from the following sources, if GASB 68 was recognized:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Difference between expensed and actual experience	\$269,921	\$109,793
Change in assumptions	2,277,356	6,799,516
Net difference between projected and actual earnings On pension plan investments		145,150
Changes in proportion and differences between Township Contributions and proportionate share of contributions	2,537,540	10,000
Township contributions subsequent to the measurement date	<u>1,741,037</u>	<u>0</u>
Total	<u>\$6,825,855</u>	<u>\$7,064,459</u>

Note 9. PENSION PLANS (CONT'D.)

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

Collective Deferred Outflows of Resources and Deferred Inflows of Resources – \$1,741,037 is reflected above as deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date. Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense as follows:

<u>Year ending</u>	<u>Amount</u>
2019	\$922,987
2020	96,287
2021	(1,410,625)
2022	(1,175,369)
2023	<u>(412,918)</u>
Total	<u>\$(1,979,637)</u>

Changes in Proportion - The previous amounts include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.73, 5.59, 5.58, and 5.53 years for the 2018, 2017, 2016 and 2015 amounts, respectively.

Additional Information

Collective balances at June 30, 2018

Collective deferred outflows of resources	\$1,988,215,695
Collective deferred inflows of resources	4,286,994,294
Collective net pension liability – Local group	15,369,699,278
Township's Proportion	0.196068555%

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

Unaudited data provided by the PFRS indicates that the total Non-employer contributions made to the PFRS by the State for the year ended June 30, 2018 was \$108,857,000. The portion of that contribution allocated to the Township was \$213,434 or 0.1960685551%. The State special funding situation pension expense of \$217,714,180 at June 30, 2018 was actuarially determined and represents the required contribution due from the State for the year. The special funding situation net pension liability under the special funding situation was reported at \$1,838,050,687 at June 30, 2018 and represents the accumulated difference between the actuarially determined annual contributions required and the actual State contributions through the valuation date. The Township's allocated shares of the special funding situation pension expense for the year ended June 30, 2018 and its share of the special funding situation NPL at that date were \$426,869 and \$3,603,839, respectively.

Note 9. PENSION PLANS (CONT'D.)

C. Defined Contribution Retirement System (DCRP)

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

Plan Membership and Contributing Employers- Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established “maximum compensation” limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually. At June 30, 2017, the membership in the DCRP, based on the information within the Division’s database, was 46,557.

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

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

For the year ended December 31, 2018 and 2017, the Township’s total payrolls for all employees were \$30,401,395 and \$28,228,167, respectively. Total DCRP covered payrolls were \$720,469 and \$613,879, respectively. Covered payroll refers to all compensation paid by the Township to active employees covered by the Plan. Township and employee contributions to the DCRP for the year ended December 31, 2018 were \$21,614 and \$39,626, respectively and for the year ended December 31, 2017 were \$18,416 and \$33,763, respectively.

D. Cumulative PERS and PFRS Deferred Outflows of Resources and Deferred Inflows of Resources

	<u>Net Pension Liability</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Total Pension Expense</u>
PERS	\$ 42,327,453	\$10,235,582	\$14,296,468	\$2,968,434
PFRS	<u>26,531,308</u>	<u>5,084,818</u>	<u>7,064,459</u>	<u>2,899,815</u>
Total	<u>\$ 68,858,761</u>	<u>\$15,320,400</u>	<u>\$21,360,927</u>	<u>\$5,868,249</u>

Note 10: POST-RETIREMENT HEALTH CARE BENEFITS

The Township provides medical, prescription drug and Medicare Part B reimbursement to retirees and their covered dependents, in accordance with applicable resolutions and collective bargaining agreements. The Township maintains a single-employer, defined benefit health plan with benefits provided through insurance carriers and by third party claims administrators. All active employees who retire from the Township and meet the eligibility criteria receive these benefits.

The Township currently funds the costs to provide postemployment benefits on a pay-as-you-go basis. The Township establishes and has the power to amend benefits and contribution obligations, subject to collective bargaining agreements.

Based upon the requirements set forth by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, the Township's reporting obligation is to issue standalone financial statements, prepared on a GAAP basis. With respect to the Authority, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for fiscal years beginning after June 15, 2017, which supersedes GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and which was implemented by the Township during the year ended December 31, 2018, requires the reporting of annual post-employment benefit (OPEB) cost (expense) on a full accrual basis, including the amortization of unfunded accrued liability, as opposed to the other comprehensive basis of accounting (OCBOA) reporting requirements imposed by the Division of Local Government Services for Counties and Municipalities, which requires note disclosure only for OPEB costs. As such, under OCBOA standards, the Township's unrestricted net assets would be increased by the amount of OPEB costs accrued at each balance sheet date.

The Township's annual post-employment benefit (OPEB) cost (expense) is calculated based on amounts actuarially determined in accordance with the parameters of GASB Statement 75.

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health-care cost trend. Amounts determined regarding the funded status of the plan and the annual contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Employees covered by benefit terms

At December 31, 2018, the following employees were covered by the benefit terms:

Active employees	283
Retirees and surviving spouses	85
	<u>368</u>

Note 10: POST-RETIREMENT HEALTH CARE BENEFITS (CONT'D.)

Summary of Post-retirement Welfare (Health) Benefits

A. Eligibility

Post-retirement medical benefits are provided to bargained and non-bargained employees who:

- Retired with 25 or more years of service in the Public Employees Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS) and have at least 15 years of service to the Township if non-bargained or at least 25 years of service to the Township if bargained;
- Retire under a disability retirement in the PERS or PFRS and have at least 15 years of service to the Township.

B. Health Benefits

Major medical and hospitalization benefits are provided through the Horizon NJ Health Direct Access Plan.

Prescription drug coverage is provided through the Horizon NJ Health Direct Access plan with co-payments of \$5 Generic and \$15 Brand Name. Supplemental coverage is provided to certain grandfathered retirees with \$2/\$4 co-pays.

C. Dental and Vision

No dental or vision benefits are provided to retirees.

D. Survivor Medical Benefits

In the event of the death of an active employee with 25 or more years of service, medical and prescription drug coverage is provided for the lifetime of the surviving spouse and to age 26 for dependents.

E. Contributions

Current retirees, dependents and survivors are not required to contribute toward the cost of the post-retirement medical and prescription drug coverage. All costs are paid 100% by the Township.

Any employee who retires after satisfying the eligibility requirements who had less than 20 years of PERS or PFRS as of June 28, 2011, shall be required to contribute toward the cost of post-retirement healthcare benefits. The retiree contributions are based on a percentage of the post-retirement healthcare cost. The contribution percentages vary based on healthcare coverage tier and amount of PERS or PFRS pension amounts, pursuant to the requirement of P.L. 2011 c. 78 (Chapter 78).

F. Medicare

The Township reimburses Medicare Part B premium charges for retirees and their dependents who met the eligibility rules in Section A above. Any Medicare Part D subsidy for which the Township may be eligible is not considered in this valuation. The accounting treatment for the Retiree Drug Subsidy is defined under GASB Technical Bulletin No. 2006-1.

G. Death Benefits

There are no death benefits paid to retirees by the Township.

Note 10: POST-RETIREMENT HEALTH CARE BENEFITS (CONT'D.)

Change in the Total OPEB Liability

Balance – 12/31/2017	\$ 169,634,059
Changes for the year:	
Service cost	4,932,058
Interest cost	6,070,541
Benefit payments	(2,244,200)
Actuarial assumption changes	(23,691,900)
Actuarial demographic (gain) or loss	394,680
Net changes	<u>(14,538,821)</u>
Balance – 12/31/2018	<u>\$155,095,238</u>

Changes in plan fiduciary net position during year

Balance - 12/31/17	\$ 0
Changes for the year:	
Employer contributions	2,244,200
Benefit payments	<u>(2,244,200)</u>
Net Changes	<u>0</u>
Balance - 12/31/18	<u>\$ 0</u>
Net OPEB Liability at end of year	<u>\$ 155,095,238</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0%
Covered-employee payroll	\$22,282,838
Total OPEB liability as a percentage of covered-employee payroll	696.03%

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

Benefit assumptions are based upon blended plan rates to produce annual composite rates. The monthly per capita claims cost for post-65 Medicare Part B premium reimbursements is \$135.50. Salary increases are scheduled at 3% per year. Retiree contributions assumes the cost for current Premium Free retirees and their dependents is 100% paid by the Township Administration prior to the application of Chapter 78. Direct Bill retirees and their dependents pay 100% of the costs to continue medical coverage.

In accordance with Local Finance Notice 2007-15 issued by the New Jersey Department of Community Affairs, the Township demographic and health care assumptions utilized are consistent with the assumptions used by the New Jersey Division of Pensions and Benefits and the State Health Benefits Plan as reported in their July 1, 2016 Actuarial Valuation to value the GASB obligations. The valuation results as of January 1, 2017 and December 31, 2017 are based on a valuation date of January 1, 2017 using the same valuation assumptions as set forth in the January 1, 2017 report.

NOTES TO FINANCIAL STATEMENTS

Note 10: POST-RETIREMENT HEALTH CARE BENEFITS (CONT'D.)

Changes since the prior valuation include the mortality table projection scale was updated to MP-2018; the discount rate was revised to reflect current market rates, and the prescription drug trend rates were revised to incorporate current expected trend rates.

The assumptions for the plan used the "20-Bond GO Index" to establish a discount rate of 3.75% at January 1, 2017, 3.50% at December 31, 2017 and 4.10% at December 31, 2018. Inflation is assumed at 2.5% per year.

Sensitivity of the total OPEB liability to changes in the 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 was calculated using a discount rate that is 1-percent-point lower or 1-percent-point higher than the current discount rate:

	1% Decrease <u>3.10%</u>	Current Rate <u>4.10%</u>	1% Increase <u>5.10%</u>
Total OPEB liability	\$193,593,485	\$155,095,238	\$126,273,419

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate

The following represents 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-percent-point lower or 1-percent-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$123,923,260	\$155,095,238	\$197,801,143

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

At 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>
Differences between expected and actual demographic experience	\$ 328,900	\$ -
Changes of assumptions	4,444,284	19,743,250
	<u>\$ 4,773,184</u>	<u>\$ 19,743,250</u>

Note 10: POST-RETIREMENT HEALTH CARE BENEFITS (CONT'D.)

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

Year ended December 31,	
2019	\$ (2,771,799)
2020	(2,771,799)
2021	(2,771,799)
2022	(2,771,799)
2023	(3,882,870)
Total	<u>\$ (14,970,066)</u>

The actuarial cost method used to determine the GASB 75 plan's cost is the Entry Age Normal Cost Method. Under the entry age normal cost method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The Service Cost is the portion of this actuarial present value allocated to a valuation year. The Total Pension Liability is the portion of this actuarial present value not provided for at the valuation date by the actuarial present value of future service costs. The plan is currently unfunded.

Note 11: ACCRUED SICK AND VACATION BENEFITS

The Township has permitted employees to accrue unused sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the cost of such unpaid sick and vacation pay would approximate \$3,108,796 and \$2,880,499.00 for 2018 and 2017. This amount represents the current value of all accumulations, and is not intended to portray amounts that would be recorded under GAAP. Expenditures for payment of accrued sick and vacation benefits are recorded in the period in which payments are made as part of the current year's operating budget appropriations.

Note 12: RISK MANAGEMENT

The Township is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; natural disasters; workers. The Township has obtained insurance coverage to guard against these events which will provide minimum exposure to the Township should they occur.

Effective August 1, 2010, the Township joined the Middlesex County Joint Insurance Funds covering risk of loss. The Fund, which is organized and operated pursuant to the regulatory authority of the Departments of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles. Payments to the Fund are calculated by the Fund's governing board based upon actuarial and budgetary requirements. Each participant in the Fund is jointly and severally obligated for any deficiency in the amount available to pay all claims. At December 31, 2014, the most recent report made available, the Fund reported for all years combined, total assets of \$23,433,522; liabilities and reserves of \$35,411,258; which includes case reserves of \$13,404,367 and IBNR of \$21,635,334 and a deficit fund balance for all years of \$11,977,736.

Effective January 1, 2019, the Township joined the Garden State Municipal Joint Insurance Funds covering risk of loss.

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.

Note 13: DEFERRED COMPENSATION

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

Note 14: TAX APPEALS

There are 91 direct tax appeals pending, requesting a reduction of assessed valuation for 2018 and prior years, of which 14 are considered to be small claim appeals and 77 non-small claim appeals. The aggregate assessed valuation of the properties under appeal totals \$1,134,675,600. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement. The Township has established a reserve for tax appeals that is funded by either budget appropriations or charges to the current year Current Fund operations. To the extent tax appeals exceed the amount of reserves established, appeals may be funded from the Township's tax levy, direct charges to the Township's operations or through the issuance of refunding bonds per N.J.S.A. 40A:2-51.

Note 15: LONG TERM TAX EXEMPTIONS

The Township provides for long-term tax exemptions, as authorized and permitted by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. The exemptions provided by the Township are predominately for affordable housing projects. Taxes abated include municipal, local school and county taxes. The Township is required to remit five percent (5.00%) to the County for any payments received in lieu of taxes (PILOT payments). The Township did not have any PILOT programs during 2018.

Note 16: INTERFUNDS

The following interfund balances were on the balance sheets of the respective funds at December 31, 2018:

<u>Fund</u>	Interfund Receivables	Interfund Payables
Current Fund	\$ -	\$ 606,990.64
Grant Fund	606,990.64	
Trust - Other	161,488.15	14,842.00
Unemployment Trust	20,000.00	
Developers' Escrow		108,771.24
Self Insurance	180.52	
Payroll Trust	17,467.89	
Water-Sewer Operating	106,807.77	3,125,121.63
Water-Sewer Capital	2,942,790.54	
Totals	\$ 3,855,725.51	\$ 3,855,725.51

Note 17: COMMITMENTS AND CONTINGENCIES

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

Contractual Commitments

As of December 31, 2018, the Township of Monroe was a party to various construction contracts and commitments that totaled \$2,588,634. Various Capital Improvements with total commitments of \$1,550,442; Cultural and Heritage Museum Improvement with total commitments of \$684; Various Applegarth Road Intersections Improvement with total commitments of \$1,534; Affordable Housing Improvements with total commitments of \$3,339; Computer Equipment/Software with total commitments of \$1,002; Forge Road Drainage Improvements with total commitments of \$2,157; Dey Farm Homestead Property Improvements with total commitments of \$18,529; Police and EMS Building Preliminary Planning with total commitments of \$262,955; Acquisition of Federal/Perrineville Rd Land with total commitments of \$5,324; Acquisition of Open Space with total commitments of \$6,286; Acquisition of Road Paver with total commitments of \$9,000; Purchase of Police Department Equipment of \$223,031; EMS Radios Upgrade of \$17,044; Purchase of Library Books of \$112,118; MCIA Revenue Bonds Equipment with total commitments of \$375,190.

Litigation

As of the date of this report, the Township has litigation pending that traditionally would be covered through the procurement of liability insurance coverages.

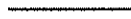
Note 18: SUBSEQUENT EVENTS

The following bond ordinances were adopted subsequent to December 31, 2018:

<u>Date</u>	<u>Purpose</u>	<u>Amount</u>	<u>Debt Authorized</u>
	General Capital:		
02/04/19	Various Capital Improvements	\$1,400,000	\$1,333,300
06/05/19	Pedestrian and Roadway Improvements	820,000	262,800
06/24/19	Various Capital Improvements	1,040,000	990,000
	Utility Capital:		
06/24/19	Various Utility Improvements	\$1,130,000	\$1,130,000

Subsequent to December 31, 2018, the Township issued Bond Anticipation Notes dated June 10, 2019 with a maturity date of June 10, 2020. The BAN's were issued for \$6,000,000 with a coupon rate of 2.50% with a net interest cost of 1.49%. \$5,000,000 were for the General Capital Fund and \$1,000,000 were for the Water and Sewer Utility Fund.

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY



PART II
SUPPLEMENTARY SCHEDULES

Current Fund

CURRENT FUND
SCHEDULE OF CASH

	<u>Ref.</u>	CURRENT FUND	GRANT FUND
Balance December 31, 2017.....	A	\$ 36,694,604.86	\$ -
Increased by Cash Receipts			
Miscellaneous Revenue Not Anticipated.....		130,670.13	
Due NJ Sr Citizens and Veterans Deductions.....		684,015.96	
Taxes Receivable.....		182,334,048.68	
Miscellaneous Anticipated Revenue.....		10,796,763.44	
Interfunds.....		318,131.51	
Prepaid Licenses and Fees.....		15,095.00	
Various Accounts Payable & Reserves.....		3,147,977.94	
Tax Overpayments.....		<u>483,121.67</u>	
Total Cash Receipts.....		197,909,824.33	-
Decreased by Disbursements			
Budget Appropriations.....		50,403,923.43	
Interfunds.....		202,290.60	
Appropriation Reserves.....		2,356,899.81	
Tax Overpayments.....		492,146.32	
Taxes Payable.....		158,699,673.75	
Various A/P, & Reserves.....		3,285,069.93	
Prior Years' Revenue Refunded.....		<u>38,034.24</u>	
Total Cash Disbursements.....		<u>215,478,038.08</u>	-
Balance December 31, 2018.....	A	<u>\$ 19,126,391.11</u>	<u>\$ -</u>

SCHEDULE OF DUE TO/FROM STATE OF NEW JERSEY -
 FOR ALLOWABLE DEDUCTIONS PER CHAPTER 20, P.L. 1976
CURRENT FUND

	<u>REF.</u>	
Balance - December 31, 2017 (Due To)	A	\$ (32,908.40)
Increased by:		
Allowable Deductions per		
Tax Billings	686,000.00	
2018 Sr. Citizens and Vet.		
Ded. Allowed by Collector	<u>19,789.05</u>	<u>705,789.05</u>
		672,880.65
Decreased by:		
Collected	684,015.96	
2018 Sr. Citizens and Vet.		
Ded. Disallowed by Collector	4,695.91	
2017 Sr. Citizens and Vet.		
Ded. Disallowed by Collector	<u>15,133.57</u>	<u>703,845.44</u>
Balance - December 31, 2018(Due To)	A	<u>\$ (30,964.79)</u>
Analysis of Sr. Citizens & Veterans		
<u>Deductions Allowed - 2018 Taxes</u>		
Per Tax Billings		\$ 686,000.00
Allowed (Disallowed) by Tax Collector (Net)		<u>15,093.14</u>
		<u>\$ 701,093.14</u>

CURRENT FUND
SCHEDULE OF PROPERTY TAXES RECEIVABLE AND LEVY ANALYSIS

	Total	CY 19 Prepaid	CY 18 Current	CY 17 Delinquent	Arrears	Tax Liens	Property Acquired for Taxes
Balance 12/31/2017.....	\$ (14,343,817.16)	\$ (17,980,517.76)	\$ -	\$ 1,813,228.74	\$ 5,313.29	\$ 248,358.57	\$ 1,569,800.00
Billings / Levy:							
Original Levy.....	197,502,807.46		197,502,807.46				
Added & Omitted.....	2,284,985.50		2,284,985.50				
Adjustments.....	21,035.56			16,788.64	3,750.00	496.92	
Canceled Taxes.....	(168,439.13)		(130,238.35)	(38,200.70)	(0.08)		
Transfers							
Tax Lien.....	-		(24,034.74)	(574.16)	(767.45)	25,376.35	
Tax Sale and Adjustments.....	-						
Revenue							
Sr.Citizens & Vets.....	(701,093.14)		(701,093.14)				
Cash Receipts.....	(182,334,048.68)	(1,448,709.68)	(179,150,670.32)	(1,705,441.09)	(5,330.18)	(23,897.41)	
Prepaid Applied.....	-	17,980,517.76	(17,980,517.76)				
Balance 12/31/2018.....	<u>\$ 2,261,430.41</u>	<u>\$ (1,448,709.68)</u>	<u>\$ 1,801,238.65</u>	<u>\$ 85,801.43</u>	<u>\$ 2,965.58</u>	<u>\$ 250,334.43</u>	<u>\$ 1,569,800.00</u>

Ref.

A

A

A

Analysis of 2018 Property Tax Levy:

Tax Yield:

General Purpose Tax	\$ 197,502,807.46
Added Taxes	<u>2,284,985.50</u>
	<u>\$ 199,787,792.96</u>

Tax Levy:

Local School District Tax	\$ 109,802,610.00
County Tax	32,639,340.80
County Open Space	2,667,682.56
Due County - Added & Omitted	409,353.35
Special District Taxes	12,025,516.00
Municipal Open Space	<u>1,155,170.04</u>

Current

<u>Taxes Realized:</u>	
Sr. Citizens & Vets	\$ 701,093.14
Cash Receipts	179,150,670.32
Prepayments	<u>17,980,517.76</u>
Subtotal	197,832,281.22
Res. For Uncoll. Tax	<u>3,850,000.00</u>
	201,682,281.22

Analysis of Delinquent Taxes:

CY 2018 Current	\$ 1,801,238.65
CY 2017 Delinquent	85,801.43
Arrears	<u>2,965.58</u>

Local Tax for Municipal Purposes	39,145,918.70
Add: Additional Tax Levied	<u>1,942,201.51</u>

Allocated to School, County and Fire Districts	<u>(158,699,672.75)</u>
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A

\$ 1,890,005.66

\$ 199,787,792.96

\$ 42,982,608.47

CURRENT FUND
SCHEDULE OF NONBUDGET REVENUES & VARIOUS ACCOUNTS RECEIVABLES

	12/31/2017	Cash Receipts - Prior Year Accruals	Current Year Accrued/ Adjustments	Cash Receipts - Current Year Accruals	12/31/2018
Revenue Accounts Receivable:					
Municipal Court - Fines and Costs	\$ 33,240.31	\$ (33,240.31)	\$ 429,028.01	\$ (394,087.54)	\$ 34,940.47
	<u>33,240.31</u>	<u>(33,240.31)</u>	<u>429,028.01</u>	<u>(394,087.54)</u>	<u>34,940.47</u>
Non - Budget Revenue:					
Administrative Fee - Senior Citizens and Veterans	-	-	13,884.32	(13,884.32)	-
Prior Year Reimbursements	-	-	9,554.62	(9,554.62)	-
NSF Fees	-	-	740.00	(740.00)	-
Cell Tower Lease	-	-	20,641.20	(20,641.20)	-
Facility Rental Fees	-	-	12,649.99	(12,649.99)	-
Homestead Rebate Administrative Fee	-	-	6,828.00	(6,828.00)	-
NJ DMV Fines	-	-	897.00	(897.00)	-
Vending Machine	-	-	7,080.45	(7,080.45)	-
Closeout Prior Year MCIA	-	-	692.72	(692.72)	-
Public Defender	-	-	7,302.00	(7,302.00)	-
Tax Collector Fees	-	-	96.27	(96.27)	-
Refunds and Rebates	-	-	6,743.68	(6,743.68)	-
Sale of Scrap/Auction	-	-	41,093.71	(41,093.71)	-
Miscellaneous	-	-	2,466.17	(2,466.17)	-
	<u>-</u>	<u>-</u>	<u>130,670.13</u>	<u>(130,670.13)</u>	<u>-</u>
Total	\$ 33,240.31	\$ (33,240.31)	\$ 559,698.14	\$ (524,757.67)	\$ 34,940.47

Ref. A

A

Analysis of Miscellaneous Revenues:

Account Receivable Collections	\$ 33,240.31
Current Year Collections	<u>10,763,523.13</u>
Subtotal	10,796,763.44
Grants Realized - Grant Fund	<u>299,325.16</u>
	<u><u>\$ 11,096,088.60</u></u>

SCHEDULE OF DEFERRED CHARGES

	<u>BALANCE</u> <u>DEC. 31, 2017</u>	<u>RAISED IN</u> <u>2018 BUDGET</u>	<u>BALANCE</u> <u>DEC. 31, 2018</u>
Special Emergency(40A:4-53):			
Preparation of master plan	<u>\$ 140,000.00</u>	<u>\$ 35,000.00</u>	<u>\$ 105,000.00</u>
	<u><u>\$ 140,000.00</u></u>	<u><u>\$ 35,000.00</u></u>	<u><u>\$ 105,000.00</u></u>
<u>Ref.</u>	A		A

SCHEDULE OF 2017 APPROPRIATION RESERVES

	Balance December 31, 2017		Balance After Transfers and Encumbrances	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Encumbrances			
Office of the Mayor:					
Other expenses	\$ 486.48	\$ 558.52	\$ 1,045.00	\$ 400.00	\$ 645.00
Township Council:					
Salaries and wages	701.98	-	701.98	-	701.98
Other expenses	2,167.34	175.75	2,343.09	175.75	2,167.34
Office of the Township Clerk:					
Salaries and wages	14,869.47	-	14,869.47	6,884.09	7,985.38
Other expenses	25,077.42	15,548.67	40,626.09	15,673.24	24,952.85
Elections:					
Other expenses	3,152.91	-	3,152.91	-	3,152.91
Division of Administration:					
Office of the Business Administrator:					
Salaries and wages	9,776.86	-	9,776.86	6,932.29	2,844.57
Other expenses	6,516.24	1,642.35	8,158.59	1,721.45	6,437.14
Human Resources:					
Salaries and wages	3,630.26	-	3,630.26	2,550.00	1,080.26
Other expenses	21,574.30	573.68	22,147.98	2,464.90	19,683.08
Transportation:					
Salaries and wages	30,901.95	-	30,901.95	9,383.80	21,518.15
Other expenses	2,819.22	4,876.94	7,696.16	4,366.94	3,329.22
Insurance:					
General Liability	5,554.00	-	5,554.00	-	5,554.00
Employee Group Health	269,461.25	-	269,461.25	100,000.00	169,461.25
Workers Compensation	85,000.00	-	135,000.00	75,000.00	60,000.00
Health Benefit Waiver	165.66	-	165.66	-	165.66
Office of Information and Public Advocacy:					
Salaries and wages	5,122.05	-	5,122.05	2,332.01	2,790.04
Other expenses	15,535.52	80.00	15,615.52	314.00	15,301.52
Division of Recreation:					
Salaries and wages	51,385.47	-	51,385.47	14,412.38	36,973.09
Other expenses	34,867.72	37,189.41	72,057.13	36,681.59	35,375.54
Division of Parks:					
Salaries and wages	23,230.92	-	23,230.92	6,103.95	17,126.97
Other expenses	4,446.88	2,474.43	6,921.31	1,684.93	5,236.38
Division of Treasury:					
Salaries and wages	12,899.29	-	12,899.29	10,042.27	2,857.02
Other expenses:					
Annual audit	-	36,720.00	36,720.00	36,720.00	-
Special accounting services	17,150.00	-	17,150.00	138.00	17,012.00
Data processing	1,252.67	11,168.50	12,421.17	11,510.00	911.17
Miscellaneous other expenses	16,010.88	488.11	16,498.99	2,722.11	13,776.88
Division of Revenue Collection:					
Salaries and wages	8,040.51	-	8,040.51	6,351.90	1,688.61
Division of Revenue Collection:					
Other expenses:					
Tax sale costs	1,225.00	-	1,225.00	440.00	785.00
Tax lien foreclosure	528.00	-	528.00	-	528.00
Miscellaneous other expenses	4,595.12	2,612.51	7,207.63	2,922.11	4,285.52
Division of Assessments:					
Salaries and wages	21,546.06	-	21,546.06	7,219.35	14,326.71
Other expenses	27,472.00	16,513.20	43,985.20	4,148.74	39,836.46
Division of First Aid:					
Salaries and wages	490,952.60	-	403,452.60	71,653.14	331,799.46
Other expenses	17,062.10	-	17,062.10	1,342.50	15,719.60
Police:					
Salaries and wages	374,514.96	-	287,014.96	171,953.66	115,061.30
Other expenses	77,364.95	51,852.08	129,217.03	66,266.26	62,950.77
Emergency Management Services:					
Salaries and wages	4,930.66	-	4,930.66	-	4,930.66
Other expenses	3,445.94	-	3,445.94	-	3,445.94

SCHEDULE OF 2017 APPROPRIATION RESERVES

	Balance December 31, 2017		Balance After Transfers and Encumbrances	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Encumbrances			
Department of Engineering:					
Office of the Township Engineer:					
Other expenses:					
Maintenance of tax map		14,758.22	14,758.22	14,615.43	142.79
Miscellaneous other expenses		24,975.63	24,975.63	24,100.22	875.41
Department of Public Works:					
Division of Streets and Roads:					
Salaries and wages	195,005.22	-	195,005.22	187,192.34	7,812.88
Other expenses	49,581.51	27,463.81	152,045.32	128,316.09	23,729.23
Vehicle Maintenance:					
Salaries and wages	6,534.60	-	6,534.60	5,193.51	1,341.09
Other expenses	28,881.85	9,008.64	37,890.49	15,570.85	22,319.64
Solid Waste and Recycling:					
Other expenses	14,510.50	572.00	15,082.50	3,185.00	11,897.50
Landfill:					
Other expenses	10,468.88	7,080.63	17,549.51	8,466.62	9,082.89
Buildings and Grounds:					
Salaries and wages	11,500.32	-	11,500.32	10,350.81	1,149.51
Other expenses	53,638.92	23,780.31	77,419.23	14,672.41	62,746.82
Community Services Act:					
Other expenses	189,106.99	531,987.00	721,093.99	681,422.48	39,671.51
Department of Law:					
Office of the Township Attorney:					
Other expenses	3,317.02	85,575.33	88,892.35	83,911.51	4,980.84
Municipal Prosecutor:					
Other expenses	200.00		200.00	-	200.00
Municipal Court:					
Salaries and wages	7,296.49		7,296.49	5,828.81	1,467.68
Other expenses	5,873.79	842.14	6,715.93	971.41	5,744.52
Public Defender:					
Salaries and wages	5,185.00		5,185.00	-	5,185.00
Department of Health and Welfare:					
Animal Control:					
Salaries and wages	8,235.99		8,235.99	2,859.94	5,376.05
Other expenses	3,838.47	2,039.13	5,877.60	1,804.93	4,072.67
Environmental Protection:					
Salaries and wages	25,000.63		25,000.63	-	25,000.63
Other expenses	1,000.00	-	1,000.00	-	1,000.00
Contributions to:					
South County Day Care Center-Contractual	1,500.00		1,500.00		1,500.00
Building Demolition:					
Other expenses	300.00	-	300.00	-	300.00
Other Township Agencies:					
Municipal Land Use Law (N.J.S.A. 40:55D-1)					
Zoning Board of Adjustment:					
Salaries and wages	1,388.60	-	1,388.60	1,382.75	5.85
Other expenses	3,360.27	6,473.85	9,834.12	491.89	9,342.23
Planning Board:					
Other expenses	8,214.00	12,220.62	20,434.62	7,070.93	13,363.69
Division of Planning:					
Salaries and wages	13,573.59		13,573.59	6,076.19	7,497.40
Other expenses	18,711.07	703.25	19,414.32	1,692.83	17,721.49
Shade Tree Commission:					
Other expenses	9,077.87	24,440.84	33,518.71	855.93	32,662.78
Cultural Arts Commission:					
Salaries and wages	406.50		406.50		406.50
Other expenses	11,641.83	-	11,641.83	11,195.00	446.83
Environmental and Conservation Commission (R.S. 40:56A-1):					
Other expenses	3,639.17	2,041.50	5,680.67	2,041.50	3,639.17
Historic Preservation Commission:					
Other expenses	6,836.99	488.05	7,325.04	488.05	6,836.99

SCHEDULE OF 2017 APPROPRIATION RESERVES

	Balance December 31, 2017		Balance After Transfers and Encumbrances	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Encumbrances			
Senior Services:					
Salaries and wages	52,741.30		52,741.30	9,864.69	42,876.61
Other expenses	9,946.50	1,333.92	11,280.42	764.17	10,516.25
Recreational and Youth Advisory Bd.:					
Salaries and wages	580.70		580.70	-	580.70
Other expenses	2,781.28	250.00	3,031.28	250.00	2,781.28
Human Relations Commission:					
Salaries and wages	580.70		580.70	-	580.70
Other expenses	607.82		607.82	-	607.82
Open Space and Farmland Preservation Commission:					
Other expenses	709.72	-	709.72	-	709.72
Celebration of Public Events:					
Other expenses	7,131.48	650.00	7,781.48	650.00	7,131.48
State Uniform Construction Code (N.J.S.A. 52:270-120D et seq.):					
Salaries and wages	41,313.55		41,313.55	21,451.73	19,861.82
Other expenses	12,190.37	1,955.53	14,145.90	1,523.75	12,622.15
Unclassified:					
Accumulated absences	2,000.00		52,000.00	52,000.00	-
Central mailing services	8,585.95	180.00	8,765.95	8,716.45	49.50
Utilities	267,106.61	134,708.03	401,814.64	253,310.60	148,504.04
Contribution to:					
Social Security System (O.A.S.I.)	25,914.56	-	25,914.56	25,206.59	707.97
Defined Contribution Retirement Plan	5,796.97		5,796.97	367.53	5,429.44
Public Employees Retirement System	15,495.00	-	15,495.00	-	15,495.00
9-1-1 System:					
Other expenses	2,368.27	5,842.73	8,211.00	7,117.73	1,093.27
Division of Streets and Roads:					
Other expenses	18,809.03	170.87	18,979.90	170.00	18,809.90
Recycling Tax:					
Other expenses	761.49	-	761.49	324.87	436.62
Shared Service (Recycling):					
Other expenses	39,428.00	36,335.86	75,763.86	62,657.77	13,106.09
Shared Service (Health):					
Other expenses	2.95		2.95	-	2.95
Ambulance Services (Increased Fee):					
Other expenses	57,714.03	108,931.50	166,645.53	49,686.26	116,959.27
Clinical Coord. Training Fees:					
Other expenses	8,750.18	441.30	9,191.48	557.07	8,634.41
TOTAL GENERAL APPROPRIATIONS	\$ 2,974,577.17	\$ 1,247,724.84	\$ 4,222,302.01	\$ 2,394,888.00	\$ 1,827,414.01

A	A	
Accounts Payable		\$ 35,988.19
Reserve for Union Education Fund		2,000.00
Cash Disbursements		<u>2,356,899.81</u>
		<u>\$ 2,394,888.00</u>

CURRENT FUND
SCHEDULE OF PROPERTY TAX OVERPAYMENTS

	Total	Current Taxes	Prior Years
Balance - 12/31/2017.....	\$ 15,714.69	\$ -	\$ 15,714.69
Cash Receipts.....	483,121.67	427,083.07	56,038.60
Overpayments Canceled.....	(3.15)	-	(3.15)
Cash Payments - Refunds.....	<u>(492,146.32)</u>	<u>(421,232.92)</u>	<u>(70,913.40)</u>
Balance - 12/31/2018.....	<u>\$ 6,686.89</u>	<u>\$ 5,850.15</u>	<u>\$ 836.74</u>
<u>Ref.</u>	A	A	A

CURRENT FUND
SCHEDULE OF TAXES PAYABLE

	12/31/2017	Taxes Levied	Cash Disbursements	12/31/2018
County - General.....	\$ -	\$ 32,639,340.80	(32,639,340.80)	\$ -
County - Open Space.....	-	2,667,682.56	(2,667,682.56)	-
County - Added & Omitted.....	-	409,353.35	(409,353.35)	-
Local School District Taxes.....	1.00	109,802,610.00	(109,802,611.00)	-
Municipal Open Space Tax.....		1,155,170.04	(1,155,170.04)	-
Special District Taxes:				-
Fire District 1		2,366,864.00	(2,366,864.00)	-
Fire District 2		4,307,055.00	(4,307,055.00)	-
Fire District 3		5,351,597.00	(5,351,597.00)	-
Total.....	\$ 1.00	\$ 158,699,672.75	\$ (158,699,673.75)	\$ -

Ref.

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CURRENT FUND
SCHEDULE OF CHANGES IN VARIOUS ACCOUNTS PAYABLES & RESERVES

	12/31/2017	Transfer from/(to) Budget	Cash Receipts	Cash Disbursements	Canceled	12/31/2018
Accounts Payable:						
N.J. Marriage/Civil Union License Filing Fees.... \$	-	\$ -	\$ 3,150.00	\$ (3,150.00)	-	-
N.J. Domestic Partnership Filing Fees.....			50.00	(50.00)		-
N.J. State Building Code Enforcement Fees.....			122,271.00	(122,271.00)		-
Vendor Accounts Payable.....	273,982.82	35,988.19		(674.26)		309,296.75
Library.....	1,465.00		3,022,506.94	(3,023,971.94)		-
Union Education Fund.....	28,000.00	2,000.00				30,000.00
Subtotal	<u>303,447.82</u>	<u>37,988.19</u>	<u>3,147,977.94</u>	<u>(3,150,117.20)</u>	<u>-</u>	<u>339,296.75</u>
Reserve for:						
Tax Appeals.....	333,821.25			(134,952.73)		198,868.52
Proceeds of Sale of Municipal Assets.....	35,316.71				(35,316.71)	-
Codification of Ordinances.....	17,867.00					17,867.00
Reserve for Master Plan.....	94,316.25				(89,966.25)	4,350.00
Reserve for Route 33 Master Plan.....	27,497.19				(27,497.19)	-
Reserve for Energy Aggregation	7,915.09					7,915.09
Subtotal	<u>516,733.49</u>	<u>-</u>	<u>-</u>	<u>(134,952.73)</u>	<u>(152,780.15)</u>	<u>229,000.61</u>
Total.....	<u>\$ 820,181.31</u>	<u>\$ 37,988.19</u>	<u>\$ 3,147,977.94</u>	<u>\$ (3,285,069.93)</u>	<u>\$ (152,780.15)</u>	<u>\$ 568,297.36</u>

Ref.

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SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
GRANT FUND

- 84 -

<u>GRANTS</u>	<u>BALANCE DEC. 31, 2017</u>	<u>BUDGET REVENUE REALIZED</u>	<u>CH. 159</u>	<u>CANCELLED</u>	<u>COLLECTED</u>	<u>BALANCE DEC. 31, 2018</u>
<u>2016</u>						
USDOJ Bulletproof Vest Partnership Program	\$ 2,800.10	\$ -	\$ -	\$ -	\$ 2,800.10	\$ -
Sustainable NJ Small Grant	10,000.00					10,000.00
<u>2017</u>						
Green Communities Grant	3,000.00				3,000.00	-
Drive Sober or Get Pulled Over End of Year Holiday	5,500.00				5,500.00	-
USDOJ Bulletproof Vest Partnership Program	3,478.86				1,555.90	1,922.96
Middlesex County Area Senior Outreach	2,479.00				2,126.00	353.00
Middlesex County Cultural Arts	1,000.00				1,000.00	-
<u>2018</u>						
Clean Communities Program			85,474.25		85,474.25	-
NJ DEP Recycling Tonnage Grant		171,436.12			171,436.12	-
Drunk Driving Enforcement Fund			8,996.61		8,996.61	-
Click It or Ticket			5,500.00	363.48	5,136.52	-
Distracted Driving Grant		6,600.00		446.66	6,153.34	-
Municipal Court Alcohol Education Rehabilitation Fund			1,318.18		1,318.18	-
Middlesex County Area Senior Outreach		5,000.00	10,000.00		9,779.00	5,221.00
Middlesex County Cultural Arts		5,000.00			3,750.00	1,250.00
	<u>\$ 28,257.96</u>	<u>\$ 188,036.12</u>	<u>\$ 111,289.04</u>	<u>\$ 810.14</u>	<u>\$ 308,026.02</u>	<u>\$ 18,746.96</u>
<u>Ref.</u>	A					A
			Unappropriated Reserves		\$ 171,436.12	
			Receipts		136,589.90	
					<u>\$ 308,026.02</u>	

SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED
GRANT FUND

Exhibit A-14

<u>GRANT</u>	<u>BALANCE</u> <u>DEC. 31, 2017</u>	<u>ENC.</u> <u>DEC. 31, 2017</u>	<u>TOTAL</u> <u>TRANSFERRED</u> <u>FROM 2018</u> <u>BUDGET</u>	<u>CH. 159</u>	<u>CANCELLED</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>ENC.</u> <u>DEC. 31, 2018</u>	<u>BALANCE</u> <u>DEC. 31, 2018</u>
Drunk Driving Enforcement Fund	\$ 5,892.57	\$ -	\$ -	\$ 8,996.61	\$ -	\$ 8,801.75	\$ -	\$ 6,087.43
NJ DEP Recycling Tonnage Grant	254,990.80	611.50	171,436.12			100,569.32	0.50	326,468.60
Municipal Court Alcohol Education Rehabilitation Fund	2,003.10	500.00		1,318.18		500.00		3,321.28
Drive Sober or Get Pulled Over End of Year Holiday Crackdown	1,100.00					1,100.00		-
Distracted Driving Grant			6,600.00		446.66	6,153.34		-
Occupant Protection - Click It or Ticket				5,500.00	363.48	5,136.52		-
Body Armor Replacement Fund	6,523.70					4,356.00		2,167.70
USDOJ Bulletproof Vest Partnership Program	6,291.28					4,356.00		1,935.28
Clean Communities	52,388.43			85,474.25		38,984.33		98,878.35
Middlesex County Area Senior Outreach			16,000.00	10,000.00		26,000.00		-
Middlesex County Cultural Arts			5,000.00			5,000.00		-
Sustainable New Jersey - Small Grant	4,003.50	2,666.69				1,333.34	1,333.35	4,003.50
	<u>\$ 333,193.38</u>	<u>\$ 3,778.19</u>	<u>\$ 199,036.12</u>	<u>\$ 111,289.04</u>	<u>\$ 810.14</u>	<u>\$ 202,290.60</u>	<u>\$ 1,333.85</u>	<u>\$ 442,862.14</u>
<u>Ref.</u>	A	A					A	A

SCHEDULE OF DUE FROM/TO GRANT FUND
CURRENT FUND

	<u>Ref.</u>	
Balance - December 31, 2017 (Due to)	A	\$ 480,149.73
Increased by:		
Grant accounts receivable received		136,589.90
Grants fund appropriations		310,325.16
Unappropriated grants received		181,541.61
		628,456.67
		1,108,606.40
Decreased by:		
Grant expenditures disbursed		202,290.60
Grant fund revenue		299,325.16
		501,615.76
Balance - December 31, 2018 (Due to)	A	\$ 606,990.64

SCHEDULE OF DUE FROM/TO CURRENT FUND
GRANT FUND

	<u>Ref.</u>	
Balance - December 31, 2017 (Due from)	A	\$ 480,149.73
Increased by:		
Grants Received deposited into Current Fund		136,589.90
Matching funds for Grants		11,000.00
Reserve for Unappropriated Grants		181,541.61
Grant Receivable Canceled		810.14
		329,941.65
		810,091.38
Decreased by:		
Grant Appropriations Expended		202,290.60
Reserve for Grants Canceled		810.14
		203,100.74
Balance - December 31, 2018 (Due from)	A	\$ 606,990.64

SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE AND FEDERAL GRANTS
GRANT FUND

<u>GRANTS</u>	<u>BALANCE DEC. 31, 2017</u>	<u>TRANSFERRED TO 2018 BUDGET APPROPRIATIONS BUDGET</u>	<u>RECEIVED</u>	<u>BALANCE DEC. 31, 2018</u>
Recycling Tonnage Grant	\$ 171,436.12	\$ 171,436.12	\$ 181,541.61	\$ 181,541.61
	<u>\$ 171,436.12</u>	<u>\$ 171,436.12</u>	<u>\$ 181,541.61</u>	<u>\$ 181,541.61</u>
<u>Ref.</u>	A			A

Trust Fund

TRUST FUNDS
SCHEDULE OF CASH AND RESERVE ACTIVITY

	Encumbrances/ Adjustments		Cash		Adjustments	Balance 12/31/2018
	Balance 12/31/2017	12/31/2017	Receipts	Disbursements		
Animal Control:						
Due to NJ - State License Fees.....	\$ -	\$ -	\$ 4,242.00	\$ (4,243.20)	\$ -	\$ (1.20)
Reserve for Encumbrances.....	13,408.00	(13,408.00)		-	20,355.00	20,355.00
Animal Control Reserves.....	18,707.36	13,408.00	33,033.24	(39,146.09)	(20,355.00)	5,647.51
Total	32,115.36	-	37,275.24	(43,389.29)	-	26,001.31
Affordable Housing Trust:						
Reserve for Encumbrances.....	226,598.64	(226,598.64)			266,954.40	266,954.40
Reserves for Affordable Housing Trust.....	11,630,783.56	226,598.64	810,594.34	(450,023.51)	(266,954.40)	11,950,998.63
Total	11,857,382.20	-	810,594.34	(450,023.51)	-	12,217,953.03
Unemployment Trust:						
Reserves for Unemployment.....	203,294.06		41,335.64	(51,100.16)		193,529.54
Due from Water Sewer Operating Fund.....	(20,000.00)					(20,000.00)
Total	183,294.06	-	41,335.64	(51,100.16)	-	173,529.54
Payroll:						
Payroll and Payroll Deductions.....	399,398.33		36,284,341.83	(36,204,163.39)		479,576.77
Due from/to Trust Other.....	(14,842.00)					(14,842.00)
Due from/to Water-Sewer Operating.....	(2,635.48)		9.59			(2,625.89)
Utility Payroll.....	40,028.60		3,561,452.06	(3,576,942.27)		24,538.39
Total	421,949.45	-	39,845,803.48	(39,781,105.66)	-	486,647.27
Developers' Escrow:						
Reserve for Encumbrances.....	31,205.87	(31,205.87)			36,362.05	36,362.05
Performance Bond Deposits.....	9,927,537.39		2,637,428.17	(1,950,503.62)		10,614,461.94
Engineering Escrow Deposits.....	1,341,332.45	12,750.81	819,636.31	(735,931.90)	(12,750.81)	1,425,036.86
Professional Fees Deposits.....	666,968.89	18,455.06	413,129.57	(335,648.32)	(23,611.24)	739,293.96
Due to Water Sewer Operating.....	103,313.04		3,494.73			106,807.77
Due to Water Sewer Capital.....	1,963.47					1,963.47
Utility Escrow Deposits.....	4,924,065.51		2,156,456.87	(1,954,650.26)		5,125,872.12
Total	16,996,386.62	-	6,030,145.65	(4,976,734.10)	-	18,049,798.17
Self Insurance:						
Reserve for Encumbrances	30,347.13	(30,347.13)			42,789.78	42,789.78
Reserve for Self Insurance.....	627,058.30	30,347.13	228,502.45	(233,902.72)	(42,789.78)	609,215.38
Due from Water Sewer Operating.....	(188.97)		8.45			(180.52)
Reserve for Self Insurance Utility.....	2,215.17		460.00	(2,248.00)		427.17
Total	659,431.63	-	228,970.90	(236,150.72)	-	652,251.81
Open Space Trust:						
Reserve for Encumbrances.....	286,905.31	(286,905.31)			132,155.81	132,155.81
Open Space Reserves.....	5,764,639.75	286,905.31	1,165,265.76	(1,012,183.00)	(132,155.81)	6,072,472.01
Total	6,051,545.06	-	1,165,265.76	(1,012,183.00)	-	6,204,627.82

TRUST FUNDS
SCHEDULE OF CASH AND RESERVE ACTIVITY

	Balance 12/31/2017	Encumbrances/ Adjustments 12/31/2017	Cash.....		Adjustments	Balance 12/31/2018
			Receipts	Disbursements		
Other Trust Funds:						
Due from Comm. Develop Grant	(523,407.31)		237,085.46	(127,469.00)		(413,790.85)
Reserve for Comm. Develop. Block Grant.....	388,665.53	7,657.77	127,469.00	(226,592.73)	(144,174.54)	153,025.03
Reserve for Encumbrances.....	170,416.42	(170,416.42)			338,671.94	338,671.94
Due to Payroll Trust - Utility.....	14,842.00					14,842.00
Due to Water-Sewer Operating.....	(161,488.15)					(161,488.15)
Miscellaneous Reserves:						
Accumulated Absences.....	132,258.07		52,000.00	(51,197.23)		133,060.84
Accumulated Absences-Utility.....	132,255.04					132,255.04
Animal Control Donations.....	225.00					225.00
Charlotte Eder Bequest.....	603,232.85	1,505.00		(24,492.00)	(3,025.00)	577,220.85
Cultural Arts Commission Donations.....	300.69					300.69
Detention Basin Escrows.....	1,711,144.53	12,517.85	51,521.11	(62,291.33)	(39,531.58)	1,673,360.58
Environmental Disturbance Fund.....	18,500.00					18,500.00
Historic Preservation Donations.....	7,939.14		975.00			8,914.14
LEAD Program Contributions.....	6,724.63		320.00			7,044.63
Mining Escrow.....	9,104.89					9,104.89
Miscellaneous Donations.....	489.00					489.00
MTUD Payoll Prior	14,391.11					14,391.11
Municipal Alliance Donations.....	273.13					273.13
Other Escrows.....	33,093.96	5,812.93	35,750.00	(23,102.25)	(7,018.43)	44,536.21
Parking Offense Adjudication Act.....	1,392.01		76.00			1,468.01
Police Donations.....	227.04					227.04
Police Forfeited Funds.....	24,695.81		14,580.56	(1,000.00)	(3,654.78)	34,621.59
Police Forfeited Funds.....	4,264.93		14.96	(4,276.76)		3.13
Police Off-Duty Trust.....	274,018.65	408.00	1,117,149.04	(996,652.83)	(312.00)	394,610.86
Premium on Tax Sale.....	1,166,900.00		461,200.00	(857,200.00)		770,900.00
Public Defender.....	829.00		7,413.00	(7,302.00)		940.00
Recreation Trips.....	13,939.69	300.00	115,794.56	(112,481.54)	(300.00)	17,252.71
Recycling Trust.....	76,277.59	1,387.48	13,777.69	(14,134.26)	(5,226.22)	72,082.28
Road Opening Deposits.....	33,450.59	10,197.50	21,958.90	(8,097.10)	(10,197.50)	47,312.39
Senior Center Facility Donation.....	100.00					100.00
Shade Tree Commission Donations.....	4,950.75					4,950.75
Shade Tree Replacement.....	372,485.29	36,885.07	114,205.00	(54,850.00)	(35,485.07)	433,240.29
Storm Recovery Fund.....	70,162.83	93,744.82	320,000.00	(253,060.82)	(89,746.82)	141,100.01
Street Vacation Escrow.....	11,756.85					11,756.85
Transportation Contribution.....	34.00					34.00
Subtotal Reserves	4,725,417.07	162,758.65	2,326,735.82	(2,470,138.12)	(194,497.40)	4,550,276.02
Total	4,614,445.56	-	2,691,290.28	(2,824,199.85)	-	4,481,535.99
Grand Total	\$ 40,816,549.94	\$ -	\$ 50,850,681.29	\$ (49,374,886.29)	\$ -	\$ 42,292,344.94

Ref. B B

Footnote:

Animal Control Reserve for Expenditures:

R.S. 4:19-15.11 - Any amount in this account which is in excess of the total amount paid into the Animal Control Account during the last two fiscal years next preceding shall be transferred to the Current Fund.

Year	Amount
2016	\$ 35,465.72
2017	32,602.21
	<u>\$ 68,067.93</u>

General Capital Fund

SCHEDULE OF GENERAL CAPITAL FUND CASH

	<u>Ref.</u>	
Balance, December 31, 2017	C	\$ 10,610,404.49
Increased by Receipts:		
Current Fund Appropriations:		
Capital Improvement Fund		100,000.00
Bond Anticipation Notes		423,000.00
Due from Developer		15,500.00
Grants Received		1,373,174.05
Clean Energy Grant		2,100.00
Bond Anticipation Notes		20,072,000.00
Premium on Bond Anticipation Notes		240,663.00
Interest-Affordable Housing Capital		13,358.48
Reserve for Debt Service		10,000.00
Miscellaneous Reserves		2,433.65
Subtotal		<u>32,862,633.67</u>
Decreased by:		
Improvement Authorizations		4,632,840.55
Bond Anticipation Notes		19,600,000.00
Anticipated Revenue - Current Fund:		332,000.00
Anticipated Revenue - Current Fund:		500,000.00
Subtotal		<u>25,064,840.55</u>
		<u>\$ 7,797,793.12</u>
Balance, December 31, 2018		
Cash	C	\$ 6,172,527.35
Cash - Affordable Housing Fund	C	<u>1,625,265.77</u>
		<u>\$ 7,797,793.12</u>

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Fund balance	\$ 515,549.07	\$ 256,212.07
Capital improvement fund	184,000.00	147,600.00
Reserve for encumbrances	3,310,273.71	2,588,634.24
Miscellaneous Reserves	545,557.03	547,990.68
Reserve for Debt Service	709,500.00	403,000.00
Bond Anticipation Notes-Excess Funding		2,100.00
Ord.		
<u>No.</u>	<u>Improvement Authorizations</u>	
2005-35	Affordable housing 2005	137,686.07
1998-24E	Farmland preservation	47,869.15
2002-40	Intersection of Prospect Plains and Applegarth Road	10,704.76
1999-17	Recreation and open space	91,200.50
2000-12	Municipal Complex improvements	47,777.96
2000-26A	Recreation and open space	3,928,406.99
2000-26B	Farmland Preservation	604,216.05
2002-17B	Intersection of Forsgate Dr./Applegarth Rd./Possum Hollow Rd.	(321,737.03)
2002-17E	Curbs and sidewalks Spotswood Englishtown Road	26,739.97
2002-17F	Improvements to Outcalt Park	29,318.84
2003-11E	Traffic light at Pernvl. & Schoolhouse	(194,423.96)
2003-11F	Traffic light at Pernvl. & Union Valley	141,518.29
2005-32B	2005 road paving and sidewalk program	(250,000.00)
2006-10A	Library expansion	824.36
2006-10B	Community Center addition	3,045.50
2006-10C	New Senior Center	31,639.92
2006-14C	Daniel P. Ryan Field restrooms	137,847.40
2007-03	James Monroe Park improvements	3.72
2007-25A	Expansion of Park and Ride	62,609.88
2007-29B	Construction of EMS Fire Facility Fire District 2	28,823.08
2007-29D	Farmland Preservation	20,679.11
2007-29E	Links Drive and Forsgate Drive	4,199.85
2008-08	Signal Applegarth Rd / Cranbury Station Rd/ Union Valley Rd	(256,332.03)
2008-09	Open Space Acquisition	213,887.53
2008-10C	Improvements to Municipal Facilities	6,520.56
2008-10D	Purchase of Radio Equipment	17,270.21
2009-10	Veterans Park Phase II	107,960.50
2009-11	Computer Equipment/Software	2,203.00
2009-20	Applegarth/Clearbrook Traffic Light	(125,856.99)
2009-21	2009 Roads and Sidewalks Program	3,475.50
2009-22	Forge Road Drainage Improvements	119,867.05
2009-23B	Applegarth Park and Ride	122,685.22
2009-23D	Perrineville Road Sidewalks	78,405.00
2009-23E	Drainage/Stormwater/GLS	4,177.26
2010-13A	Purchase of Computers	11,568.44
2010-13D	2010 Drainage Program	77,939.05
2010-13E	Public Safety Base Station	42,963.20
2010-13G	Recreation Radio/Sound System	9,400.00
2010-16	2010 MCIA Revenue Bonds Equipment	14,124.21
2011-17A	Library Books	3,800.32
2011-17B	2010 Paving/Sidewalk Program	10,171.03
2011-17C	2010 Drainage Program	115,000.00
2011-17D	Traffic Signal Perrineville Rd and Federal Rd	3,164.00
2011-17E	Traffic Signal Route 522 and Regency	81,065.90
2011-17F	Improvements to Disbrow Hill Road	4,000.00
2011-17G	Municipal Facility Improvements	107,585.71
2011-17H	Intersection Improv. - Prospect Plains and Applegarth Rd.	4,000.00
2011-19	Dey Farm Homestead Property Improvements	550.00
2011-29	2011 MCIA Revenue Bonds Equipment	7,543.11
2012-26	2012 MCIA Revenue Bonds Equipment	16,911.41
2012-29A	Library Books	2,901.00
2012-29B	2012 Paving/Sidewalk Program	12,854.31
2012-29C	2012 Drainage Program	115,000.00
2012-29D	Narrow Banding Radio Upgrades	14,635.70
2013-11A	Library Books	2,404.09
2013-11B	2013 Paving/Sidewalk Program	6,753.00
2013-11C	2013 Drainage Program	52,500.00
2013-11D	Cedar Pond Improvements	(400,000.00)
2013-11E	Municipal Facility Improvements	270,697.00
2013-11F	Generators Senior Center/Community Center	84,663.52
2013-11G	Perrineville Rd/Union Valley Road Traffic Signal	12,000.00

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
2013-19	8,935.38	8,935.38
2014-01	(284,160.00)	-
2014-12A	2,551.00	2,422.81
2014-12B	12,551.00	11,061.33
2014-12C	84,550.00	79,453.96
2014-12D	(8,797.00)	(8,797.00)
2014-12E	239,101.00	238,873.53
2014-12F	46,767.28	46,608.88
2014-12G	288,801.00	3,534.50
2014-16	5,961.85	5,961.78
2015-10A	2,850.00	2,705.63
2015-10B	17,931.90	16,594.80
2015-10C	60,000.00	59,903.75
2015-10D	4,562.43	4.09
2015-10E	136,962.63	136,153.84
2015-10G	4,760.00	4,057.90
2015-10H	1,500.00	1,451.88
2015-10I	4,800.00	4,800.00
2015-15	38,618.58	38,618.58
2015-21A	(1,096,441.67)	105,254.88
2016-15	5,275.46	(4,724.54)
2016-22A	2,852.61	2,705.63
2016-22B		
Spotswood Ave. and Ellingham Ave. - Milling, Paving, Drainage		
Concrete Improvements	428,975.00	(66,880.70)
2016-22D	50.00	50.00
2016-22E	118,502.40	14,423.06
2016-22F		
Traffic - ADA & Intersecton Signal Matchaponix, Pergola Ave.,		
Spotswood-Gravel Hill Road	77,100.00	75,735.74
2016-22G	69,040.00	67,130.63
2016-22H	(9,900.00)	(72,622.37)
2016-22I	1,945.00	1,912.24
2016-27	92,142.07	48,623.28
2017-14A	(135,950.00)	2,707.20
2017-14B	(614,944.37)	(342,556.81)
2017-14C	(71,200.00)	128,588.20
2017-14D	500.00	10,000.00
2017-14E	4,800.00	4,800.00
2017-14F	(10,900.00)	(17,400.00)
2017-14G	12,000.00	12,000.00
2017-14H	8,400.00	160,370.57
2017-14I		
Perrineville Road and Schoolhouse Road Intersection and		
ADA Improvements	12,000.00	12,000.00
2017-14J	(13,546.00)	657.13
2017-14K	(11,237.50)	7,169.36
2017-17	885,760.12	176,028.57
2017-20	(2,257,261.00)	70,237.91
2018-24A		(136,598.00)
2018-24B		(948,250.00)
2018-24C		(74,872.00)
2018-24D		16,700.00
2018-24E		(212,030.94)
2018-24F		(8,000.00)
2018-24G		(28,080.06)
2018-24H		1,000.00
2018-24I		(7,579.91)
2018-24J		(16,044.45)
2018-24K		(10,920.00)
2018-24L		(28,500.00)
2018-24M		(141,844.93)
2018-24N		2,200.00
	<u>\$ 8,998,497.20</u>	<u>\$ 6,172,527.35</u>
	C	C

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SCHEDULE OF DUE FROM DEVELOPER

	<u>Ref.</u>	
Balance, December 31, 2017	C	\$ 15,500.00
Decreased by: Received from Developer		<u>15,500.00</u>
Balance, December 31, 2018	C	<u><u>\$ -</u></u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>Ref.</u>	<u>Total</u>	<u>Serial Bonds</u>	<u>MCIA Loans</u>	<u>Green Trust Loans</u>	<u>MCIA Lease Purchase Agreements</u>
Balance, December 31, 2017	C	\$ 50,693,886.40	\$ 47,305,000.00	\$ 3,036,960.73	\$ 112,154.57	\$ 239,771.10
Increased by:						
Obligations Issued		1,198,918.33	-	-	-	1,198,918.33
		<u>51,892,804.73</u>	<u>47,305,000.00</u>	<u>3,036,960.73</u>	<u>112,154.57</u>	<u>1,438,689.43</u>
Decreased by:						
Obligations Paid		5,707,741.19	4,730,000.00	885,621.61	14,004.61	78,114.97
Balance, December 31, 2018	C	<u>\$ 46,185,063.54</u>	<u>\$ 42,575,000.00</u>	<u>\$ 2,151,339.12</u>	<u>\$ 98,149.96</u>	<u>\$ 1,360,574.46</u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance Dec. 31, 2017	Authorized 2018	Grants Received	Budget Appropriation	Balance Dec. 31, 2018	Analysis of Balance		
							Bond Anticipation Notes	Expenditures	Unexpended Balance of Improvement Authorizations
2002-40G	Intersection of Prospect Plains Rd. and Applegarth Rd.	\$ 158,790.00	\$ -	\$ -	\$ -	\$ 158,790.00	\$ -	\$ -	\$ 158,790.00
2000-26A	Recreation and Open Space	8,514,150.00			57,000.00	8,457,150.00	2,076,000.00		6,381,150.00
2000-26B	Farmland Preservation	190,450.00				190,450.00			190,450.00
2002-17E	Curbs and Sidewalks on Spotswood Englishtown Road	59,833.75				59,833.75			59,833.75
2002-17F	Improvements to Outcault Park	73,931.00				73,931.00	73,000.00		931.00
2003-11E	Traffic Light at Perrineville Road and Schoolhouse Road	148,354.00				148,354.00			148,354.00
2004-24F	Woodcrest Circle Improvements	46,034.00				46,034.00			46,034.00
2007-03	James Monroe Park Improvements	158,500.00				158,500.00			158,500.00
2007-25A	Expansion of Park and Ride	33,094.00				33,094.00			33,094.00
2007-29E	Links Drive and Forsgate Drive	70,200.00			4,000.00	66,200.00	66,200.00		-
2009-10	Veterans Park Phase II	92,073.00				92,073.00			73.00
2011-17A	Library Books	190,400.00			22,000.00	168,400.00	168,400.00		-
2011-17B	2010 Paving/Sidewalk Program	571,200.00			15,000.00	556,200.00	556,000.00		200.00
2011-17C	2010 Drainage Program	142,800.00			8,000.00	134,800.00	134,800.00		-
2011-17D	Traffic Signal Perrineville Rd and Federal Rd	333,200.00			26,000.00	307,200.00	307,200.00		-
2011-17E	Traffic Signal Route 522 and Regency	238,000.00			19,000.00	219,000.00	219,000.00		-
2011-17F	Improvements to Disbrow Hill Road	171,000.00			2,000.00	169,000.00	23,000.00		146,000.00
2011-17G	Municipal Facility Improvements	271,000.00			15,000.00	256,000.00	256,000.00		-
2011-17H	Intersection Improv. - Prospect Plains and Applegarth Rd.	476,000.00			2,000.00	474,000.00	18,000.00		456,000.00
2012-29A	Library Books	190,400.00			22,000.00	168,400.00	168,400.00		-
2012-29B	2012 Paving/Sidewalk Program	571,200.00			15,000.00	556,200.00	556,000.00		200.00
2012-29C	2012 Drainage Program	142,800.00			8,000.00	134,800.00	134,800.00		-
2012-29D	Narrow Banding Radio Upgrades	566,500.00			34,000.00	532,500.00	401,000.00		131,500.00
2013-11A	Library Books	142,800.00			16,000.00	126,800.00	126,800.00		-
2013-11B	2013 Paving/Sidewalk Program	476,000.00			13,000.00	463,000.00	463,000.00		-
2013-11C	2013 Drainage Program	142,800.00			8,000.00	134,800.00	134,800.00		-
2013-11D	Cedar Pond Improvements	95,200.00			6,000.00	89,200.00	89,200.00		-
2013-11E	Municipal Facility Improvements	285,600.00			16,000.00	269,600.00	269,600.00		-
2013-11F	Generators Senior Center/Community Center	499,800.00			18,000.00	481,800.00	481,800.00		-
2013-11G	Perrineville Rd/Union Valley Road Traffic Signal	238,000.00				238,000.00			238,000.00
2014-12A	Library Books	142,800.00			16,000.00	126,800.00	126,800.00		-
2014-12B	2014 Paving/Sidewalk Program	904,400.00			24,000.00	880,400.00	880,000.00		400.00
2014-12C	2014 Drainage Program	95,200.00				95,200.00	95,000.00		200.00
2014-12D	Federal/Perrineville Rd Land Acq.	380,800.00				380,800.00		8,797.00	372,003.00
2014-12E	Municipal Facilities Improvements	238,000.00			13,000.00	225,000.00	225,000.00		-
2014-12F	9-1-1 System Upgrades/Reverse 9-1-1	285,600.00			22,000.00	263,600.00	263,600.00		-
2014-12G	Soccer Field Lighting	285,600.00			22,000.00	263,600.00	263,600.00		-
2015-10A	Library Books	142,800.00				142,800.00	142,800.00		-
2015-10B	2015 Paving/Sidewalk Program	747,000.00				747,000.00	747,000.00		-
2015-10C	2015 Drainage and GIS Mapping	95,200.00				95,200.00	95,200.00		-
2015-10D	Radio System Upgrades	2,856,000.00				2,856,000.00	2,580,000.00		276,000.00
2015-10E	Perrineville Road and Federal Road Traffic Signal	1,428,000.00				1,428,000.00	800,000.00		628,000.00
2015-10F	Matchaponix and Spotswood Gravel Hill Rd. - Traffic Signal	95,200.00				95,200.00	95,200.00		-
2015-10G	Sidewalks and Curbs Improvements	104,700.00				104,700.00	104,700.00		-
2015-10H	Soccer Field Fence	47,600.00				47,600.00	47,600.00		-
2015-10I	Walkable Community - Bike Routes	95,200.00				95,200.00			95,200.00
2015-21A	Soccer Complex Improvements	1,713,000.00				1,713,000.00	1,142,000.00		571,000.00
2015-21B	Tennis Courts at High School	285,700.00				285,700.00	285,700.00		-
2016-15	Imp Pergola Ave and Spotswood Intersection Gravel Hill Rd.	119,000.00				119,000.00		4,724.54	114,275.46
2016-22A	Library Books	142,800.00				142,800.00	142,800.00		-
2016-22B	Spotswood Ave. and Ellingham Ave. - Milling, Paving, Drainage and Concrete improvements	575,000.00				575,000.00	575,000.00		-
2016-22C	Drainage GIS Mapping	71,400.00				71,400.00	71,400.00		-

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance Dec. 31, 2017	Authorized 2018	Grants Received	Budget Appropriation	Balance Dec. 31, 2018	Analysis of Balance		Unexpended Balance of Improvement Authorizations
							Bond Anticipation Notes	Expenditures	
2016-22D	Police and EMS Building Preliminary Planning	571,000.00				571,000.00	571,000.00		-
2016-22E	Recreation Improvements - Daniel Ryan Field Restrooms, Gym floo	138,000.00				138,000.00	138,000.00		-
2016-22F	Traffic - ADA & Intersection Signal Matchaponix, Pergola Ave., Spotswood-Gravel Hill Road	1,761,900.00				1,761,900.00	189,300.00		1,572,600.00
2016-22G	Library Parking Lot Lighting	380,900.00		2,100.00		378,800.00	378,800.00		-
2016-22H	Concrete Repair -sidewalks, curbs	104,700.00				104,700.00		72,622.37	32,077.63
2016-22I	Heavy Truck Lift	32,400.00				32,400.00	32,400.00		-
2017-14A	Library Books	142,800.00				142,800.00	142,800.00		-
2017-14B	Paving, Sidewalks, Curbs	723,800.00				723,800.00	300,000.00	342,556.81	81,243.19
2017-14C	Monmouth Road Pedestrian Improvements	571,000.00				571,000.00	200,000.00		371,000.00
2017-14D	Traffic Signal Calming Devices	9,500.00				9,500.00	9,500.00		-
2017-14E	Playground Equipment Improvements	95,200.00				95,200.00			95,200.00
2017-14F	Police and EMS Building Preliminary Planning	380,900.00				380,900.00		17,400.00	363,500.00
2017-14G	Park and Ride Pavement and Lighting	238,000.00				238,000.00			238,000.00
2017-14H	Library Improvements including Drive Through Perrineville Road and Schoolhouse Road	166,600.00				166,600.00	166,600.00		-
2017-14I	Intersection and ADA Improvements	238,000.00				238,000.00			238,000.00
2017-14J	Improvements to Welding Bay	42,800.00				42,800.00	42,400.00		400.00
2017-14K	Community Center Bleacher improvements and Furniture	25,700.00				25,700.00	25,700.00		-
2017-20	Acquisition of Real Property	2,375,000.00				2,375,000.00	2,375,000.00		-
2018-24A	Purchase of Library Books		142,800.00			142,800.00		136,598.00	6,202.00
2018-24B	Paving, Sidewalks, Curbs		1,047,600.00			1,047,600.00		948,250.00	99,350.00
2018-24C	Road Improvements -Daniel and 10th(DOT 475,000)		175,000.00			175,000.00			175,000.00
2018-24D	Traffic Signal Mount Mills/Englishtown Rd		333,300.00			333,300.00			333,300.00
2018-24E	Police Department Equipment		218,000.00			218,000.00		212,030.94	5,969.06
2018-24F	Municipal Facility Upgrades - EMS		238,000.00			238,000.00		8,000.00	230,000.00
2018-24G	Police Facility Upgrades		414,200.00			414,200.00		28,080.06	386,119.94
2018-24H	Pedestrian Improvements/Cranbury/Half Acre		19,000.00			19,000.00			19,000.00
2018-24I	Planning and Zoning Office Equipment		7,600.00			7,600.00		7,579.91	20.09
2018-24J	EMS Radio Upgrades		19,000.00			19,000.00		16,044.45	2,955.55
2018-24K	Replacement Lights - Recreation		11,400.00			11,400.00		10,920.00	480.00
2018-24L	GIS - Roads. Plotting, basin		28,500.00			28,500.00		28,500.00	-
2018-24M	Daniel Ryan Restrooms		190,400.00			190,400.00		141,844.93	48,555.07
2018-24IN	Traffic Signal Butcher,Applegarth, Route 33		43,800.00			43,800.00			43,800.00
		\$ 34,139,309.75	\$ 2,888,600.00	\$ 2,100.00	\$ 423,000.00	\$ 36,602,809.75	\$ 20,069,900.00	\$ 1,983,949.01	\$ 14,548,960.74

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SCHEDULE OF GRANTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Awarded</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
County of Middlesex:				
Intersection of Forsgate Dr./Applegarth Rd./ Possum Hollow Rd. (2002-17B)	\$ 680,000.00	\$ -	\$ -	\$ 680,000.00
Traffic Light at Perrineville Rd. and Schoolhouse Rd. (2003-11E)	194,424.17			194,424.17
Traffic Light at Applegarth and Cranbury Station Rd. (2008-08)	682,029.89			682,029.89
Applegarth/Clearbrook Traffic Light (2009-20)	400,000.00			400,000.00
Cedar Pond Improvements(2013-11D)	400,000.00			400,000.00
Soccer Complex Improvements(2015-21A)	1,000,000.00		864,014.05	135,985.95
	<u>3,356,454.06</u>	<u>-</u>	<u>864,014.05</u>	<u>2,492,440.01</u>
Department of Transportation:				
Monmouth Road Improvements (2017-14)	\$ 310,000.00	\$ -	\$ -	\$ 310,000.00
2005 Rd. Paving and Sidewalk Program (2005-32B)	250,000.00			250,000.00
Spotswood Ave. and Ellingham Ave. - Milling, Paving, Drainage and Concrete improvements(2016-22B)	300,000.00		225,000.00	75,000.00
Daniel and 10th - Milling, Paving, Drainage, and Concrete improvements(2018-24C)	-	475,000.00		475,000.00
	<u>860,000.00</u>	<u>475,000.00</u>	<u>225,000.00</u>	<u>1,110,000.00</u>
Due From FEMA:				
Generators (2014-1)	284,160.00		284,160.00	-
	<u>284,160.00</u>	<u>-</u>	<u>284,160.00</u>	<u>-</u>
Due From State:				
Senior Center (2006-14C)	100,000.00			100,000.00
	<u>100,000.00</u>	<u>-</u>	<u>-</u>	<u>100,000.00</u>
	<u>\$ 4,600,614.06</u>	<u>\$ 475,000.00</u>	<u>\$ 1,373,174.05</u>	<u>\$ 3,702,440.01</u>
	C			C

SCHEDULE OF RESERVE FOR AFFORDABLE HOUSING ASSISTANCE

	<u>Ref.</u>	
Balance, December 31, 2017	C	\$ 1,611,907.29
Increased by:		
Interest Earned		<u>13,358.48</u>
Balance, December 31, 2018	C	<u>\$ 1,625,265.77</u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	2018 Authorizations									
		Balance, Dec. 31, 2017		2017 Encumbered	Capital Improvement Fund	Deferred Charges to Future Taxation	Grants, Refunds and Other Contributions	2018 Encumbered	Expended	Balance, Dec. 31, 2018	
		Funded	Unfunded							Funded	Unfunded
2005-35	Affordable Housing 2005	\$ 137,686.07	\$ -	\$ 3,286.82	\$ -	\$ -	\$ -	\$ 3,338.66	\$ 7,312.37	\$ 130,321.86	\$ -
1994-16	Cultural and Heritage Museum			683.78				683.78			-
1998-24D	Historic Site Improvements			199.05				199.05			-
1998-24E	Farmland Preservation	47,869.15								47,869.15	-
2002-40	Intersection of Applegarth Rd./ Prospect Plains Road	10,704.76	158,790.00							10,704.76	158,790.00
1999-17	Recreation and Open Space	91,200.50								91,200.50	-
2000-12	Municipal Complex Improvements	47,777.96		9,911.64				26,793.78	11,589.25	19,306.57	-
2000-26A	Recreation and Open Space		7,942,556.99	12,168.00				12,168.00	5,048.73		7,937,508.26
2000-26B	Farmland Preservation	604,216.05	190,450.00						81,032.64	523,183.41	190,450.00
2000-26C	Historic Site Improvements			5,855.80				5,855.80			-
2002-17B	Intersection of Forsgate Dr./Applegarth Rd./Possum Hollow Rd.	358,262.97								358,262.97	-
2002-17E	Curbs and Sidewalks on Spotswood Englishtown Road	26,739.97	59,833.75							26,739.97	59,833.75
2002-17F	Improvements to Outcalt Park		30,249.84	2,183.25					17,977.70		14,455.39
2003-11E	Traffic Light at Perrineville Road and Schoolhouse Rd.	0.21	148,354.00							0.21	148,354.00
2003-11F	Traffic Light at Union Valley Road and Perrineville Rd.	141,518.29		4,050.00				4,050.00		141,518.29	-
2003-46	Various Applegarth Road Intersections			1,534.00				1,534.00			-
2004-24F	Woodcrest Circle Improvements		46,034.00								46,034.00
2006-10A	Library Expansion	824.36								824.36	-
2006-10B	Community Center Addition	3,045.50								3,045.50	-
2006-10C	New Senior Center	131,639.92		19,230.63				30,297.61	49,345.68	71,227.26	-
2006-14C	Daniel P. Ryan Field Restrooms	137,847.40		1,290.13				133,440.00	2,850.13	2,847.40	-
2006-14D	2006 Drainage Program							598.00			-
2006-14E	Dey Farm England House			1,341.87				1,341.87			-
2007-03	James Monroe Park Improvements	3.72	158,500.00							3.72	158,500.00
2007-25A	Expansion of Park and Ride	62,609.88	33,094.00							62,609.88	33,094.00
2007-29B	Construction of EMS Fire Facility Fire District 2	28,823.08								28,823.08	-
2007-29D	Farmland Preservation	20,679.11								20,679.11	-
2007-29E	Links Drive and Forsgate Drive		4,199.85						66.93		4,132.92
2008-08	Signal Applegarth Rd / Cranbury Station Rd/ Union Valley Rd	425,697.86								425,697.86	-
2008-09	Open Space Acquisition	213,887.53		20,000.00				6,286.10	13,713.90	213,887.53	-
2008-10C	Improvements to Municipal Facilities	6,520.56		28,467.82				5,872.61	29,115.77		-
2008-10D	Purchase of Radio Equipment	17,270.21								17,270.21	-
2009-10	Veterans Park Phase II		108,033.50						93.01		107,940.49
2009-11	Computer Equipment/Software	2,203.00		1,001.89				1,001.89		2,203.00	-
2009-20	Applegarth/Clearbrook Traffic Light	274,143.01								274,143.01	-
2009-21	2009 Roads and Sidewalks Program	3,475.50							3,475.50		-
2009-22	Forge Road Drainage Improvements	119,867.05		2,157.33				2,157.33		119,867.05	-
2009-23B	Applegarth Park and Ride	122,685.22								122,685.22	-
2009-23D	Perrineville Road Sidewalks	78,405.00								78,405.00	-
2009-23E	Drainage/Stormwater/GIS	4,177.26							4,177.26		-
2010-13A	Purchase of Computers	11,568.44								11,568.44	-
2010-13D	2010 Drainage Program	77,939.05							64,038.99	13,900.06	-
2010-13E	Public Safety Base Station	42,963.20								42,963.20	-
2010-13F	Daniel P. Ryan Field Restrooms			49,078.25					49,078.25		-
2010-13G	Recreation Radio/Sound System	9,400.00								9,400.00	-
2010-16	2010 MCLIA Revenue Bonds Equipment	14,124.21								14,124.21	-
2011-17A	Library Books		3,800.32						170.29		3,630.03
2011-17B	2010 Paving/Sidewalk Program		10,371.03						562.11		9,808.92
2011-17C	2010 Drainage Program		115,000.00	5,000.00				5,000.00			115,000.00

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Balance, Dec. 31, 2017		2017 Encumbered	2018 Authorizations			2018 Encumbered	2018 Expended	Balance, Dec. 31, 2018	
		Funded	Unfunded		Capital Improvement Fund	Deferred Charges to Future Taxation	Grants, Refunds and Other Contributions			Funded	Unfunded
		2011-17D	Traffic Signal Perrineville Rd and Federal Rd			3,164.00	19,990.00				
2011-17E	Traffic Signal Route 522 and Regency		81,065.90					239.60		80,826.30	
2011-17F	Improvements to Disbrow Hill Road		150,000.00	24,010.25			24,010.25			150,000.00	
2011-17G	Municipal Facility Improvements		107,585.71	22,900.04			37,095.30	282.06		93,108.39	
2011-17H	Intersection Improv. - Prospect Plains and Applegarth Rd.		460,000.00	21,625.00			21,625.00			460,000.00	
2011-19	Dey Farm Homestead Property Improvements	550.00		18,528.44			18,528.44			550.00	
2011-29	2011 MCIA Revenue Bonds Equipment	7,543.11		22,522.75			10,122.75	19,608.00	335.11	-	
2012-26	2012 MCIA Revenue Bonds Equipment	16,911.41		9,625.38				9,625.38	16,911.41	-	
2012-29A	Library Books		2,901.00					170.25		2,730.75	
2012-29B	2012 Paving/Sidewalk Program		13,054.31	4,005.38				6,405.08		10,654.61	
2012-29C	2012 Drainage Program		115,000.00	4,701.00			4,701.00			115,000.00	
2012-29D	Narrow Banding Radio Upgrades		146,135.70					405.40		145,730.30	
2013-11A	Library Books		2,404.09					128.19		2,275.90	
2013-11B	2013 Paving/Sidewalk Program		6,753.00					1,104.37		5,648.63	
2013-11C	2013 Drainage Program		52,500.00	67,201.00			4,701.00	51,994.95		63,005.05	
2013-11D	Cedar Pond Improvements			453,577.37			18,849.51	434,727.86		-	
2013-11E	Municipal Facility Improvements		270,697.00					362.74		270,334.26	
2013-11F	Generators Senior Center/Community Center		84,663.52					487.09		84,176.43	
2013-11G	Perrineville Rd/Union Valley Road Traffic Signal	12,000.00		238,000.00					12,000.00	238,000.00	
2013-19	2013 MCIA Revenue Bonds Equipment	8,935.38							8,935.38	-	
2014-12A	Library Books		2,551.00					128.19		2,422.81	
2014-12B	2014 Paving/Sidewalk Program		12,951.00					1,489.67		11,461.33	
2014-12C	2014 Drainage Program		84,750.00	11,786.25			7,903.50	8,978.79		79,653.96	
2014-12D	Federal/Perrineville Rd Land Acq.		372,003.00	5,423.25			5,323.75	99.50		372,003.00	
2014-12E	Municipal Facilities Improvements	1,101.00		238,000.00				227.47	873.53	238,000.00	
2014-12F	9-1-1 System Upgrades/Reverse 9-1-1		46,767.28	8,448.72				8,607.12		46,608.88	
2014-12G	Soccer Field Lighting		288,801.00					285,266.50		3,534.50	
2014-16	2014 MCIA Revenue Bonds Equipment	5,961.85		3,223.95				3,224.02	5,961.78	-	
2015-10A	Library Books		2,850.00					144.37		2,705.63	
2015-10B	2015 Paving/Sidewalk Program		17,931.90	35,447.59			35,447.59	1,337.10		16,594.80	
2015-10C	2015 Drainage and GIS Mapping		60,000.00					96.25		59,903.75	
2015-10D	Radio System Upgrades		280,562.43	325,271.19			325,271.19	4,558.34		276,004.09	
2015-10E	Perrineville Road and Federal Road Traffic Signal		764,962.63	106,415.03			106,415.03	808.79		764,153.84	
2015-10G	Sidewalks and Curbs Improvements		4,760.00					702.10		4,057.90	
2015-10H	Soccer Field Fence		1,500.00	1,311.25			1,311.25	48.12		1,451.88	
2015-10I	Walkable Community - Bike Routes	4,800.00		95,200.00					4,800.00	95,200.00	
2015-15	2015 MCIA Revenue Bonds Equipment	38,618.58		222.00				222.00	38,618.58	-	
2015-21A	Soccer Complex Improvements		474,558.33	597,754.61			145,498.35	114,573.76		812,240.83	
2016-15	Imp Pergola Ave and Spotswood Intersection Gravel Hill Rd.	5,275.46		119,000.00			10,000.00			114,275.46	
2016-22A	Library Books		2,852.61	265.00				411.98		2,705.63	
2016-22B	Concrete improvements	153,975.00		61,502.80			14,677.12	767,681.38		8,119.30	
2016-22C	Drainage GIS Mapping			13,977.93				13,977.93		-	
2016-22D	Police and EMS Building Preliminary Planning		50.00	297,596.24			262,955.39	34,640.85		50.00	
2016-22E	floor		118,502.40	26,147.60			111,000.00	19,226.94		14,423.06	
2016-22F	Spotswood-Gravel Hill Road		1,649,700.00	186,998.74			108,670.49	79,692.51		1,648,335.74	
2016-22G	Library Parking Lot lighting		69,040.00	102,838.92			1,323.38	103,424.91		67,130.63	
2016-22H	Concrete Repair -sidewalks, curbs		94,800.00	6,519.50				69,241.87		32,077.63	
2016-22I	Heavy Truck Lift		1,945.00					32.76		1,912.24	
2016-27	2016 MCIA Revenue Bonds Equipment	92,142.07		1,972.76			39,871.29	5,620.26	48,623.28	-	

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	2018 Authorizations									
		Balance, Dec. 31, 2017		2017 Encumbered	Capital Improvement Fund	Deferred Charges to Future Taxation	Grants, Refunds and Other Contributions	2018		Balance, Dec. 31, 2018	
		Funded	Unfunded					Encumbered	Expended	Funded	Unfunded
2017-14A	Library Books		6,850.00	118,180.98				122,323.78		2,707.20	
2017-14B	Paving, Sidewalks, Curbs		108,855.63	139,821.36			4,415.00	163,018.80		81,243.19	
2017-14C	Monmouth Road Pedestrian Improvements		499,800.00	99,296.00			7,813.75	91,694.05		499,588.20	
2017-14D	Traffic Signal Calming Devices	500.00	9,500.00						500.00	9,500.00	
2017-14E	Playground Equipment Improvements	4,800.00	95,200.00						4,800.00	95,200.00	
2017-14F	Police and EMS Building Preliminary Planning		370,000.00	30,000.00			397.31	36,102.69		363,500.00	
2017-14G	Park and Ride Pavement and Lighting	12,000.00	238,000.00						12,000.00	238,000.00	
2017-14H	Library Improvements including Drive Through	8,400.00	166,600.00					14,629.43		160,370.57	
2017-14I	Perrineville Road and Schoolhouse Road Intersection and ADA Improvements	12,000.00	238,000.00						12,000.00	238,000.00	
2017-14J	Improvements to Welding Bay		29,254.00	15,146.00				43,342.87		1,057.13	
2017-14K	Community Center Bleacher improvements and Furniture		14,462.50	2,270.70			5,265.88	4,297.96		7,169.36	
2017-17	2017 MCIA Revenue Bonds Equipment	885,760.12		273,460.47			324,973.91	658,218.11	176,028.57	-	
2017-20	Acquisition of Real Property		117,739.00	2,250.00			9,000.00	40,751.09		70,237.91	
2018-24A	Purchase of Library Books				7,200.00	142,800.00		112,117.63		6,202.00	
2018-24B	Paving, Sidewalks, Curbs				52,400.00	1,047,600.00		11,831.64	988,818.36	99,350.00	
2018-24C	Road Improvements -Daniel and 10th(DOT 475,000)				-	175,000.00	475,000.00	74,872.00		175,000.00	
2018-24D	Traffic Signal Mount Mills/Englishtown Rd				16,700.00	333,300.00			16,700.00	333,300.00	
2018-24E	Police Department Equipment				11,000.00	218,000.00		223,030.94		5,969.06	
2018-24F	Municipal Facility Upgrades - EMS				12,000.00	238,000.00		20,000.00		230,000.00	
2018-24G	Police Facility Upgrades				20,800.00	414,200.00		40,115.49	8,764.57	386,119.94	
2018-24H	Pedestrian Improvements/Cranbury/Half Acre				1,000.00	19,000.00			1,000.00	19,000.00	
2018-24I	Planning and Zoning Office Equipment				400.00	7,600.00			7,979.91	20.09	
2018-24J	EMS Radio Upgrades				1,000.00	19,000.00		17,044.45		2,955.55	
2018-24K	Replacement Lights - Recreation				600.00	11,400.00		11,520.00		480.00	
2018-24L	GIS - Roads, Plotting, basin				1,500.00	28,500.00		18,649.25	11,350.75	-	
2018-24M	Daniel Ryan Restrooms				9,600.00	190,400.00		151,444.93		48,555.07	
2018-24IN	Traffic Signal Butcher, Applegarth, Route 33				2,200.00	43,800.00			2,200.00	43,800.00	
		\$ 4,547,049.98	\$ 18,016,491.22	\$ 3,310,273.71	\$ 136,400.00	\$ 2,888,600.00	\$ 475,000.00	\$ 2,588,634.24	\$ 4,632,840.55	\$ 3,648,248.43	\$ 18,504,091.69
Ref.		C	C	C				C		C	

SCHEDULE OF RESERVE FOR CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2017	C	\$ 184,000.00
Increased by:		
2018 Budget Appropriation		<u>100,000.00</u>
		284,000.00
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>136,400.00</u>
Balance, December 31, 2018	C	<u><u>\$ 147,600.00</u></u>

SCHEDULE OF MISCELLANEOUS RESERVES

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Reserve for: Roadway, Curb, Sidewalk Improvements	\$ 545,557.03	\$ 2,433.65	\$ -	\$ 547,990.68
	<u>\$ 545,557.03</u>	<u>\$ 2,433.65</u>	<u>\$ -</u>	<u>\$ 547,990.68</u>
	C			C

SCHEDULE OF RESERVE FOR DEBT SERVICE

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Reserve for Debt Service: Senior Center	\$ 709,500.00	\$ 25,500.00	\$ 332,000.00	\$ 403,000.00
	<u>\$ 709,500.00</u>	<u>\$ 25,500.00</u>	<u>\$ 332,000.00</u>	<u>\$ 403,000.00</u>
	C			C

SCHEDULE OF BOND ANTICIPATION NOTES

Ord. No.	Description	Date of Ordinance	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance			Balance Dec. 31, 2018
							Dec. 31, 2017	Increase	Decrease	
2000-26	Recreation and Open Space	08/28/00	08/06/15	06/12/18	06/11/19	3.00%	\$ 4,500,000.00	\$ 2,076,000.00	\$ 4,500,000.00	\$ 2,076,000.00
2002-17	Improvements to Outcalt Park	05/06/02	08/04/16	06/12/18	06/11/19	3.00%	73,000.00	73,000.00	73,000.00	73,000.00
2007-29E	Links Drive and Forsgate Drive	07/25/07	08/06/15	06/12/18	06/11/19	3.00%	70,200.00	66,200.00	70,200.00	66,200.00
2009-10	Veterans Park Phase II	05/04/09	08/04/16	06/12/18	06/11/19	3.00%	92,000.00	92,000.00	92,000.00	92,000.00
2011-17A	Library Books	06/27/11	08/06/15	06/12/18	06/11/19	3.00%	190,400.00	168,400.00	190,400.00	168,400.00
2011-17B	2010 Paving/Sidewalk Program	06/27/11	08/06/15	06/12/18	06/11/19	3.00%	571,000.00	556,000.00	571,000.00	556,000.00
2011-17C	2010 Drainage Program	06/27/11	08/06/15	06/12/18	06/11/19	3.00%	142,800.00	134,800.00	142,800.00	134,800.00
2011-17D	Traffic Signal Perrineville Rd and Federal Rd	06/27/11	08/06/15	06/12/18	06/11/19	3.00%	333,200.00	307,200.00	333,200.00	307,200.00
2011-17E	Traffic Signal Route 522 and Regency	06/27/11	08/06/15	06/12/18	06/11/19	3.00%	238,000.00	219,000.00	238,000.00	219,000.00
2011-17F	Improvements to Disbrow Hill Road	06/27/11	08/06/15	06/12/18	06/11/19	3.00%	25,000.00	23,000.00	25,000.00	23,000.00
2011-17G	Municipal Facility Improvements	06/27/11	08/06/15	06/12/18	06/11/19	3.00%	271,000.00	256,000.00	271,000.00	256,000.00
2011-17H	Intersection Improv.- Prospect Plains and Applegarth Road	06/27/11	08/06/15	06/12/18	06/11/19	3.00%	20,000.00	18,000.00	20,000.00	18,000.00
2012-29A	Library Books	08/27/12	08/06/15	06/12/18	06/11/19	3.00%	190,400.00	168,400.00	190,400.00	168,400.00
2012-29B	2012 Paving/Sidewalk Program	08/27/12	08/06/15	06/12/18	06/11/19	3.00%	571,000.00	556,000.00	571,000.00	556,000.00
2012-29C	2012 Drainage Program	08/27/12	08/06/15	06/12/18	06/11/19	3.00%	142,800.00	134,800.00	142,800.00	134,800.00
2012-29D	Narrow Banding Radio Upgrades	08/27/12	08/06/15	06/12/18	06/11/19	3.00%	435,000.00	401,000.00	435,000.00	401,000.00
2013-11A	Library Books	07/01/13	08/06/15	06/12/18	06/11/19	3.00%	142,800.00	126,800.00	142,800.00	126,800.00
2013-11B	2013 Paving/Sidewalk Program	07/01/13	08/06/15	06/12/18	06/11/19	3.00%	476,000.00	463,000.00	476,000.00	463,000.00
2013-11C	2013 Drainage Program	07/01/13	08/06/15	06/12/18	06/11/19	3.00%	142,800.00	134,800.00	142,800.00	134,800.00
2013-11D	Cedar Pond Improvements	07/01/13	08/06/15	06/12/18	06/11/19	3.00%	95,200.00	89,200.00	95,200.00	89,200.00
2013-11E	Municipal Facility Improvements	07/01/13	08/06/15	06/12/18	06/11/19	3.00%	285,600.00	269,600.00	285,600.00	269,600.00
2013-11F	Generators Senior Center/Community Center	07/01/13	08/06/15	06/12/18	06/11/19	3.00%	499,800.00	481,800.00	499,800.00	481,800.00
2014-12A	Library Books	07/07/14	08/06/15	06/12/18	06/11/19	3.00%	142,800.00	126,800.00	142,800.00	126,800.00
2014-12B	2014 Paving/Sidewalk Program	07/07/14	08/06/15	06/12/18	06/11/19	3.00%	904,000.00	880,000.00	904,000.00	880,000.00
2014-12C	2014 Drainage Program	07/07/14	08/02/17	06/12/18	06/11/19	3.00%	95,000.00	95,000.00	95,000.00	95,000.00
2014-12E	Municipal Facilities Improvements	07/07/14	08/06/15	06/12/18	06/11/19	3.00%	238,000.00	225,000.00	238,000.00	225,000.00
2014-12F	9-1-1 System Upgrades/Reverse 9-1-1	07/07/14	08/06/15	06/12/18	06/11/19	3.00%	285,600.00	263,600.00	285,600.00	263,600.00
2014-12G	Soccer Field Lighting	07/07/14	08/06/15	06/12/18	06/11/19	3.00%	285,600.00	263,600.00	285,600.00	263,600.00
2015-10A	Library Books	07/06/15	08/04/16	06/12/18	06/11/19	3.00%	142,800.00	142,800.00	142,800.00	142,800.00
2015-10B	2015 Paving/Sidewalk Program	07/06/15	08/04/16	06/12/18	06/11/19	3.00%	747,000.00	747,000.00	747,000.00	747,000.00
2015-10C	2015 Drainage and GIS Mapping	07/06/15	08/04/16	06/12/18	06/11/19	3.00%	95,200.00	95,200.00	95,200.00	95,200.00
2015-10D	Radio System Upgrades	07/06/15	08/04/16	06/12/18	06/11/19	3.00%	2,580,000.00	2,580,000.00	2,580,000.00	2,580,000.00
2015-10E	Perrineville Rd and Federal Rd Traffic Signal	07/06/15	08/02/17	06/12/18	06/11/19	3.00%	800,000.00	800,000.00	800,000.00	800,000.00
2015-10F	Matchaponix and Spotswood Gravel Hill Road - Traffic Signal	07/06/15	08/04/16	06/12/18	06/11/19	3.00%	95,200.00	95,200.00	95,200.00	95,200.00
2015-10G	Sidewalks and Curbs Improvements	07/06/15	08/04/16	06/12/18	06/11/19	3.00%	104,700.00	104,700.00	104,700.00	104,700.00
2015-10H	Soccer Field Fence	07/06/15	08/04/16	06/12/18	06/11/19	3.00%	47,600.00	47,600.00	47,600.00	47,600.00
2015-21A	Soccer Complex Improvements	11/04/15	08/04/16	06/12/18	06/11/19	3.00%	1,142,000.00	1,142,000.00	1,142,000.00	1,142,000.00
2015-21B	Tennis Courts at High School	11/04/15	08/04/16	06/12/18	06/11/19	3.00%	285,700.00	285,700.00	285,700.00	285,700.00
2016-22A	Library Books	06/06/16	08/02/17	06/12/18	06/11/19	3.00%	142,800.00	142,800.00	142,800.00	142,800.00
2016-22B	Spotswood Ave and Ellingham-Milling, Paving, Drainage and Concrete improvements	06/06/16	08/02/17	06/12/18	06/11/19	3.00%	575,000.00	575,000.00	575,000.00	575,000.00
2016-22C	Drainage GIS Mapping	06/06/16	08/02/17	06/12/18	06/11/19	3.00%	71,400.00	71,400.00	71,400.00	71,400.00

SCHEDULE OF BOND ANTICIPATION NOTES

Ord. No.	Description	Date of Ordinance	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2017	Increase	Decrease	Balance Dec. 31, 2018
2016-22D	Police and EMS Building Preliminary Planning	06/06/16	08/02/17	06/12/18	06/11/19	3.00%	571,000.00	571,000.00	571,000.00	571,000.00
2016-22E	Recreation Improvements - Daniel Ryan Field Restrooms, Gym floor	06/06/16	08/02/17	06/12/18	06/11/19	3.00%	138,000.00	138,000.00	138,000.00	138,000.00
2016-22F	Traffic- ADA & Intersection Signal Matchaponix, Pergola Ave. , Spotswood-Gravel Hill Road	06/06/16	08/02/17	06/12/18	06/11/19	3.00%	189,300.00	189,300.00	189,300.00	189,300.00
2016-22G	Library Parking Lot lighting	06/06/16	08/02/17	06/12/18	06/11/19	3.00%	380,900.00	380,900.00	380,900.00	380,900.00
2016-22I	Heavy Truck Lift	06/06/16	08/02/17	06/12/18	06/11/19	3.00%	32,400.00	32,400.00	32,400.00	32,400.00
2017-14A	Library Books	07/05/17	06/11/19	06/12/18	06/11/19	3.00%		142,800.00		142,800.00
2017-14B	Paving, Sidewalks, Curbs	07/05/17	06/11/19	06/12/18	06/11/19	3.00%		300,000.00		300,000.00
2017-14C	Monmouth Road Pedestrian Improvements	07/05/17	06/11/19	06/12/18	06/11/19	3.00%		200,000.00		200,000.00
2017-14D	Traffic Signal Calming Devices	07/05/17	06/11/19	06/12/18	06/11/19	3.00%		9,500.00		9,500.00
2017-14H	Library Improvements including Drive Through	07/05/17	06/11/19	06/12/18	06/11/19	3.00%		166,600.00		166,600.00
2017-14J	Improvements to Welding Bay	07/05/17	06/11/19	06/12/18	06/11/19	3.00%		42,400.00		42,400.00
2017-14K	Community Center Bleacher improvements and Furniture	07/05/17	06/11/19	06/12/18	06/11/19	3.00%		25,700.00		25,700.00
2017-20	Acquisition of Real Property	09/06/17	06/11/19	06/12/18	06/11/19	3.00%		2,375,000.00		2,375,000.00
							<u>\$ 19,600,000.00</u>	<u>\$ 20,072,000.00</u>	<u>\$ 19,600,000.00</u>	<u>\$ 20,072,000.00</u>
							C	C-2	C-2	C

SCHEDULE OF GENERAL SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2018</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2018</u>
			<u>Date</u>	<u>Amount</u>				
General Obligation Bonds 2012	08/01/12	\$ 30,075,000.00	12/15/19	\$ 2,000,000.00	3.000%	\$ 20,000,000.00	\$ 2,000,000.00	\$ 18,000,000.00
			12/15/20	2,000,000.00	2.000%			
			12/15/21	2,000,000.00	3.000%			
			12/15/22	2,000,000.00	2.000%			
			12/15/23	2,000,000.00	2.125%			
			12/15/24	2,000,000.00	3.000%			
			12/15/25	2,000,000.00	3.000%			
			12/15/26	2,000,000.00	3.000%			
			12/15/27	2,000,000.00	3.000%			
General Obligation Refunding Bonds 2012	12/07/12	5,055,000.00	02/01/19	820,000.00	3.570%	1,645,000.00	825,000.00	820,000.00
General Obligation Bonds 2013	02/06/13	28,235,000.00	01/15/19	1,500,000.00	3.000%	24,000,000.00	1,500,000.00	22,500,000.00
			01/15/20	1,500,000.00	3.000%			
			01/15/21	1,500,000.00	3.000%			
			01/15/22	1,500,000.00	3.000%			
			01/15/23	1,500,000.00	2.250%			
			01/15/24	1,500,000.00	2.375%			
			01/15/25	1,500,000.00	3.000%			
			01/15/26	1,500,000.00	3.000%			
			01/15/27	1,500,000.00	3.000%			
			01/15/28	1,500,000.00	3.000%			
			01/15/29	1,500,000.00	3.000%			
			01/15/30	1,500,000.00	3.000%			
			01/15/31	1,500,000.00	3.000%			
			01/15/32	1,500,000.00	3.000%			
01/15/33	1,500,000.00	3.000%						
General Obligation Refunding Bonds 2015	08/01/15	2,435,000.00	08/01/19	415,000.00	4.000%	1,660,000.00	405,000.00	1,255,000.00
			08/01/20	415,000.00	4.000%			
			08/01/21	425,000.00	4.000%			
						<u>\$ 47,305,000.00</u>	<u>\$ 4,730,000.00</u>	<u>\$ 42,575,000.00</u>
						C		C

SCHEDULE OF LOANS AND LEASE PROGRAMS

Green Trust Loans:

<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Schedule of Maturities</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2018</u>
Ballfield Improvements	01/11/05	\$ 265,600.16	2019-2025	2.00%	\$ 112,154.57	\$ -	\$ 14,004.61	\$ 98,149.96
					C			C

MCIA Program Loans:

	<u>Date</u>	<u>Amount</u>	<u>Maturities of Bonds Outstanding December 31, 2018</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2018</u>
			<u>Date</u>	<u>Amount</u>					
MCIA Revenue Bonds 2013 Loan	10/28/13	\$ 658,110.06				\$ 140,051.21	\$ -	\$ 140,051.21	\$ -
MCIA Revenue Bonds 2014 Loan	09/30/14	796,721.23	07/15/19	\$167,626.66	3.000%	330,370.99	-	162,744.33	167,626.66
MCIA Revenue Bonds 2015 Loan	09/30/15	593,245.14	07/15/19	121,357.30	4.000%	365,391.51	-	117,822.62	247,568.89
			07/15/20	126,211.59	4.000%				
MCIA Revenue Bonds 2016 Loan	09/29/16	1,272,775.86	07/15/19	251,989.28	4.000%	1,031,259.52	-	244,649.79	786,609.73
			07/15/20	262,068.85	4.000%				
			07/15/21	272,551.60	4.000%				
MCIA Revenue Bonds 2017 Loan	09/28/17	1,169,887.50	07/15/19	226,964.27	3.000%	1,169,887.50	-	220,353.66	949,533.84
			07/15/20	233,773.20	3.000%				
			07/15/21	240,786.39	3.000%				
			07/15/22	248,009.98	3.000%				
						\$3,036,960.73	\$ -	\$ 885,621.61	\$ 2,151,339.12
						C			C

MCIA Equipment Lease Program:

	<u>Balance Dec. 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2018</u>
MCIA Equipment Lease Purchase Agreements - Principal	\$ 239,771.10	\$ 1,198,918.33	\$ 78,114.97	\$ 1,360,574.46
	C			C

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2017</u>	<u>Authorized 2018</u>	<u>BANs Reduction</u>	<u>BANs Issued</u>	<u>Balance Dec. 31, 2018</u>
2000-26	Recreation and Open Space	\$ 4,014,150.00	\$ -	\$2,367,000.00	\$ -	\$ 6,381,150.00
2000-27	Farmland Preservation	190,450.00				190,450.00
2004-24F	Woodcrest Circle Improvements	46,034.00				46,034.00
2002-40G	Intersection Applegarth/Prospect Plains Rds.	158,790.00				158,790.00
2002-17E	Curbs and Sidewalks Spotswood/Englishtown Road	59,833.75				59,833.75
2002-17F	Improvements to Outcalt Park	931.00				931.00
2003-11E	Traffic Light at Perrineville Road and Schoolhouse Road	148,354.00				148,354.00
2007-03	James Monroe Park Improvements	158,500.00				158,500.00
2007-25A	Expansion of Park and Ride	33,094.00				33,094.00
2009-10	Veterans Park Phase II	73.00				73.00
2011-17B	2010 Paving/Sidewalk Program	200.00				200.00
2011-17F	Improvements to Disbrow Hill Road	146,000.00				146,000.00
2011-17H	Intersection Improv.- Prospect Plains and Applegarth Rd.	456,000.00				456,000.00
2012-29B	2012 Paving/Sidewalk Program	200.00				200.00
2012-29D	Narrow Banding Radio Upgrades	131,500.00				131,500.00
2013-11G	Perrineville Rd/Union Valley Road Traffic Signal	238,000.00				238,000.00
2014-12B	2014 Paving/Sidewalk Program	400.00				400.00
2014-12C	2014 Drainage Program	200.00				200.00
2014-12D	Federal/Perrineville Rd Land Acq.	380,800.00				380,800.00
2015-10D	Radio System Upgrades	276,000.00				276,000.00
2015-10E	Perrineville Rd and Federal Rd Traffic Signal	628,000.00				628,000.00
2015-10I	Walkable Community - Bike Routes	95,200.00				95,200.00
2015-21A	Soccer Complex Improvements	571,000.00				571,000.00
2016-15	Imp Pergola Ave and Spotswood Intersection Gravel Hill Rd.	119,000.00				119,000.00
2016-22F	Ave. , Spotswood-Gravel Hill Road	1,572,600.00				1,572,600.00
2016-22H	Concrete Repair -sidewalks, curbs	104,700.00				104,700.00
2017-14A	Library Books	142,800.00			142,800.00	-
2017-14B	Paving, Sidewalks, Curbs	723,800.00			300,000.00	423,800.00
2017-14C	Monmouth Road Pedestrian Improvements	571,000.00			200,000.00	371,000.00
2017-14D	Traffic Signal Calming Devices	9,500.00			9,500.00	-
2017-14E	Playground Equipment Improvements	95,200.00				95,200.00
2017-14F	Police and EMS Building Preliminary Planning	380,900.00				380,900.00

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2017</u>	<u>Authorized 2018</u>	<u>BANs Reduction</u>	<u>BANs Issued</u>	<u>Balance Dec. 31, 2018</u>
2017-14G	Park and Ride Pavement and Lighting	238,000.00				238,000.00
2017-14H	Library Improvements including Drive Through	166,600.00			166,600.00	-
2017-14I	Perrineville Road and Schoolhouse Road Intersection and ADA Improvements	238,000.00				238,000.00
2017-14J	Improvements to Welding Bay	42,800.00			42,400.00	400.00
2017-14K	Community Center Bleacher improvements and Furniture	25,700.00			25,700.00	-
2017-20	Acquisition of Real Property	2,375,000.00			2,375,000.00	-
2018-24A	Purchase of Library Books		142,800.00			142,800.00
2018-24B	Paving, Sidewalks, Curbs		1,047,600.00			1,047,600.00
2018-24C	Road Improvements -Daniel and 10th(DOT 475,000)		175,000.00			175,000.00
2018-24D	Traffic Signal Mount Mills/Englishtown Rd		333,300.00			333,300.00
2018-24E	Police Department Equipment		218,000.00			218,000.00
2018-24F	Municipal Facility Upgrades - EMS		238,000.00			238,000.00
2018-24G	Police Facility Upgrades		414,200.00			414,200.00
2018-24H	Pedestrian Improvements/Cranbury/Half Acre		19,000.00			19,000.00
2018-24I	Planning and Zoning Office Equipment		7,600.00			7,600.00
2018-24J	EMS Radio Upgrades		19,000.00			19,000.00
2018-24K	Replacement Lights - Recreation		11,400.00			11,400.00
2018-24L	GIS - Roads. Plotting, basin		28,500.00			28,500.00
2018-24M	Daniel Ryan Restrooms		190,400.00			190,400.00
2018-24IN	Traffic Signal Butcher, Applegarth, Route 33		43,800.00			43,800.00
		<u>\$ 14,539,309.75</u>	<u>\$ 2,888,600.00</u>	<u>\$2,367,000.00</u>	<u>\$ 3,262,000.00</u>	<u>\$ 16,532,909.75</u>

Water & Sewer Utility Fund

SCHEDULE OF WATER-SEWER UTILITY
CASH AND INVESTMENTS - TREASURER

	<u>REF.</u>	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance - January 1, 2018	D	\$ 10,838,396.09	\$ 9,919,436.41
Increased by Receipts:			
Water-Sewer Utility Service Charges		16,899,034.74	
Miscellaneous Revenues		1,372,839.85	
Non-Budget Revenues		146.34	
Due From Operating Fund/Capital Fund		3,026,742.55	
Various Reserves		32,789.27	
Bond Anticipation Notes			7,928,000.00
Fund Balance			95,057.00
		<u>21,331,552.75</u>	<u>8,023,057.00</u>
		32,169,948.84	17,942,493.41
Decreased by Disbursements:			
Budget Expenditures		14,026,947.28	
Fund Balance Transfer as Revenue-Current Fund		1,000,000.00	
Improvement Authorizations			1,087,890.14
Appropriation Reserves		1,022,873.56	
Various Reserves		55,574.52	
Due from Trust		3,494.73	
Capital Outlay			7,131.75
Accrued Interest on Bonds, Notes and Loans		1,260,589.58	
Due to Self Insurance		8.45	
Bond Anticipation Notes			6,928,000.00
Interfunds Receivable/Payable			3,026,742.55
Due from Payroll		9.59	
		<u>17,369,497.71</u>	<u>11,049,764.44</u>
Balance - December 31, 2018	D	<u>\$ 14,800,451.13</u>	<u>\$ 6,892,728.97</u>

WATER-SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH BALANCE

	<u>December 31, 2017</u>	<u>December 31, 2018</u>
Reserve for Encumbrances	\$ 1,270,438.89	\$ 1,443,106.59
Retainage Payable	42,058.50	42,058.50
Various Reserves	24,107.69	24,107.69
Reserve for Debt Service	267,757.23	267,757.23
Reserve for Bond Resolution	1,017,971.74	1,017,971.74
Capital Outlay	214,145.24	207,013.49
Due (from)/to Water/Sewer Operating Fund	85,915.48	(2,940,827.07)
Due (from)/to Trust Fund	(1,963.47)	(1,963.47)
Fund Balance	867,654.22	962,711.22
 <u>Improvement Authorizations</u>		
2009-12 Computer Equipment, Software and Information Systems	7,485.97	7,485.97
2009-25 Various Water-Sewer Improvements	485.47	485.47
2009-34 Various Water-Sewer Improvements	112,654.72	112,654.72
2010-06 Improvements to Well No.s 20,21 and 23	75,072.31	74,621.01
2010-12 Various Water-Sewer Improvements	1,012,107.57	1,004,024.62
2011-18 Various Water-Sewer Improvements	718,779.23	595,279.23
2011-35 Imp to Wells No. 17 and 19	15,643.00	15,643.00
2012-15 Ashmall Pumping Station Improvements	295,676.73	295,090.40
2012-28 Various Water-Sewer Improvements	-	10,039.92
2013-17 Various Water Sewer Improvements	593,017.86	585,042.46
2014-11 Various Water Sewer Improvements	2,030,666.00	2,021,938.00
2014-23 Acq. Of Water Allocation Rights	79,750.00	79,750.00
2015-11 Various Water Sewer Improvements	832,412.61	608,684.56
2015-24 Acq. Of Water Allocation Rights/Well 25 Imp	817,435.32	803,975.55
2016-21 Various Water Sewer Improvements	477,645.99	1,085,196.90
2017-15 Various Water Sewer Improvements	(937,481.89)	(1,429,118.76)
 Total	 <u>\$ 9,919,436.41</u>	 <u>\$ 6,892,728.97</u>
	D	D

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
WATER-SEWER UTILITY OPERATING FUND

	<u>REF.</u>	
Balance -December 31, 2017	D	\$ 1,012,214.48
Increased by:		
Consumer Accounts Billed (Net)		<u>16,950,534.36</u>
		17,962,748.84
Decreased by:		
Collections		<u>16,899,034.74</u>
		<u>16,899,034.74</u>
Balance - December 31, 2018	D	<u><u>\$ 1,063,714.10</u></u>

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

	<u>REF.</u>	
Balance - December 31, 2017	D	\$ 527,336.25
Increased by:		
Charged to Budget		\$ 1,259,111.82
Fund Balance		<u>65,380.10</u>
		<u>1,324,491.92</u>
		1,851,828.17
Decreased by:		
Disbursed		<u>1,260,589.58</u>
Balance - December 31, 2018	D	<u><u>\$ 591,238.59</u></u>

Analysis of Accrued Interest December 31, 2018

	Principal Outstanding Dec. 31, 2018	Interest Rate	From	To	Period	Amount
Serial Bonds						
\$ 4,360,000.00	3.00% to 4.00%		08/01/18	12/31/18	5 Months	\$ 65,666.67
28,450,000.00	2.50% to 4.00%		08/01/18	12/31/18	5 Months	<u>380,530.75</u>
Serial Bonds Total						<u>446,197.42</u>
Interest on Notes						
7,928,000.00	3.00%		06/12/18	12/31/18	198 days	<u>130,812.00</u>
Interest on Loans						
865,000.00	3.00% to 5.00%		08/01/18	12/31/18	5 Months	<u>14,229.17</u>
Total						<u><u>\$ 591,238.59</u></u>

SCHEDULE OF VARIOUS RESERVES
WATER-SEWER UTILITY OPERATING FUND

	<u>Balance</u>		<u>Disbursements</u>	<u>Balance</u>
	<u>December 31, 2017</u>	<u>Receipts</u>		<u>December 31, 2018</u>
Various Reserves:				
Refund Agreement - Old Bridge Township	\$ 26,100.00	\$ -	\$ -	\$ 26,100.00
Developer Deposits Payable	116,494.45	32,500.00	20,000.00	128,994.45
Water-Sewer Overpayments	<u>152,032.22</u>	<u>289.27</u>	<u>35,574.52</u>	<u>116,746.97</u>
Subtotal - Various Reserves	<u>294,626.67</u>	<u>32,789.27</u>	<u>55,574.52</u>	<u>271,841.42</u>
Bond Indenture Reserve - 1977 General Bond Resolution	<u>2,291,000.00</u>	<u>-</u>	<u>-</u>	<u>2,291,000.00</u>
	<u>\$ 2,585,626.67</u>	<u>\$ 32,789.27</u>	<u>\$ 55,574.52</u>	<u>\$ 2,562,841.42</u>
<u>Ref.</u>	D			D

SCHEDULE OF APPROPRIATION RESERVES
WATER-SEWER UTILITY OPERATING FUND

	<u>Balance December 31, 2017</u>		<u>Balance After Transfers and Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Appropriation Reserves</u>	<u>Encumbrances</u>			
Operating:					
Salaries and Wages	\$ 226,679.56	\$ -	\$ 226,679.56	\$ -	\$ 226,679.56
Other Expenses	1,445,484.26	568,374.45	2,013,858.71	917,788.26	1,096,070.45
Capital Outlay	160,673.24	8,147.00	168,820.24	154,622.94	14,197.30
Public Employees Retirement System	9,750.00		9,750.00	-	9,750.00
Social Security System (O.A.S.I.)	45,635.34	-	45,635.34	-	45,635.34
Unemployment Compensation Insurance	10,000.00	-	10,000.00	-	10,000.00
Total General Appropriation	\$ 1,898,222.40	\$ 576,521.45	\$ 2,474,743.85	\$ 1,072,411.20	\$ 1,402,332.65

D D

Accounts Payable	\$ 49,537.64
Cash Disbursements	<u>1,022,873.56</u>
	<u>\$ 1,072,411.20</u>

Accounts Payable at 12/31/17	D \$ 197,438.50
Transferred from Appropriation Reserves	<u>49,537.64</u>
	246,976.14
Cancelled to Fund Balance	<u>67,000.00</u>

Accounts Payable at 12/31/18	D \$ <u>179,976.14</u>
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SCHEDULE OF INTERFUNDS RECEIVABLE/PAYABLE
WATER-SEWER UTILITY OPERATING FUND

	REF.	Total	Due from Developer Escrows	Due from/(to) Water-Sewer Capital Fund	Due to Payroll	Due to Trust Fund	Due to Unemployment Trust	Due to Self Insurance Trust
Balance - December 31, 2017	D	\$ 4,915.92	\$ 103,313.04	\$ 85,915.48	\$ (2,635.48)	\$ (161,488.15)	\$ (20,000.00)	\$ (188.97)
Increased by:								
Cash Disbursements		<u>3,494.73</u>	<u>3,494.73</u>					
		8,410.65	106,807.77	85,915.48	(2,635.48)	(161,488.15)	(20,000.00)	(188.97)
Decreased by:								
Cash Receipts		<u>3,026,760.59</u>		<u>3,026,742.55</u>	<u>9.59</u>			<u>8.45</u>
Balance - December 31, 2018	D	<u>\$ (3,018,349.94)</u>	<u>\$ 106,807.77</u>	<u>\$ (2,940,827.07)</u>	<u>\$ (2,645.07)</u>	<u>\$ (161,488.15)</u>	<u>\$ (20,000.00)</u>	<u>\$ (197.42)</u>
		<u>12/31/2018</u>	<u>12/31/2017</u>					
Accounts Receivable		\$ 106,807.77	\$ 189,228.52					
Accounts Payable		<u>(3,125,157.71)</u>	<u>(184,312.60)</u>					
		<u>\$ (3,018,349.94)</u>	<u>\$ 4,915.92</u>					

SCHEDULE OF INTERFUNDS RECEIVABLE/PAYABLE
WATER-SEWER UTILITY CAPITAL FUND

	REF.	Total	Due from Developer Escrows	Due from/(to) Water-Sewer Operating Fund
Balance - December 31, 2017	D	\$ (83,952.01)	\$ 1,963.47	\$ (85,915.48)
Increased by:				
Cash Disbursements		<u>3,026,742.55</u>		<u>3,026,742.55</u>
Balance - December 31, 2018	D	<u>\$ 2,942,790.54</u>	<u>\$ 1,963.47</u>	<u>\$ 2,940,827.07</u>
		<u>12/31/2018</u>	<u>12/31/2017</u>	
Accounts Receivable		\$ 2,942,790.54	\$ 1,963.47	
Accounts Payable			<u>(85,915.48)</u>	
		<u>\$ 2,942,790.54</u>	<u>\$ (83,952.01)</u>	

SCHEDULE OF FIXED CAPITAL
WATER-SEWER UTILITY CAPITAL FUND

	<u>BALANCE</u> <u>DEC. 31, 2018</u>	<u>BALANCE</u> <u>DEC. 31, 2017</u>
Land	\$ 1,088,665.68	\$ 1,088,665.68
Building	1,274,312.39	1,274,312.39
Machinery and Equipment	3,427,705.81	3,427,705.81
Vehicles	579,472.61	579,472.61
Infrastructure	<u>140,968,510.88</u>	<u>140,968,510.88</u>
	<u>\$ 147,338,667.37</u>	<u>\$ 147,338,667.37</u>
<u>Ref.</u>	D	D

The Fixed Capital as reported is taken from the municipal records and does not necessarily reflect the true condition of such Fixed Capital.

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
WATER-SEWER UTILITY CAPITAL FUND

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE DECEMBER 31, 2018</u>
<u>General Improvements:</u>				
2009-12	Computer Equipment, Software and Information Systems	05/04/09	\$ 350,000.00	\$ 350,000.00
2009-25	Various Water-Sewer Improvements	06/29/09	630,000.00	630,000.00
2009-34	Various Water-Sewer Improvements	11/30/09	2,800,000.00	2,800,000.00
2010-06	Improvements to Well No.s 20,21 and 23	05/03/10	8,306,000.00	8,306,000.00
2010-12	Various Water Sewer Improvements	08/02/10	1,769,000.00	1,769,000.00
2011-18	Various Water Sewer Improvements	08/02/10	2,344,500.00	2,344,500.00
2011-35	Imp to Wells No. 17 and 19	08/02/10	2,404,000.00	2,404,000.00
2012-15	Ashmall Pumping Station Improvements	07/02/12	1,095,000.00	1,095,000.00
2012-28	Various Water Sewer Improvements	08/27/12	1,220,000.00	1,220,000.00
2013-17	Various Water Sewer Improvements	09/09/13	4,281,000.00	4,281,000.00
2014-11	Various Water Sewer Improvements	07/07/14	3,455,000.00	3,455,000.00
2014-23	Acq. Of Water Allocation Rights	11/05/14	5,500,000.00	5,500,000.00
2015-11	Various Water Sewer Improvements	07/06/15	5,275,000.00	5,275,000.00
2015-24	Acq. Of Water Allocation Rights/Well 25 Improvements	12/28/15	5,800,000.00	5,800,000.00
2016-21	Various Water Sewer Improvements	07/06/16	4,035,000.00	4,035,000.00
2017-15	Various Water Sewer Improvements	07/05/17	6,105,000.00	6,105,000.00
			<u>\$ 55,369,500.00</u>	<u>\$ 55,369,500.00</u>
		<u>Ref.</u>	D	D

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
WATER-SEWER UTILITY CAPITAL FUND

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE - DECEMBER 31, 2017		ENCUMB DEC 31, 2017	PAID OR CHARGED	ENCUMB DEC 31, 2018	BALANCE - DECEMBER 31, 2018	
		DATE	AMOUNT	FUNDED	UNFUNDED				FUNDED	UNFUNDED
<u>General Improvements:</u>										
2009-12	Computer Equipment, Software and Information Systems	05/04/09	\$ 350,000.00	\$ 7,485.97	\$ -	\$ -	\$ -	\$ -	\$ 7,485.97	\$ -
2009-25	Various Water-Sewer Improvements	06/29/09	675,000.00	485.47	-	-	-	-	485.47	-
2009-34	Various Water-Sewer Improvements	11/30/09	2,800,000.00	112,654.72	-	688.82	-	688.82	112,654.72	-
2010-06	Improvements to Well No.s 20,21 and 23	05/03/10	9,000,000.00	-	75,072.31	8,152.85	451.30	8,152.85	-	74,621.01
2010-12	Various Water Sewer Improvements	08/02/10	2,240,000.00	1,012,107.57	-	10,497.08	17,562.03	1,018.00	1,004,024.62	-
2011-18	Various Water Sewer Improvements	06/07/11	2,344,500.00	718,779.23	76,500.00	19,097.11	123,500.00	19,097.11	595,279.23	76,500.00
2011-35	Imp to Wells No. 17 and 19	12/28/11	4,900,000.00	15,643.00	-	34.92	-	34.92	15,643.00	-
2012-15	Ashmall Pumping Station Improvements	07/02/12	2,020,000.00	-	2,412.26	-	586.33	-	-	1,825.93
2012-28	Various Water Sewer Improvements	08/27/12	1,470,000.00	-	-	145,278.55	-	135,238.63	-	10,039.92
2013-17	Various Water Sewer Improvements	09/09/13	5,200,000.00	593,017.86	-	63,611.54	8,796.80	62,790.14	585,042.46	-
2014-11	Various Water Sewer Improvements	07/07/14	3,455,000.00	2,030,666.00	-	133,622.94	11,042.00	131,308.94	2,021,938.00	-
2014-23	Acq. Of Water Allocation Rights	11/05/14	5,500,000.00	79,750.00	-	149,497.83	15,743.55	133,754.28	79,750.00	-
2015-11	Various Water Sewer Improvements	07/06/15	5,275,000.00	-	3,107,412.61	523,463.91	184,792.30	562,399.66	-	2,883,684.56
2015-24	Acq. Of Water Allocation Rights/Well 25 Improvements	12/28/15	5,800,000.00	-	3,973,450.32	-	13,459.77	-	-	3,959,990.55
2016-21	Various Water Sewer Improvements	07/06/16	4,035,000.00	-	3,512,645.99	108,930.95	249,397.53	251,982.51	-	3,120,196.90
2017-15	Various Water Sewer Improvements	07/05/17	6,105,000.00	-	5,167,518.11	107,562.39	462,558.53	136,640.73	-	4,675,881.24
				<u>\$ 4,570,589.82</u>	<u>\$ 15,915,011.60</u>	<u>\$ 1,270,438.89</u>	<u>\$ 1,087,890.14</u>	<u>\$ 1,443,106.59</u>	<u>\$ 4,422,303.47</u>	<u>\$ 14,802,740.11</u>
<u>Ref.</u>				D	D	D		D	D	D

SCHEDULE OF CAPITAL OUTLAY RESERVE
WATER-SEWER CAPITAL UTILITY FUND

	Balance December 31, 2017	Expended	Balance December 31, 2018
Capital Outlay	\$ 6,295.35	\$ 6,295.35	\$ -
Route 613 Water Main	116,415.84	836.40	115,579.44
Collection System and Pump Station Replacement	91,434.05	-	91,434.05
	<u>\$ 214,145.24</u>	<u>\$ 7,131.75</u>	<u>\$ 207,013.49</u>
<u>Ref.</u>	D	D-1	D

SCHEDULE OF RESERVE FOR BOND RESOLUTION
WATER-SEWER CAPITAL UTILITY FUND

	Balance December 31, 2017	Increase	Balance December 31, 2018
Bond Reserve Account	\$ 17,971.74	\$ -	\$ 17,971.74
Renewal and Replacement Account	1,000,000.00	-	1,000,000.00
	<u>\$ 1,017,971.74</u>	<u>\$ -</u>	<u>\$ 1,017,971.74</u>
<u>Ref.</u>	D		D

SCHEDULE OF WATER-SEWER UTILITY BOND ANTICIPATION NOTES

<u>Ord. No.</u>	<u>Description</u>	<u>Date of Ordinance</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2018</u>
2010-06	Improvements to Well No.s 20,21 and 23	05/03/10	08/04/16	06/12/18	06/11/19	3.00%	\$ 306,000.00	\$ 306,000.00	\$ 306,000.00	\$ 306,000.00
2012-15	Ashmall Pumping Station Improvements	07/02/12	08/04/16	06/12/18	06/11/19	3.00%	402,000.00	402,000.00	402,000.00	402,000.00
2012-28	Various Water-Sewer Improvements	08/27/12	08/04/16	06/12/18	06/11/19	3.00%	1,220,000.00	1,220,000.00	1,220,000.00	1,220,000.00
2015-11	Various Water-Sewer Improvements	07/06/15	08/04/16	06/12/18	06/11/19	3.00%	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00
2015-24	Acquisition of Water Allocation Rights	11/05/14	08/04/16	06/12/18	06/11/19	3.00%	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
2016-21	Various Water-Sewer Improvements	07/06/16	08/02/17	06/12/18	06/11/19	3.000%	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
2017-15	Various Water-Sewer Improvements	07/05/17	06/12/18	06/12/18	06/11/19	3.000%	-	1,000,000.00	-	1,000,000.00
							<u>\$ 6,928,000.00</u>	<u>\$ 7,928,000.00</u>	<u>\$ 6,928,000.00</u>	<u>\$ 7,928,000.00</u>
							D			D

SCHEDULE OF WATER-SEWER SERIAL BONDS

<u>DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>MATURITIES OF BONDS</u>		<u>INTEREST RATE</u>	<u>BALANCE DEC. 31, 2017</u>	<u>DECREASED</u>	<u>BALANCE DEC. 31, 2018</u>
			<u>DATE</u>	<u>AMOUNT</u>				
2015 General Obligation Revenue Bonds	8/6/2015	\$ 30,000,000.00	2/1/2019	\$ 925,000.00	4.000%	\$ 28,450,000.00	\$ 900,000.00	\$ 27,550,000.00
			2/1/2020	920,000.00	4.000%			
			2/1/2021	950,000.00	4.000%			
			2/1/2022	985,000.00	4.000%			
			2/1/2023	1,015,000.00	4.000%			
			2/1/2024	1,050,000.00	4.000%			
			2/1/2025	1,085,000.00	2.500%			
			2/1/2026	1,120,000.00	3.000%			
			2/1/2027	1,500,000.00	3.000%			
			2/1/2028	1,500,000.00	3.000%			
			2/1/2029	1,500,000.00	3.000%			
			2/1/2030	1,500,000.00	3.000%			
			2/1/2031	1,500,000.00	3.000%			
			2/1/2032	1,500,000.00	3.125%			
			2/1/2033	1,500,000.00	3.125%			
			2/1/2034	1,500,000.00	3.250%			
			2/1/2035	1,500,000.00	3.250%			
			2/1/2036	1,500,000.00	3.250%			
			2/1/2037	1,500,000.00	3.375%			
			2/1/2038	1,500,000.00	3.375%			
2/1/2039	1,500,000.00	3.500%						
			<u>27,550,000.00</u>					
2016 Refunding Revenue Bonds		4,750,000.00	2/1/2019	440,000.00	4.000%	4,360,000.00	420,000.00	3,940,000.00
			2/1/2020	470,000.00	4.000%			
			2/1/2021	485,000.00	4.000%			
			2/1/2022	470,000.00	4.000%			
			2/1/2023	490,000.00	4.000%			
			2/1/2024	505,000.00	4.000%			
			2/1/2025	530,000.00	4.000%			
			2/1/2026	550,000.00	4.000%			
			<u>3,940,000.00</u>					
						<u>\$ 32,810,000.00</u>	<u>\$ 1,320,000.00</u>	<u>\$ 31,490,000.00</u>
					<u>Ref.</u>	<u>D</u>		<u>D</u>

SCHEDULE OF WATER-SEWER NJEIT LOANS

<u>DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>MATURITIES OF BONDS</u>		<u>INTEREST RATE</u>	<u>BALANCE DEC. 31, 2017</u>	<u>DECREASED</u>	<u>BALANCE DEC. 31, 2018</u>
			<u>DATE</u>	<u>AMOUNT</u>				
NJ Environmental Infrastructure Trust Loan	5/3/2012	\$ 1,060,000.00	8/1/2019	\$ 60,000.00	5.000%	\$ 810,000.00	\$ 55,000.00	\$ 755,000.00
			8/1/2020	65,000.00	5.000%			
			8/1/2021	65,000.00	5.000%			
			8/1/2022	70,000.00	5.000%			
			8/1/2023	75,000.00	5.000%			
			8/1/2024	75,000.00	5.000%			
			8/1/2025	80,000.00	5.000%			
			8/1/2026	85,000.00	5.000%			
			8/1/2027	90,000.00	3.000%			
			8/1/2028	90,000.00	3.000%			
			<u>755,000.00</u>					
NJ Environmental Infrastructure Fund Loan	5/3/2012	1,183,520.00	2/1/2019-2/1/2026	24,656.66	0.000%	675,345.05	73,969.99	601,375.06
			8/1/2019-8/1/2026	49,313.33	0.000%			
			2/1/2027	9,615.14	0.000%			
			<u>601,375.06</u>					
						<u>\$ 1,485,345.05</u>	<u>\$ 128,969.99</u>	<u>\$ 1,356,375.06</u>
<u>Ref.</u>						D		D

CURRENT FUND
SCHEDULE OF CHANGES IN VARIOUS PAYABLE AND RESERVES

	December 31, 2017	Debt	December 31, 2018
Various Payables			
Retainage Payable	\$ 42,058.50	\$ -	\$ 42,058.50
	<u>42,058.50</u>	<u>-</u>	<u>42,058.50</u>
Reserve for:			
Various Reserves	531,897.69		531,897.69
Amortization	145,441,781.79	1,448,969.99	146,890,751.78
Deferred Amortization	1,181,000.00		1,181,000.00
Debt Service	267,757.23		267,757.23
	<u>147,422,436.71</u>	<u>1,448,969.99</u>	<u>148,871,406.70</u>
Total	<u>\$ 147,464,495.21</u>	<u>\$ 1,448,969.99</u>	<u>\$ 148,913,465.20</u>

	Ref.	D	D
Serial Bonds Payable			\$ 1,320,000.00
NJEIT Loans Payable			<u>128,969.99</u>
			<u>\$ 1,448,969.99</u>

SCHEDULE OF BONDS AND NOTES
AUTHORIZED BUT NOT ISSUED

<u>ORD. NO.</u>	<u>DATE OF ORD.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DEC. 31, 2017</u>	<u>NOTES ISSUED</u>	<u>BALANCE DEC. 31, 2018</u>
<u>General Improvements</u>					
2011-18	06/07/11	Various Water Sewer Improvements	\$ 76,500.00	\$ -	\$ 76,500.00
2015-11	07/06/15	Various Water Sewer Improvements	2,275,000.00	-	2,275,000.00
2015-24	12/28/15	Acq. Of Water Allocation Rights/Well 25 Imp	3,156,015.00	-	3,156,015.00
2016-21	07/06/16	Various Water Sewer Improvements	3,035,000.00	-	3,035,000.00
2017-15	07/05/17	Various Water Sewer Improvements	6,105,000.00	1,000,000.00	5,105,000.00
			<u>\$ 14,647,515.00</u>	<u>\$ 1,000,000.00</u>	<u>\$ 13,647,515.00</u>

Ref.

Footnote D

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY



PART III
SUPPLEMENTARY DATA

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY
COMBINED BALANCE SHEET ALL FUNDS
FOR THE YEAR ENDING DECEMBER 31, 2018

ASSETS	CURRENT	TRUST	GENERAL	WATER-SEWER	GOVERNMENTAL	MEMORANDUM ONLY TOTALS	
	FUND	FUND	FUND	UTILITY	FIXED	DEC. 31,	DEC. 31,
				FUND	ASSETS	2018	2017
Cash and Investments	\$ 19,127,291.11	\$ 42,292,344.94	\$ 7,797,793.12	\$ 21,693,180.10		\$ 90,910,609.27	\$ 108,880,291.79
Accounts Receivable:							
State and Federal Grants	18,746.96	413,790.85	3,702,440.01			4,134,977.82	5,152,279.33
Due from State of N.J.		1.20				1.20	
Taxes, Assessments, Liens and Utility Charges	2,140,340.09			1,063,714.10		3,204,054.19	3,079,115.08
Interfund Loans	606,990.64	199,136.56		3,049,598.31		3,855,725.51	870,496.32
Other Accounts Receivable	34,940.47					34,940.47	48,740.31
Property Acquired for Taxes at Assessed Value	1,569,800.00					1,569,800.00	1,569,800.00
Fixed Assets - Governmental					49,748,331.53	49,748,331.53	49,165,864.50
Fixed Assets - Utility				147,338,667.37		147,338,667.37	147,338,667.37
Fixed Capital Authorized and Uncompleted - Utilities				55,369,500.00		55,369,500.00	55,369,500.00
Deferred Charges to Revenue of Succeeding Years	105,000.00					105,000.00	140,000.00
Deferred Charges to Future Taxation General Capital			82,787,873.29			82,787,873.29	84,833,196.15
Total Assets	\$ 23,603,109.27	\$ 42,905,273.55	\$ 94,288,106.42	\$ 228,514,659.88	\$ 49,748,331.53	\$ 439,059,480.65	\$ 456,447,950.85
LIABILITIES, RESERVES AND FUND BALANCE							
Bonds and Notes Payable	\$	\$	\$ 64,798,339.12	\$ 39,418,000.00	\$	\$ 104,216,339.12	\$ 109,679,960.73
Leases and Loans Payable			1,458,724.42	1,356,375.06		2,815,099.48	1,837,270.72
Prepaid Taxes, Assessments and Utility Charges	1,448,709.68					1,448,709.68	17,980,517.76
Prepaid Licenses and Fees	15,095.00					15,095.00	
Tax, Assessment Lien and Utility Charge Overpayments	6,686.89					6,686.89	15,783.54
Appropriation Reserves	3,987,248.35			2,204,397.20		6,191,645.55	5,377,429.07
Reserve for Encumbrances/Accounts Payable	1,347,497.23	837,288.98	2,588,634.24	2,179,362.74		6,952,783.19	7,718,479.36
Other Liabilities	30,964.79	504,115.16		591,238.59		1,126,318.54	999,671.58
Amts. Pledged to Specific Purposes	229,000.61	23,535,591.29	2,723,856.45	4,587,481.57		31,075,929.92	31,537,962.09
Interfund Loans	606,990.64	123,613.24		3,125,121.63		3,855,725.51	870,496.32
Eserow Funds		17,904,664.88				17,904,664.88	16,859,904.24
Improvement Authorizations			22,152,340.12	19,225,043.58		41,377,383.70	43,049,142.62
Investments in Governmental Fixed Assets Res. for Amort. of Costs of Fixed Capital Acquired or Author.				148,071,751.78	49,748,331.53	49,748,331.53	49,165,864.50
Reserve for Certain Assets Acquired or Receivable and Inventories	3,745,080.56		310,000.00	1,063,714.10		5,118,794.66	5,007,655.39
Fund Balance	12,185,835.52		256,212.07	6,692,173.63		19,134,221.22	19,725,031.14
Total Liabilities, Reserves and Fund Balance	\$ 23,603,109.27	\$ 42,905,273.55	\$ 94,288,106.42	\$ 228,514,659.88	\$ 49,748,331.53	\$ 439,059,480.65	\$ 456,447,950.85

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

Revenue and Other Income Realized	Year 2018		Year 2017	
	Amount	%	Amount	%
Fund Balance Utilized	\$ 8,100,000.00	3.67	\$ 7,400,000.00	3.46
Miscellaneous - From Other Than				
Local Property Tax Levies	13,207,766.18	5.98	14,005,474.81	6.54
Collection of Delinquent Taxes and Tax Title Liens	1,734,668.68	0.79	1,463,891.94	0.68
Collection of Current Tax Levy	197,832,281.22	89.57	191,281,583.62	89.32
Total Income	220,874,716.08	100.00	214,150,950.37	100.00
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	55,118,959.82	25.77	52,529,586.71	25.42
County Taxes	35,716,376.71	16.70	34,599,664.12	16.74
Local School Taxes	109,802,610.00	51.34	106,962,459.00	51.76
Municipal Open Space Taxes	1,155,170.04	0.54	1,138,489.83	0.55
Special District Taxes	12,025,516.00	5.62	11,339,271.00	5.49
Other Expenditures	53,977.95	0.03	96,218.67	0.05
Total Expenditures	213,872,610.52	100.00	206,665,689.33	100.00
Excess in Revenue	7,002,105.56		7,485,261.04	
Adjustment to Income Before Fund Balance:				
Expenditures Include Above Which are Statute Deferred Charges to Budgets of Succeeding Years				
Statutory Excess to Fund Balance	7,002,105.56		7,485,261.04	
Fund Balance January 1	13,283,729.96		13,198,468.92	
	20,285,835.52		20,683,729.96	
Less:				
Utilization as Anticipated Revenue	8,100,000.00		7,400,000.00	
Fund Balance December 31	\$ 12,185,835.52		\$ 13,283,729.96	

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

Revenue and Other <u>Income Realized</u>	Year 2018		Year 2017	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Fund Balance Utilized	\$ 1,577,040.00	7.42	\$ 1,385,575.00	7.36
Utility Service Charge	16,899,034.74	79.51	15,475,439.47	82.24
Miscellaneous Revenues	1,372,839.85	6.46	968,416.93	5.15
Non Budget Revenues	146.34	0.00	-	
Other Credits to Income	1,403,952.55	6.61	987,400.68	5.25
 Total Income	 21,253,013.48	 100.00	 18,816,832.08	 100.00
 <u>Expenditures</u>				
Budget Expenditures:				
Operating	14,309,687.00	79.48	14,268,005.00	78.94
Capital Improvements	300,000.00	1.67	300,000.00	1.66
Debt Service	2,744,990.81	15.25	2,907,491.91	16.09
Deferred Charges and Statutory Expenditures	650,000.00	3.61	600,000.00	3.32
 Total Expenditures	 18,004,677.81	 100.00	 18,075,496.91	 100.00
 Excess in Revenue	 3,248,335.67		 741,335.17	
 Fund Balance January 1	 5,058,166.74		 7,002,406.57	
	8,306,502.41		7,743,741.74	
Less:				
Utilization as Anticipated Revenue	1,577,040.00		1,385,575.00	
Appropriated in Current Fund Budget	1,000,000.00		1,300,000.00	
 Fund Balance December 31	 \$ 5,729,462.41		 \$ 5,058,166.74	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION*

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Tax Rate:</u>	<u>\$2.436</u>	<u>\$2.400</u>	<u>\$2.365</u>
<u>Apportionment of Tax Rate:</u>			
Municipal:	<u>0.475</u>	<u>0.457</u>	<u>0.457</u>
Municipal Open Space:	<u>0.015</u>	<u>0.015</u>	<u>0.015</u>
Municipal Library Tax	<u>0.038</u>	<u>0.037</u>	<u>0.036</u>
County:	<u>0.429</u>	<u>0.423</u>	<u>0.399</u>
Local School:	<u>1.443</u>	<u>1.433</u>	<u>1.424</u>
Open Space Tax - County	<u>0.036</u>	<u>0.035</u>	<u>0.034</u>
Special District			
Fire District No.1	<u>0.125</u>	<u>0.111</u>	<u>0.109</u>
Fire District No.2	<u>0.142</u>	<u>0.138</u>	<u>0.135</u>
Fire District No.3	<u>0.202</u>	<u>0.198</u>	<u>0.192</u>

Assessed Valuation:

2018	<u>7,611,921,370.00</u>	
2017		<u>7,467,121,344.00</u>
2016		<u>7,299,355,662.00</u>

*Per Abstract of Ratables, Middlesex County, NJ

Note: Under the provisions of Chapter 129, P.L. 1976, the County Board of Taxation estimated the amount of approved Veterans and Senior Citizens Tax Deductions for 2018 to be \$686,000.

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2018	\$ 199,787,792.96	\$ 197,832,281.22	99.02%
2017	193,367,694.24	191,281,583.62	98.92%
2016	188,489,309.63	186,411,725.00	98.90%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2018	\$ 250,334.43	\$ 1,890,005.66	\$ 2,140,340.09	1.07%
2017	248,358.57	1,818,542.03	2,066,900.60	1.07%
2016	347,095.52	1,714,348.96	2,061,444.48	1.09%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2018	\$ 1,569,800.00
2017	1,569,800.00
2016	1,087,200.00

COMPARISON OF WATER AND SEWER UTILITY LEVIES AND COLLECTIONS

<u>Year</u>	<u>Levy</u>	<u>Cash Collections*</u>
2018	\$ 16,950,534.36	\$ 16,899,034.74
2017	15,213,703.97	15,475,439.47
2016	15,636,174.22	15,568,557.77

*Cash collections include amounts which were levied in prior years

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u> <u>Ended</u>		<u>Balance</u>		Utilized in Budget of Succeeding <u>Year</u>
Current Fund	2018	\$	12,185,835.52	\$	8,950,000.00
	2017		13,283,729.96		8,100,000.00
	2016		13,198,468.92		7,400,000.00
	2015		10,748,130.38		5,500,000.00
	2014		6,902,273.80		3,580,000.00
Water-Sewer Operating Utility Fund	2018	\$	5,729,462.41	\$	1,300,000.00
	2017		5,058,166.74		1,577,040.00
	2016		7,002,406.57		1,385,575.00
	2015		7,926,166.96		600,000.00
	2014		10,886,345.84		NONE

OFFICIALS IN OFFICE AND SURETY BOND COVERAGES

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Gerald W. Tamburro	Mayor	
Stephen Dalina	Council President	
Elizabeth Schneider	Council Vice President	
Leonard Baskin	Councilperson	
Miriam Cohen	Councilperson	
Charles Dipierro	Councilperson	
Alan M. Weinberg	Business Administrator	
George J. Lang	Chief Financial Officer	1,000,000.00 (A)
Luann McGraw	Tax Collector	1,000,000.00 (A)
Patricia Reid	Clerk	
Donna Linke	Court Administrator	1,000,000.00 (A)
George M. Boyd	Judge	1,000,000.00 (A)
Joel L. Shain, Esq.	Township Attorney	
Lou Buonocore	Construction Code Official	
Mitchell Elias	Assessor	
Michael Lloyd	Chief of Police	

(A) Middlesex County Joint Insurance Fund

Comments related to the surety bond coverages are located in the General Comments section of the report.

TOWNSHIP OF MONROE
MIDDLESEX COUNTY, NEW JERSEY



PART IV
GENERAL COMMENTS AND RECOMMENDATIONS

TOWNSHIP OF MONROE
COUNTY OF MIDDLESEX, NEW JERSEY

GENERAL COMMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

GENERAL COMMENTS

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

Scope of Audit

The audit covered the financial transactions of the Finance Department and Outside Offices/Other Officials Collecting Fees of the Township of Monroe, County of Middlesex, New Jersey.

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

INTERNAL CONTROL MATTERS

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

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

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

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

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

GENERAL COMMENTS

INTERNAL CONTROL MATTERS (Cont'd)

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

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

During our audit, we noted certain matters involving the internal control and other operational matters that have been discussed with management. These matters do not affect our report dated September 27, 2019 on the financial statements of the Township of Monroe. Our comments and recommendations, which have been discussed with appropriate members of management, are intended to improve internal control or result in other operating efficiencies.

We identified certain deficiencies in internal control, as follows:

Internal Control Deficiencies:

2018-1 Segregation of Duties - Other Offices and Officials Collecting Fees

Conditions exist whereby the same individual may collect, record and deposit/remit cash receipts to the Finance Office in the following offices/departments: Township Clerk, Zoning/Planning, Construction Code Official, Police Department, Recreation/Parks Department and Clinical Coordinator. This is the result of officials performing multi-tasks within the various departments.

OTHER MATTERS

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

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

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

GENERAL COMMENTS

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

On September 28, 2015, the Local Public Contracts Law was amended, effective on July 1, 2015. The amendment addresses the bid threshold (Section 7, N.J.S.A. 40A:11-3), thereby increasing the amount from \$36,000.00 to \$40,000.00 under which a contract may be awarded without public advertising for those municipalities that have appointed a Qualified Purchasing Agent.

The maximum bid threshold remains at \$17,500.00 for those municipalities that do not have a Qualified Purchasing Agent. As of December 31, 2018, the Township has a Qualified Purchasing Agent.

The Township's official minutes indicate that bids were requested by public advertising for the following items tested:

Materials, Supplies, Construction, Repairs and Other Services:

Professional Engineering Services; Water Well Improvements; Computer Repairs and Replacements; Security Monitoring and Maintenances; Landscaping Services; Grass Bags; Janitorial Supplies; Concrete Improvements; Buildings & Grounds Repairs and Maintenances; Web Design Implementation.

State Approved Contracts for the Following Purchases:

On January 3, 2018, the Township Council approved a resolution approving purchases from multiple state contract vendors.

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

The testing of purchases did not reveal any individual payments, contracts or agreements over the \$40,000 bid thresholds, "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertising or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A: 11-4.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

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

Pay-to-Play and Business Registration Requirements

The threshold for Pay-to-Play is set at \$17,500, with no escalator provision. Any contract that does not meet "fair and open" standards requires the Township to obtain the necessary c. 271 documents. The provisions of c. 271 became effective on January 1, 2006.

A non-compliance would result with the issuance of purchase order exceeding \$17,500 during the fiscal period without a "fair and open" process, and without obtaining the requisite disclosures.

Tests of expenditures indicated the Township had the required documentation for compliance with P.L. 2005, c.271 for items tested.

GENERAL COMMENTS

Surety Bond Coverage

The "List of Officials", included as part of the Supplementary Data section of this report, discloses the status of surety bond coverage's in effect at December 31, 2018. A review of surety bond coverage as of December 31, 2018, disclosed compliance with requirements, as promulgated by the Local Finance Board, State of New Jersey, for the Municipal Court and Collector.

During July 1998, the Local Finance Board completed a readopting of the Board's general rules in the New Jersey Administrative Code. Based upon the new provisions of N.J.A.C. 5:30-8.3 and 8.4, local units are encouraged to utilize new recommended amounts in lieu of the minimum amounts in order to provide a higher level of security of public funds. We suggest that the Township review these revised regulations and determine their applicability and also determine if other positions should be bonded separately or covered with increased blanket coverage.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body, on January 3, 2018 adopted a resolution authorizing interest to be charged on delinquent taxes.

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

Delinquent real estate taxes and tax title liens at December 31, 2018 are as follows:

<u>CATEGORY</u>	<u>AMOUNT</u>
Delinquent Taxes	\$ 1,890,005.66
Tax Title Liens	<u>250,334.43</u>
	<u>\$ 2,140,340.09</u>

Investment of Idle Funds

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

The Township has adopted a formal cash management plan as required by state rules and regulations

Bank Reconciliation Process

During the audit of the bank reconciliation process, we noted that there were outstanding checks greater than one year. The Township should make an annual review of outstanding checks and write off outstanding checks greater than one year old.

We suggest that the outstanding checks older than one year be investigated to determine their proper disposition.

GENERAL COMMENTS

Purchase Order System/ Encumbrance Accounting System and Payment of Claim

The Township's budgetary operation is on a full encumbrance accounting system. In addition, actions authorizing commitments on behalf of the Township should be preceded by the confirmation of availability of funds in all cases.

Claims were examined on a test basis for the year under review and voucher packages were found to be complete in all respects, primarily with respect to approval signatures and supporting documentation.

Municipal Court

The financial records maintained by the Municipal Court during the period were reviewed. The examination of the general account indicated that deposits were recorded and spread by receipt category and cash was reconciled monthly. The examination of the bail account's financial and supporting records maintained by the Municipal Court indicated that the analysis of outstanding bail was reconciled to the book balance.

The processing of traffic and criminal cases entered on the State's on-line computer system indicated no exceptions with respect to items tested.

Condition of Records – Outside Offices and Departments

Our reviews of records maintained by Outside Offices collecting fees were designed to determine that minimum levels of internal controls and accountability were met, that cash receipts were deposited or turned over to the Treasurer's accounts within a 48-hour period as required by N.J.S.A. 40A: 5-15, that amounts charged were in accordance with the provisions of the Township Code and that monthly financial reports are being submitted to the Finance Department on a timely basis.

The examination of the records of the various outside offices and departments indicated the following for the fiscal year ended December 31, 2018: The outside offices and departments maintain cashbooks and prepare and submit monthly reports to the Finance Department and no exceptions were noted for items tested.

Internal Control Documentation

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

Water-Sewer Utility Fund

The result of operation for the Water-Sewer Utility Operating Fund is set forth in Exhibit "D-1" of this report. Realized revenues amounted to \$21,318,393.58 and expenditures amounted to \$18,004,677.81 resulting in excess revenues of \$3,313,715.77. The calculation of "Self-Liquidating Purpose" utility operations per N.J.S.A. 40A: 2-45 resulted in a statutory excess for debt statement purposes of \$2,144,383.12, which allows for the total deduction of Water-Sewer Utility Debt in the calculation of the statutory net debt of the Township at December 31, 2018.

GENERAL COMMENTS

Water-Sewer Utility Fund (Cont'd.)

A reconciliation of the excess revenues from operations (Exhibit - D-1) and the excess in revenues for debt statement purposes is included in the Notes to the Financial Statements.

It was noted that the integration of the Utility's financial operations with that of the Township's operations continued during the period under review. In order to fully achieve the efficiencies expected of the consolidation, we suggest efforts continue to integrate the information processing systems of the Utility and Township.

Improvement Authorizations

There exist several improvement authorizations from previous years with no activity that should be reviewed as to their current status. In addition, improvement authorizations should be reviewed on a continuing basis to determine their status for consideration as to funding requirements.

Administration and Accounting of State & Federal Grants

The Township operated various programs during 2018, which were funded in whole or in part by State or Federal grant assistance. These programs often vary as to the application and approval process; matching funds requirements, grant periods, required approvals for modification of budgets and the timing and frequency of financial reporting.

As part of the acceptance of these funds, the Township is required to make assurances to the grantor agency that it will comply, in its general operations as well as in the operation of grant funded programs, with various laws and regulations. In addition, the individual grant contracts impose specific compliance requirements for the operations of each program.

The acceptance of grant funds also places additional requirements upon the Township with respect to the Township's system of internal controls. Based upon the matrix of requirements applicable to a specific grant, the Township's internal controls are required to include systems and policies and procedures designed to ensure compliance with the applicable requirements.

It was noted in the previous and current audit that there are certain grant receivables recorded within the Township's financial statements where no recent activity has occurred. We recommend that the Township review older receivable balances, including grants receivables, for their proper disposition within all Township funds, and in particular with respect to the General Capital Fund.

Cybersecurity

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

GENERAL COMMENTS

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

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

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

N.J.A.C. 5:30 – 5.6 - Fixed Asset Accounting: This directive requires the development and implementation of accounting systems which assign values to covered assets and can track additions, retirements and transfers of inventoried assets. The Township is in compliance with this directive.

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

Compliance with Local Finance Notices

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

RECOMMENDATIONS

None.

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

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

Very truly yours,

HODULIK & MORRISON, P.A.



Andrew G. Hodulik, CPA, RMA
No. 406