

TOWNSHIP OF GLOUCESTER
COUNTY OF CAMDEN

REPORT OF AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2017

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TOWNSHIP OF GLOUCESTER
PART I
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Gloucester
Gloucester Township, New Jersey

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Gloucester, in the County of Camden, State of New Jersey, as of December 31, 2017 and 2016, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the "*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Gloucester, in the County of Camden, State of New Jersey, as of December 31, 2017 and 2016, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Gloucester, in the County of Camden, State of New Jersey, as of December 31, 2017 and 2016, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2017, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Other Matters*Other Information*

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

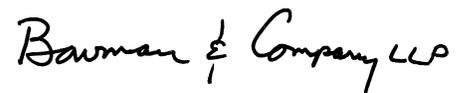
The supplemental statements and schedules presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures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

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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2018, on our consideration of the Township of Gloucester, in the County of Camden, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Gloucester's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Gloucester's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert P. Nehila, Jr.
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 21, 2018

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township Gloucester
Gloucester Township, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Township of Gloucester in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 21, 2018. That report indicated that the Township of Gloucester's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control over Financial Reporting

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

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

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

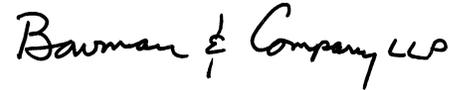
Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert P. Nehila, Jr.
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 21, 2018

TOWNSHIP OF GLOUCESTER
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2017 and 2016

ASSETS:	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Regular Fund:			
Cash	SA-1	\$ 12,401,518.97	\$ 12,315,967.19
Cash -- Change Funds	SA-2	2,850.00	1,850.00
Due State of New Jersey:			
Senior Citizens' and Veterans Deductions	SA-4	<u>84,325.29</u>	<u>86,460.49</u>
		<u>12,488,694.26</u>	<u>12,404,277.68</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	124,689.69	141,212.01
Tax Title Liens Receivable	SA-6	967,849.48	1,039,000.51
Revenue Accounts Receivable	SA-7	34,043.48	45,768.79
Property Acquired for Taxes - Assessed Valuation	SA-18	1,645,700.00	703,300.00
Property Maintenance Liens Receivable	SA-25	47,109.12	509,153.54
Police Outside Service Receivable	SA-20	8,396.91	8,206.91
Due from Federal and State Grant Fund	SA-21	167,252.53	72,814.92
Due from General Capital	SC-6	27,664.13	131.65
Due from Municipal Open Space Trust Fund	SB-4	<u>226,118.25</u>	<u>226,118.25</u>
		<u>3,248,823.59</u>	<u>2,519,588.33</u>
		<u>15,737,517.85</u>	<u>14,923,866.01</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	SA-22	<u>586,629.09</u>	<u>775,565.97</u>
		<u>586,629.09</u>	<u>775,565.97</u>
		<u>\$ 16,324,146.94</u>	<u>\$ 15,699,431.98</u>

(Continued)

TOWNSHIP OF GLOUCESTER
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2017 and 2016

LIABILITIES, RESERVES AND FUND BALANCE:	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3,SA-10	\$ 1,053,227.75	\$ 1,229,203.99
Reserve for Encumbrances	SA-19	406,228.54	453,647.95
Accounts Payable	SA-8	6,994.05	1,441.65
Prepaid Taxes	SA-11	4,200,304.66	1,222,850.33
Prepaid Abatement	SA-1	613.00	516.00
Tax Overpayments	SA-12	2,234.59	
Due to County for Added and Omitted Taxes	SA-14	64,335.46	62,246.58
Regional School Taxes Payable	SA-15	1.05	1.11
Local School Taxes Payable	SA-16	364.52	
Due to State of New Jersey:			
Marriage Licenses	SA-20	2,300.00	1,800.00
State Training Fees	SA-20	14,481.00	34,648.00
Reserve for Cost of Revaluation	SA-20	8,771.60	8,771.60
Due Camden County Municipal Utility Authority	SA-20	818,468.91	989,978.89
Due Gloucester Township Municipal Utility Authority	SA-20	382,558.85	457,397.33
Due Trust Other Fund	SB-6	1,227,451.72	2,066,915.28
		<u>8,188,335.70</u>	<u>6,529,418.71</u>
Reserve for Receivables and Other Assets	A	3,248,823.59	2,519,588.33
Fund Balance	A-1	4,300,358.56	5,874,858.97
		<u>15,737,517.85</u>	<u>14,923,866.01</u>
Federal and State Grant Fund:			
Due to Trust Other Fund	SB-9	11,950.00	10,000.00
Due to Open Space Fund	B	25,000.00	25,000.00
Due to General Capital Fund	SC-17	25,000.00	
Due to Current Fund	SA-21	167,252.53	72,814.92
Reserve for Encumbrances	SA-24	18,071.65	73,790.50
Appropriated Grant Reserves	SA-24	302,484.82	558,134.93
Unappropriated Reserves	SA-23	36,870.09	35,825.62
		<u>586,629.09</u>	<u>775,565.97</u>
		<u>\$ 16,324,146.94</u>	<u>\$ 15,699,431.98</u>

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

TOWNSHIP OF GLOUCESTER
CURRENT FUND
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2017 and 2016

REVENUE AND OTHER INCOME REALIZED:	<u>2017</u>	<u>2016</u>
Fund Balance Utilized	\$ 5,240,000.00	\$ 3,175,830.00
Miscellaneous Revenue Anticipated	10,497,597.85	11,678,400.74
Receipts from Delinquent Taxes	210,239.64	303,663.34
Receipts from Current Taxes	167,631,924.80	164,549,102.19
Non-Budget Revenue	1,748,684.23	3,020,029.62
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,106,084.92	1,038,771.84
Cancellation of:		
Prior Year Accounts Payables	618.00	
Other	1,000.00	131.65
Liquidation of Reserve for:		
Interfunds		4,594.55
	<hr/>	<hr/>
Total Income	186,436,149.44	183,770,523.93
	<hr/>	<hr/>
EXPENDITURES:		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	23,743,980.00	22,655,903.00
Other Expenses	20,891,249.00	20,569,919.00
Deferred Charges and Statutory Expenditures Municipal -- Within "CAPS"	6,149,946.00	5,687,915.00
Operations -- Excluded from "CAPS":		
Salaries and Wages	105,000.00	163,300.00
Other Expenses	407,307.74	1,335,724.09
Capital Improvements -- Excluded from "CAPS"	310,000.00	310,000.00
Municipal Debt Service -- Excluded from "CAPS"	6,705,671.30	6,597,425.40
Deferred Charges -- Excluded from "CAPS"		
Transferred to Board of Education	510,000.00	510,000.00
County Taxes	38,131,997.48	37,376,200.76
Due County for Added and Omitted Taxes	64,335.46	62,246.58
Local School District Tax	50,129,952.00	48,636,745.00
Regional High School Tax	27,513,335.00	26,671,772.00
Special (Fire) District Taxes	6,808,131.00	6,746,731.00
Municipal Open Space Tax	880,795.75	883,851.58
Other Charges to Income:		
Establishment of Change Fund - Municipal Court	1,000.00	
Interfunds Created	348,088.34	72,946.57
Creation of Maintenance Liens	52,437.59	122,433.56
Creation of Other Receivables	190.00	1,213.79
Prior Year Senior Citizen and Veterans Taxes Disallowed	550.00	1,000.00
Refund of Prior Year Revenue	15,757.75	
Miscellaneous Added Tax Overpayments	925.44	40,231.34
	<hr/>	<hr/>
Total Expenditures	182,770,649.85	178,445,558.67
	<hr/>	<hr/>
Statutory Excess to Fund Balance	3,665,499.59	5,324,965.26
FUND BALANCE:		
Balance January 1	5,874,858.97	3,725,723.71
	<hr/>	<hr/>
Decreased by:	9,540,358.56	9,050,688.97
Utilized as Revenue	5,240,000.00	3,175,830.00
	<hr/>	<hr/>
Balance December 31	\$ 4,300,358.56	\$ 5,874,858.97
	<hr/>	<hr/>

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

TOWNSHIP OF GLOUCESTER
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2017

	Anticipated		Realized	Excess or (Deficit)
	Budget	Special N.J.S. 40A: 4-87		
Surplus Anticipated	\$ 5,240,000.00		\$ 5,240,000.00	
Miscellaneous Revenues:				
Alcoholic Beverages	55,000.00		58,945.00	\$ 3,945.00
Licenses Other	20,000.00		25,690.00	5,690.00
Fees and Permits	40,000.00		109,621.00	69,621.00
Fines and Costs - Municipal Court	700,000.00		547,249.62	(152,750.38)
Interest and Costs on Taxes	300,000.00		338,955.87	38,955.87
Interest on Investments and Deposits	66,211.00		72,070.00	5,859.00
Recreation Fees	200,000.00		230,638.00	30,638.00
Tax Sale Fees	200,000.00		221,757.70	21,757.70
Payment in Lieu of Senior Citizen Housing Complex	160,000.00		202,479.24	42,479.24
Municipal Pool Fees	70,000.00		97,061.00	27,061.00
Lease of Public Building	10,000.00		10,395.00	395.00
Tax Abatement in Lieu of Billing	800,000.00		934,980.25	134,980.25
Cable TV Fees	200,500.00		256,997.90	56,497.90
Consolidated Municipal Property Tax Relief Aid	413,565.00		413,565.00	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	4,692,894.00		4,692,894.00	
Uniform Construction Code Fees	600,000.00		867,130.20	267,130.20
Public and Private Revenues - Offset With Appropriations:				
Drunk Driving Enforcement Fund	10,300.79		10,300.79	
Municipal Alliance on Alcohol and Drug Abuse	39,629.74		39,629.74	
Safe and Secure Communities Program	90,000.00		90,000.00	
Body Armor Grant	10,524.83		10,524.83	
Click it or Ticket	5,000.00		5,000.00	
Drive Sober or Get Pulled Over	5,000.00	\$ 5,000.00	10,000.00	
Camden County Open Space Grant		60,000.00	60,000.00	
Edward Byrne Memorial Justice Assistance Grant		15,806.00	15,806.00	
NJ DEP - Clean Communities Program		121,778.38	121,778.38	
CHOP Grant		5,000.00	5,000.00	
Community Policing Grant		10,000.00	10,000.00	
Other Special Items of Revenue:				
Payment of Bond Principal - Due from Black Horse				
Pike Regional High School District	89,000.00		89,000.00	
Interest on Bonds - Due from Black Horse				
Pike Regional High School District	30,132.50		30,132.50	
Utility Operating Surplus of Prior Year	260,000.00		319,995.83	59,995.83
Reserve to Pay Debt Service	600,000.00		600,000.00	
Total Miscellaneous Revenues	9,667,757.86	217,584.38	10,497,597.85	612,255.61
Receipts from Delinquent Taxes	-	-	210,239.64	210,239.64
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	44,481,445.04	-	44,878,162.65	396,717.61
Budget Totals	59,389,202.90	217,584.38	60,826,000.14	1,219,212.86
Non-Budget Revenue	-	-	1,748,684.23	1,748,684.23
	<u>\$ 59,389,202.90</u>	<u>\$ 217,584.38</u>	<u>\$ 62,574,684.37</u>	<u>\$ 2,967,897.09</u>

(Continued)

TOWNSHIP OF GLOUCESTER
CURRENT FUND
 Statement of Revenues -- Regulatory Basis
 For the Year Ended December 31, 2017

Analysis of Realized Revenues

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 167,631,924.80
Allocated to School, County and Special District Taxes	<u>123,528,546.69</u>
Balance for Support of Municipal Budget Appropriations	44,103,378.11
Add: Appropriation "Reserve for Uncollected Taxes"	<u>774,784.54</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 44,878,162.65</u></u>

Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 110,159.66
Tax Title Lien Collections	<u>100,079.98</u>
	<u><u>\$ 210,239.64</u></u>

Analysis of Non-Budget Revenue

Miscellaneous Revenue not Anticipated:	
Receipts:	
Administrative Fees - Maintenance Liens	\$ 81,545.93
Maintenance Liens Receivable Collected	476,551.89
Vacant Property Registration Fees	426,441.57
Cancel Prior Year Checks	453.56
Cell Phone Tower	56,899.75
Community Development Ad Fees	3,050.00
Community Garden	570.00
Easement	4,000.00
eCrash Reports	7,975.20
Fuel Reimbursement	113,002.42
Gazebo Rentals	7,200.00
License Plate Reader	6,749.05
Metal Recycling	88,219.66
Motor Vehicle Fines	30,773.50
NSF Fee	1,100.00
NJEIT Administration Fee	15,000.00
Photocopies	8,134.50
Police Fees	2,149.35
Police O/S Employ - Admin Fee	130,238.42
Tax Sale Premiums	60,100.00
Public Works Vehicle Repairs	34,454.84
Restitution	240.00
S/C & Vet Admin Fee	10,474.00
Sale of Ordinance, Books & Maps	850.00
Sale of Township Property	925.00
SREC	6,829.13
Tax Fees	4,207.51
Township Map	255.44
Twp Pool Snack Bar	7,767.25
Vending Machine	<u>1,001.89</u>
	1,587,159.86
Cancellation of Payroll Balance - Due from Trust Other Fund	<u>161,524.37</u>
Total Non-Budget Revenues	<u><u>\$ 1,748,684.23</u></u>

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

TOWNSHIP OF GLOUCESTER
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2017

	<u>A p p r o p r i a t i o n s</u>		<u>P a i d o r C h a r g e d</u>			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- WITHIN "CAPS"						
<u>GENERAL GOVERNMENT</u>						
<u>Administrative and Executive:</u>						
Office of Township Administrator:						
Salaries and Wages	\$ 127,845.00	\$ 133,545.00	\$ 133,464.70		\$ 80.30	
Other Expenses	2,075.00	2,075.00	1,915.07		159.93	
Office of Administrative Support Services:						
Salaries and Wages	117,636.00	114,236.00	113,814.48		421.52	
Other Expenses	21,400.00	21,400.00	17,887.20		3,512.80	
Office of Grants Administration:						
Other Expenses	200.00	9,200.00	9,113.77		86.23	
Office of Human Resources:						
Salaries and Wages	230,506.00	236,406.00	233,521.84		2,884.16	
Other Expenses	55,950.00	55,950.00	46,365.62	\$ 4,264.49	5,319.89	
Office of the Mayor:						
Salaries and Wages	140,238.00	150,588.00	150,569.28		18.72	
Other Expenses	4,840.00	5,340.00	4,945.31	338.00	56.69	
Office of the Twp. Council:						
Salaries and Wages	55,935.00	55,935.00	55,935.00			
Other Expenses	4,925.00	4,925.00	4,313.04	99.45	512.51	
Office of Public Information:						
Other Expenses	125,600.00	125,600.00	108,276.68		17,323.32	
Office of the Twp. Clerk:						
Salaries and Wages	193,767.00	204,767.00	202,533.34		2,233.66	
Other Expenses:	50,300.00	50,300.00	45,272.75	2,574.30	2,452.95	
Office of the Treasury:						
Salaries and Wages	188,792.00	188,042.00	188,038.50		3.50	
Other Expenses	30,200.00	42,200.00	39,402.93		2,797.07	
Audit Services:						
Other Expenses	65,000.00	65,000.00	65,000.00			
Office of Data Processing:						
Salaries and Wages	45,900.00	46,426.00	46,418.44		7.56	
Other Expenses	236,000.00	266,000.00	256,076.51		9,923.49	
Office of the Tax Collector:						
Salaries and Wages	240,452.00	257,452.00	256,353.59		1,098.41	
Other Expenses	126,200.00	96,200.00	79,586.04	738.28	15,875.68	
Office of Tax Assessment:						
Salaries and Wages	187,461.00	177,461.00	175,236.89		2,224.11	
Other Expenses	41,200.00	31,200.00	23,975.51		7,224.49	

(Continued)

TOWNSHIP OF GLOUCESTER
CURRENT FUND
 Statement of Expenditures -- Regulatory Basis
 For the Year Ended December 31, 2017

	<u>A p p r o p r i a t i o n s</u>		<u>P a i d o r C h a r g e d</u>			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
<u>GENERAL GOVERNMENT (CONT'D)</u>						
<u>Administrative and Executive (Cont'd):</u>						
Office of the Twp. Attorney:						
Salaries and Wages	\$ 136,815.00	\$ 139,015.00	\$ 138,984.10		\$ 30.90	
Other Expenses	61,600.00	31,600.00	17,818.13	\$ 10,667.23		3,114.64
Office of the Township Engineer:						
Other Expenses	85,000.00	130,000.00	126,435.75			3,564.25
Rent Stabilization Board:						
Other Expenses	100.00	100.00				100.00
Office of Community Development:						
Salaries and Wages	232,205.00	229,405.00	229,223.02			181.98
Other Expenses	22,500.00	22,500.00	8,821.14			13,678.86
<u>Land Use Administration:</u>						
Planning Board:						
Salaries and Wages	8,458.00	8,673.00	7,838.57	416.67		417.76
Other Expenses	56,100.00	106,100.00	92,900.78	5,205.09		7,994.13
Zoning Board of Adjustments:						
Salaries and Wages	8,522.00	8,672.00	6,998.94	1,664.00		9.06
Other Expenses	59,600.00	39,600.00	26,851.89	425.00		12,323.11
Office of Zoning:						
Salaries and Wages	46,874.00	46,874.00	46,030.82			843.18
<u>Insurance:</u>						
Liability Insurance	843,957.00	883,957.00	848,890.13	13,126.30		21,940.57
Workman's Compensation	544,231.00	794,231.00	658,335.66			135,895.34
Employee Group Insurance	8,369,000.00	8,078,457.00	7,832,125.69	3,128.17		243,203.14
Health Benefit Waiver	265,000.00	265,000.00	250,811.43	268.00		13,920.57
Unemployment Insurance	20,000.00	20,000.00				20,000.00
<u>Public Safety:</u>						
Police Department:						
Salaries and Wages	14,004,351.00	13,935,751.00	13,801,932.84			133,818.16
Other Expenses	817,455.00	825,956.00	721,168.62	26,708.38		78,079.00
Police Communications:						
Salaries and Wages	721,433.00	793,133.00	793,102.24			30.76
Other Expenses	128,376.00	128,376.00	113,375.97	4,180.64		10,819.39
Office of Emergency Management:						
Salaries and Wages	31,212.00	31,212.00	27,141.42			4,070.58
Other Expenses	14,025.00	14,025.00	9,023.44	216.00		4,785.56
Aid to Ambulance						
Other Expenses	50,000.00	50,000.00	33,600.00			16,400.00

(Continued)

TOWNSHIP OF GLOUCESTER
CURRENT FUND
 Statement of Expenditures -- Regulatory Basis
 For the Year Ended December 31, 2017

	<u>A p p r o p r i a t i o n s</u>		<u>P a i d o r C h a r g e d</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
<u>GENERAL GOVERNMENT (CONT'D)</u>						
<u>Public Safety (Cont'd):</u>						
Office of the Prosecutor:						
Salaries and Wages	\$ 78,473.00	\$ 63,473.00	\$ 59,533.76		\$ 3,939.24	
<u>Public Works:</u>						
Office of the Director:						
Salaries and Wages	136,355.00	129,355.00	124,210.39		5,144.61	
Other Expenses	121,550.00	111,550.00	102,254.78	\$ 2,265.01	7,030.21	
Street and Road Maintenance:						
Salaries and Wages	1,926,647.00	2,076,647.00	2,076,186.83		460.17	
Other Expenses	942,195.00	442,195.00	332,414.00	78,193.88	31,587.12	
Sanitation:						
Contractual	3,718,987.00	3,973,987.00	3,972,557.35		1,429.65	
Public Buildings and Grounds:						
Salaries and Wages	719,796.00	724,296.00	724,267.91		28.09	
Other Expenses	151,500.00	151,500.00	137,008.72	6,261.48	8,229.80	
Vehicle Maintenance:						
Salaries and Wages	411,697.00	413,197.00	413,160.53		36.47	
Other Expenses	371,400.00	376,400.00	355,672.94	17,957.15	2,769.91	
<u>Health and Human Services:</u>						
Office of Community Services and Information:						
Salaries and Wages	52,276.00	52,276.00	51,460.26		815.74	
Other Expenses	775.00	775.00	50.00		725.00	
Board of Health:						
Salaries and Wages	10,177.00	10,178.00	10,177.18		0.82	
Other Expenses	2,100.00	2,600.00	2,200.80		399.20	
<u>Animal Control:</u>						
Animal Control Services:						
Other Expenses	65,000.00	81,000.00	81,000.00			
<u>Parks and Recreation</u>						
Office of the Director:						
Salaries and Wages	551,295.00	574,895.00	574,301.73		593.27	
Other Expenses	41,450.00	41,450.00	37,874.94		3,575.06	
Office of Community Activities:						
Other Expenses	22,150.00	22,150.00	17,684.61		4,465.39	
Municipal Pool:						
Salaries and Wages	80,000.00	83,500.00	83,497.74		2.26	
Other Expenses	21,700.00	21,700.00	19,714.70		1,985.30	

(Continued)

TOWNSHIP OF GLOUCESTER
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2017

	<u>A p p r o p r i a t i o n s</u>		<u>P a i d o r C h a r g e d</u>			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
<u>GENERAL GOVERNMENT (CONT'D)</u>						
<u>Parks and Recreation (Cont'd)</u>						
Maintenance of Parks and Playgrounds:						
Salaries and Wages	\$ 1,410,966.00	\$ 1,373,466.00	\$ 1,373,099.59		\$ 366.41	
Other Expenses	203,500.00	163,500.00	118,634.99	\$ 6,050.14	38,814.87	
<u>Other Common Operating Functions:</u>						
Office of Senior Citizens:						
Salaries and Wages	60,395.00	48,395.00	48,369.41		25.59	
Other Expenses	4,550.00	4,550.00	4,500.23		49.77	
<u>Reserve for Tax Appeals:</u>						
Tax Appeals:						
Other Expenses	40,000.00	40,000.00	10,450.00		29,550.00	
<u>Utility and Bulk Purchases:</u>						
Electric	280,500.00	280,500.00	264,366.94		16,133.06	
Street Lighting	780,000.00	836,700.00	836,614.54		85.46	
Telephone	211,240.00	211,240.00	202,439.96	7,349.41	1,450.63	
Water	89,500.00	89,500.00	78,440.46		11,059.54	
Natural Gas	91,000.00	91,000.00	59,940.50	1,239.35	29,820.15	
Sewerage	12,100.00	14,400.00	14,367.13		32.87	
Gasoline	400,000.00	400,000.00	375,993.30	20,273.37	3,733.33	
<u>Landfill Disposal Costs:</u>						
Other Expenses	1,300,000.00	1,240,000.00	1,237,037.67		2,962.33	
<u>Municipal Court:</u>						
Salaries and Wages	549,210.00	525,160.00	525,138.24		21.76	
Other Expenses	72,360.00	97,360.00	89,584.14	5,111.25	2,664.61	
<u>Construction Code Enforcement:</u>						
Salaries and Wages	587,628.00	589,628.00	588,980.02		647.98	
Other Expenses	71,900.00	31,900.00	13,152.93	120.00	18,627.07	
<u>Unclassified:</u>						
Absence Leave-Retirees	228,421.00	260,921.00	260,561.88		359.12	
Compensated Absences Leave	60,000.00	61,000.00	60,847.24		152.76	
Total Operations Including Contingent-Within "CAPS"	44,698,029.00	44,635,229.00	43,387,175.41	218,841.04	1,029,212.55	-
Detail:						
Salaries and Wages	23,581,738.00	23,743,980.00	23,580,930.72	2,080.67	160,968.61	-
Other Expenses	21,116,291.00	20,891,249.00	19,806,244.69	216,760.37	868,243.94	-

(Continued)

TOWNSHIP OF GLOUCESTER
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2017

	<u>A p p r o p r i a t i o n s</u>		<u>P a i d o r C h a r g e d</u>			Unexpended Balance <u>Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES -- WITHIN "CAPS"</u>						
<u>Statutory Expenditures:</u>						
Contribution to:						
Public Employees' Retirement System	\$ 1,063,042.00	\$ 1,063,042.00	\$ 1,063,041.49		\$ 0.51	
Social Security System (O.A.S.I)	1,800,000.00	1,862,800.00	1,849,532.63		13,267.37	
DCRP	10,000.00	10,000.00	1,003.44		8,996.56	
Police and Firemen's Retirement System	3,214,104.00	3,214,104.00	3,214,103.24		0.76	
Total Deferred Charges and Statutory Expenditures -- Municipal -- Within "CAPS"	6,087,146.00	6,149,946.00	6,127,680.80	-	22,265.20	-
<u>OPERATIONS -- EXCLUDED FROM "CAPS"</u>						
<u>General Appropriations:</u>						
Stormwater Management Permits	12,000.00	12,000.00	10,250.00		1,750.00	
Sanitation - Recycling Tax	85,000.00	85,000.00	85,000.00		-	
Total General Appropriations - Excluded from "CAPS"	97,000.00	97,000.00	95,250.00	-	1,750.00	-
<u>Public and Private Programs Offset by Revenues:</u>						
Supplemental Fire Services Program	21,538.00	21,538.00	21,538.00			
Drunk Driving Enforcement Fund	10,300.79	10,300.79	10,300.79			
Municipal Alliance	39,629.74	39,629.74	39,629.74			
Municipal Alliance (Local Match)	15,730.00	15,730.00	15,730.00			
Safe & Secure Community Project Police	90,000.00	90,000.00	90,000.00			
Body Armor Grant	10,524.83	10,524.83	10,524.83			
Click it or Ticket	5,000.00	5,000.00	5,000.00			
Drive Sober or Get Pulled Over (40A:4-87 \$5,000.00)	5,000.00	10,000.00	10,000.00			
Camden County Open Space (40A:4-87 \$60,000.00)		60,000.00	60,000.00			
Edward Byrne Memorial Justice Assistance Grant (40A:4-87 \$15,806.00)		15,806.00	15,806.00			
NJ DEP - Clean Communities Program (40A:4-87 \$121,778.38)		121,778.38	121,778.38			
CHOP Grant (40A:4-87 \$5,000.00)		5,000.00	5,000.00			
Community Policing Grant (40A:4-87 \$10,000.00)		10,000.00	10,000.00			
Total Public and Private Programs Offset by Revenues	197,723.36	415,307.74	415,307.74	-	-	-
Total Operations - Excluded from "CAPS"	294,723.36	512,307.74	510,557.74	-	1,750.00	-
Detail:						
Salaries and Wages	100,000.00	105,000.00	105,000.00	-	-	-
Other Expenses	194,723.36	407,307.74	405,557.74	-	1,750.00	-

(Continued)

TOWNSHIP OF GLOUCESTER
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2017

	<u>A p p r o p r i a t i o n s</u>		<u>P a i d o r C h a r g e d</u>			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	\$ 310,000.00	\$ 310,000.00	\$ 310,000.00	-	-	-
<u>MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	4,855,000.00	4,855,000.00	4,855,000.00			
Interest on Bonds	1,020,000.00	1,020,000.00	1,019,984.47			\$ 15.53
Payment of Bond Anticipation Notes	266,670.00	266,670.00	266,670.00			
Interest on Bond Anticipation Notes	130,000.00	130,000.00	128,030.08			1,969.92
NJEIT Loan Program:						
Principal	244,150.00	244,150.00	244,128.20			21.80
Interest	44,580.00	44,580.00	37,753.06			6,826.94
Green Trust Loan Program:						
Principal	132,270.00	132,270.00	132,268.11			1.89
Interest	21,850.00	21,850.00	21,837.38			12.62
Total Municipal Debt Service - Excluded from "CAPS"	<u>6,714,520.00</u>	<u>6,714,520.00</u>	<u>6,705,671.30</u>	-	-	<u>8,848.70</u>
Transferred to Board of Education for use of Local Schools (NJSA 40:48-17.1 & 17.3)	<u>510,000.00</u>	<u>510,000.00</u>	<u>322,612.50</u>	<u>\$ 187,387.50</u>	-	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>7,829,243.36</u>	<u>8,046,827.74</u>	<u>7,848,841.54</u>	<u>187,387.50</u>	<u>\$ 1,750.00</u>	<u>8,848.70</u>
Subtotal General Appropriations	58,614,418.36	58,832,002.74	57,363,697.75	406,228.54	1,053,227.75	8,848.70
Reserve for Uncollected Taxes	<u>774,784.54</u>	<u>774,784.54</u>	<u>774,784.54</u>	-	-	<u>-</u>
Total General Appropriations	<u>\$ 59,389,202.90</u>	<u>\$ 59,606,787.28</u>	<u>\$ 58,138,482.29</u>	<u>\$ 406,228.54</u>	<u>\$ 1,053,227.75</u>	<u>\$ 8,848.70</u>
Original Budget		\$ 59,389,202.90				
Appropriation by NJS 40A:4-87		<u>217,584.38</u>				
		<u>\$ 59,606,787.28</u>				
Reserve for Federal and State Grants Appropriated			\$ 393,769.74			
Reserve for Uncollected Taxes			774,784.54			
Disbursements - Current Fund			59,438,480.03			
Due Trust Other Fund - Workers Comp			5,000.00			
Refunds of Appropriations			<u>(2,473,552.02)</u>			
			<u>\$ 58,138,482.29</u>			

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

TOWNSHIP OF GLOUCESTER
TRUST FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2017 and 2016

ASSETS:	Ref.	2017	2016
Animal Control Fund:			
Cash	SB-1	\$ 772.62	\$ 828.51
Other Funds:			
Cash	SB-1	6,073,760.81	5,771,492.32
Change Fund	B	100.00	100.00
		<u>6,073,860.81</u>	<u>5,771,592.32</u>
Accounts Receivable:			
Due from Current Fund	SB-6	1,227,451.72	2,066,915.28
Due from Federal and State Grant Fund	SB-9	11,950.00	10,000.00
Due from School Bus GPS System	SB-7	48,527.85	40,972.57
Due from Gloucester Township MUA	SB-7	12,064.30	12,064.30
Rehabilitation Mortgages Receivable	SB-7	905,471.46	905,471.46
Metro Cities Receivable	SB-7	179,333.25	351,175.00
Camden County Home Consortium Program Receivable	SB-7	46,638.00	46,638.00
		<u>2,431,436.58</u>	<u>3,433,236.61</u>
		<u>8,505,297.39</u>	<u>9,204,828.93</u>
Municipal Open Space Trust Fund:			
Cash	SB-1	309,361.51	170,221.95
Due Federal and State Grant Fund	A	25,000.00	25,000.00
Due Trust Other Fund	SB-10	33,886.53	1,819.65
		<u>368,248.04</u>	<u>197,041.60</u>
		<u>\$ 8,874,318.05</u>	<u>\$ 9,402,699.04</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Animal Control Fund:			
Due State of New Jersey	SB-2	\$ 4.80	\$ 21.00
Reserve for Animal Control Fund Expenditures	SB-3	767.82	807.51
		<u>772.62</u>	<u>828.51</u>
Other Funds:			
Due to Municipal Open Space Trust Fund	SB-10	33,886.53	1,819.65
Due to General Capital Fund	SC-16	121,787.00	
Reserve for:			
Seasonal Cleanup Escrows	SB-8	1,031.00	1,031.00
Accumulated Absences	SB-8	54,817.61	54,817.61
Engineering Escrows	SB-8	495,998.16	469,125.34
Cash Performance Guarantees	SB-8	881,170.40	450,849.20
Grading Escrows	SB-8	236,465.66	199,011.89
Developers Interest on Escrows	SB-8	2,272.86	2,272.86
Police Outside Employment	SB-8	191,693.97	190,656.56
Recycling Funds	SB-8	206,059.28	80,370.17
Miscellaneous Grant Escrows	SB-8	11,091.28	11,091.28

(Continued)

TOWNSHIP OF GLOUCESTER
TRUST FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2017 and 2016

LIABILITIES, RESERVES AND FUND BALANCE (CONT'D):	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Other Funds (cont'd):			
Reserve for (cont'd):			
Public Defender	SB-8	\$ 7,660.44	\$ 19,830.70
POAA	SB-8	3,472.00	3,376.00
Municipal Alliance Funds	SB-8	23,646.09	23,146.09
Housing and Community Development Act:			
Metro Cities Grant	SB-8	55,665.33	215,109.71
CC Home Consortium Program	SB-8	858.00	858.00
Sidewalk Improvements	SB-8	1,087.01	1,087.01
Neighborhood Preservation Program	SB-8	12,900.30	12,900.30
Disposal of Forfeited Property	SB-8	61,728.77	67,755.25
Redemption of Privately Held Liens	SB-8	445,768.30	773,396.37
Tax Sale Premium	SB-8	3,078,600.00	4,428,100.00
Tax Sale Bid Holding Account	SB-8	287,235.08	243,200.00
Workman's Compensation	SB-8	657.85	877.84
Workman's Compensation - Salaries and Wages	SB-8	9,690.11	9,690.11
Workman's Compensation - MUA	SB-8	6,282.92	6,282.92
Disability Claims	SB-8	129.81	25,958.44
Unemployment Compensation Insurance	SB-8	63,325.99	44,713.13
Special Recreation Trust	SB-8	3,980.96	22,888.86
Affordable Housing Trust	SB-8	712,879.40	598,104.57
Rehabilitation Mortgages Receivable	SB-8	905,471.46	905,471.46
Encroachment Escrows	SB-8	16,219.89	14,495.89
Multiple Dwelling Escrows	SB-8	38,425.61	38,425.61
Sloan's Legacy	SB-8	2,993.09	2,982.42
Revolving Loan Fund	SB-8	32,297.12	103,355.55
Payroll Fund	SB-8	448,720.32	159,559.80
Flexible Spending	SB-8	49,327.79	22,217.34
		<u>8,505,297.39</u>	<u>9,204,828.93</u>
Municipal Open Space Trust Fund:			
Due to Current Fund	SB-4	226,118.25	
Due to General Capital Fund	SC-15	12,668.38	
Reserve for Future Use	SB-5	129,461.41	197,041.60
		<u>368,248.04</u>	<u>197,041.60</u>
		<u>\$ 8,874,318.05</u>	<u>\$ 9,402,699.04</u>

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

TOWNSHIP OF GLOUCESTER
MUNICIPAL OPEN SPACE TRUST FUND
 Statements of Operations and Changes in Reserve for Future Use - Regulatory Basis
 For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
REVENUE REALIZED:		
Amount to be Raised by Taxation	\$ 880,795.75	\$ 883,851.58
Reserve for Future Use		43,874.72
Miscellaneous	<u>1,210.06</u>	<u>927.59</u>
Total Income	<u>882,005.81</u>	<u>928,653.89</u>
EXPENDITURES:		
Budget Appropriations:		
Maintenance of Lands for Recreation and Conservation	651,714.00	530,648.28
Downpayments on Improvements		100,477.00
Debt Service:		
Payment on Bond Principal	185,000.00	180,000.00
Interest on Bonds	42,600.00	46,250.00
Expenses Paid Directly from Reserve Funds:		
Other Open Space Expenditures	<u>70,272.00</u>	<u>14,399.02</u>
Total Expenditures	<u>949,586.00</u>	<u>871,774.30</u>
Excess (Deficit) to Reserve	(67,580.19)	56,879.59
RESERVE FOR FUTURE USE:		
Balance January 1,	<u>197,041.60</u>	<u>184,036.73</u>
	129,461.41	240,916.32
Decreased by:		
Reserve for Future Use Anticipated		<u>43,874.72</u>
Balance December 31,	<u><u>\$ 129,461.41</u></u>	<u><u>\$ 197,041.60</u></u>

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

TOWNSHIP OF GLOUCESTER
MUNICIPAL OPEN SPACE TRUST FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2017

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxation	\$ 879,314.00	\$ 880,795.75	\$ 1,481.75
Miscellaneous		1,210.06	1,210.06
	<u>\$ 879,314.00</u>	<u>\$ 882,005.81</u>	<u>\$ 2,691.81</u>
 <u>Analysis of Realized Revenues</u>			
Receipts:			
Open Space Tax Levy	\$ 879,314.00		
Added and Omitted Taxes	<u>1,481.75</u>	\$ 880,795.75	
Interest Earnings on Deposits	<u>1,210.06</u>	<u>1,210.06</u>	
		<u>\$ 882,005.81</u>	

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

TOWNSHIP OF GLOUCESTER
MUNICIPAL OPEN SPACE TRUST FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>		
Development of Lands for Recreation and Conservation:				
Other Expenses	\$ 651,714.00	\$ 651,714.00	\$ 651,714.00	
Debt Service				
Payment on Bond Principal	185,000.00	185,000.00	185,000.00	
Interest on Bonds	42,600.00	42,600.00	42,600.00	
	<u>\$ 879,314.00</u>	<u>\$ 879,314.00</u>	<u>\$ 879,314.00</u>	<u>\$ -</u>
Disbursed:				
Open Space Fund			\$ 82,502.84	
Trust Other Fund on Behalf of Open Space Fund			556,542.78	
General Capital Fund on Behalf of Open Space Fund			12,668.38	
Current Fund on Behalf of Open Space Fund			227,600.00	
			<u>\$ 879,314.00</u>	

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

TOWNSHIP OF GLOUCESTER
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2017 and 2016

ASSETS:	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Cash	SC-1, SC-2	\$ 1,197,544.39	\$ 1,083,072.70
Deferred Charges to Future Taxation:			
Funded	SC-3	37,848,707.29	43,265,103.60
Unfunded	SC-4	27,347,411.34	20,547,446.34
Due from New Jersey Environmental Trust Fund	SC-13	1,949,445.00	1,949,445.00
Due from Municipal Open Space	SC-15	12,668.38	
Due from Trust Other Fund	SC-16	121,787.00	
Due from Federal and State Grant Fund	SC-17	25,000.00	
		<u>68,502,563.40</u>	<u>66,845,067.64</u>
Total Assets			
		<u>\$ 68,502,563.40</u>	<u>\$ 66,845,067.64</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Improvement Authorizations:			
Funded	SC-5	\$ 283,420.99	\$ 276,113.97
Unfunded	SC-5	7,056,348.77	5,633,990.91
Due to Current Fund	SC-6	27,664.13	131.65
Reserve for Encumbrances	SC-11	1,172,080.66	999,622.95
Capital Improvement Fund	SC-7	335.69	6,063.69
General Serial Bonds	SC-8	32,710,000.00	37,750,000.00
Green Acres Loan Payable	SC-9	993,640.17	1,125,908.28
New Jersey Environmental Infrastructure Loan Payable	SC-10	4,145,067.12	4,389,195.32
Bond Anticipation Notes Payable	SC-12	21,995,320.00	15,945,355.00
Reserve for Payment of Debt Service	SC-14	91,960.15	691,960.15
Fund Balance	C	26,725.72	26,725.72
		<u>68,502,563.40</u>	<u>66,845,067.64</u>
Total Liabilities, Reserves and Fund Balance			
		<u>\$ 68,502,563.40</u>	<u>\$ 66,845,067.64</u>

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

TOWNSHIP OF GLOUCESTER
GENERAL FIXED ASSET ACCOUNT GROUP
Statement of General Fixed Asset Group of Accounts -- Regulatory Basis
For the Year Ended December 31, 2017

	Balance <u>Dec. 31, 2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2017</u>
General Fixed Assets:				
Land	\$ 7,037,273.45			\$ 7,037,273.45
Land Improvements	5,653,561.28			5,653,561.28
Buildings and Improvements	10,867,267.70	\$ 107,260.00		10,974,527.70
Machinery, Equipment and Vehicles	18,878,991.07	1,436,185.59		20,315,176.66
Infrastructure	130,700.00			130,700.00
	<u>\$ 42,567,793.50</u>	<u>\$ 1,543,445.59</u>	<u>\$ -</u>	<u>\$ 44,111,239.09</u>
Investment in General Fixed Assets	<u>\$ 42,567,793.50</u>	<u>\$ 1,543,445.59</u>	<u>\$ -</u>	<u>\$ 44,111,239.09</u>

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

TOWNSHIP OF GLOUCESTER
Notes to Financial Statements
For the Year Ended December 31, 2017

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Gloucester (hereafter referred to as the "Township" or "Gloucester Township") was incorporated in 1695 and is located in southwest New Jersey approximately fifteen miles southwest of the City of Philadelphia. The population according to the 2010 census is 64,700.

The Township is governed by a Mayor and seven-member Township Council form of government. The Mayor is elected for a four-year term and serves as the full-time Chief Executive Officer of the Township. Members of the Township Council are elected to four-year terms on a staggered basis and function as the legislative body of the Township. The Township Administrator and the Township Clerk are appointed by the Mayor and monitor the daily administrative and financial responsibilities, including but not limited to, staffing and personnel issues and budget preparation and implementation.

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

Gloucester Township Municipal Utilities Authority
71 Landing Road, P. O Box 216
Blackwood, New Jersey 08012

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Cash, Cash Equivalents and Investments (Cont'd) - The cash management plan adopted by the Township requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

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

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

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

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

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

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

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

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

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

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

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Camden, the Township of Gloucester School District, the Black Horse Pike Regional High School District, and the Township of Gloucester Fire Districts No. 1-6. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Gloucester School District and the Black Horse Pike Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate both school districts for the period from January 1 to December 31.

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

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting fire district taxes for the Township of Gloucester Fire Districts No.1-6. Operations is charged for the full amount required to be raised from taxation to operate the Fire Districts for the period from January 1 to December 31.

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

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

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

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

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

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

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Police and Firemen's Retirement System (PFRS) and the Public Employees' Retirement System (PERS), and additions to/deductions from PFRS' and PERS' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2: CASH AND CASH EQUIVALENTS

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

Note 2: CASH AND CASH EQUIVALENTS (CONT'D)

As of December 31, 2017, the Township's bank balances of \$25,709,016.70 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 23,688,039.13
Uninsured and Uncollateralized	<u>2,020,977.57</u>
Total	<u>\$ 25,709,016.70</u>

New Jersey Cash Management Fund - During the year, the Township participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2017, the Township's deposits with the New Jersey Cash Management Fund were \$316,253.10.

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	<u>\$ 4.551</u>	<u>\$ 4.457</u>	<u>\$ 4.157</u>	<u>\$ 4.132</u>	<u>\$ 3.912</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.011	\$ 1.008	\$.898	\$.906	\$.833
County	.869	.849	.813	.797	.791
Local School	1.141	1.102	1.026	1.040	.974
Regional School	.625	.604	.565	.542	.517
Fire Districts	.885	.874	.835	.828	.777
Municipal Open Space	.020	.020	.020	.019	.020

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2017	\$ 4,396,570,200.00
2016	4,411,876,400.00
2015	4,447,441,000.00
2014	4,406,383,200.00
2013	4,480,663,900.00

Note 3: PROPERTY TAXES (CONT'D)

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

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2017	\$ 168,270,441.08	\$ 167,631,924.80	99.62%
2016	165,207,162.44	164,549,102.19	99.60%
2015	154,505,315.88	153,889,654.23	99.60%
2014	154,799,198.63	154,261,292.01	99.65%
2013	146,698,569.85	145,883,275.91	99.44%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2017	\$ 967,849.48	\$ 124,689.69	\$ 1,092,539.17	0.65%
2016	1,039,000.51	141,212.01	1,180,212.52	0.71%
2015	1,112,369.52	162,078.52	1,274,448.04	0.82%
2014	962,001.09	210,274.52	1,172,275.61	0.76%
2013	753,373.16	302,359.44	1,055,732.60	0.72%

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

<u>Year</u>	<u>Number</u>
2017	182
2016	411
2015	381
2014	356
2013	241

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2017	\$ 1,645,700.00
2016	703,300.00
2015	-
2014	-
2013	-

Note 5: FUND BALANCES APPROPRIATED

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2017	\$ 4,300,358.56	\$ 4,000,000.00	93.02%
2016	5,874,858.97	5,230,000.00	89.02%
2015	3,275,723.71	3,175,830.00	96.95%
2014	6,122,254.67	4,840,000.00	79.06%
2013	4,566,249.51	4,150,000.00	90.88%

Note 6: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2017:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 421,034.91	\$ 1,227,451.72
Federal and State Grant		229,202.53
Trust - Municipal Open Space	58,886.53	238,786.63
Trust - Other	1,239,401.72	155,673.53
General Capital	159,455.38	27,664.13
Totals	<u>\$ 1,878,778.54</u>	<u>\$ 1,878,778.54</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2018, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 7: PENSION PLANS

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

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

<http://www.state.nj.us/treasury/pensions/financial-reports.shtml>

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

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

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

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

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier Definition

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

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

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

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

The following represents the membership tiers for PFRS:

Tier Definition

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

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

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

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

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. 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 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) was 10% in State fiscal year 2017. Employers' contribution are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2017 was 13.19% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$1,100,866.00, and is payable by April 1, 2018. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$925,343.00, which was paid on April 1, 2017. Employee contributions to the Plan during the year ended December 31, 2017 were \$612,692.90.

Police and Firemen's Retirement System - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was 10% in State fiscal year 2017. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

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

The Township's contractually required contribution rate for the year ended December 31, 2017 was 26.72% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

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

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$3,357,164.00, and is payable by April 1, 2018. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$2,993,035.00, which was paid on April 1, 2017. Employee contributions to the Plan during the year ended December 31, 2017 were \$1,265,094.73.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2017 was 2.61% of the Township's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2017 is \$327,998.00, and is payable by April 1, 2018. Based on the PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2016 was \$225,636.00, which was paid on April 1, 2017.

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

For the year ended December 31, 2017, employee contributions totaled \$4,182.60, and the Township's contributions were \$1,003.44. There were no forfeitures during the year.

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

Public Employees' Retirement System - At December 31, 2017, the Township's proportionate share of the PERS net pension liability was \$27,662,553.00. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2017 measurement date, the Township's proportion was .1188335578%, which was an increase of .0146735086% from its proportion measured as of June 30, 2016.

At December 31, 2017, the Township's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2017 measurement date is \$2,268,248.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2017, the Township's contribution to PERS was \$925,343.00, and was paid on April 1, 2017.

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

Police and Firemen's Retirement System - At December 31, 2017, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 58,561,628.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>6,559,396.00</u>
	<u>\$ 65,121,024.00</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2017 measurement date, the Township's proportion was .3793326534%, which was an increase of .0122425041% from its proportion measured as of June 30, 2016. Likewise, at June 30, 2017, the State of New Jersey's proportion, on-behalf of the Township, was .3793326534%, which was an increase of .0122425041% from its proportion, on-behalf of the Township, measured as of June 30, 2016.

At December 31, 2017, the Township's proportionate share of the PFRS pension expense, calculated by the Plan as of the June 30, 2017 measurement date is \$7,027,522.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2017, the Township's contribution to PFRS was \$2,993,035.00, and was paid on April 1, 2017.

At December 31, 2017, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the Plan as of the June 30, 2017 measurement date is \$802,362.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2017, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 651,358.00	\$ 379,913.00	\$ 1,031,271.00	\$ -	\$ 343,708.00	\$ 343,708.00
Changes of Assumptions	5,573,051.00	7,221,301.00	12,794,352.00	5,552,619.00	9,590,682.00	15,143,301.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	188,363.00	1,117,493.00	1,305,856.00	-	-	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	3,135,479.00	5,214,904.00	8,350,383.00	1,291,815.00	-	1,291,815.00
Township Contributions Subsequent to the Measurement Date	550,433.00	1,678,582.00	2,229,015.00	-	-	-
	<u>\$ 10,098,684.00</u>	<u>\$ 15,612,193.00</u>	<u>\$ 25,710,877.00</u>	<u>\$ 6,844,434.00</u>	<u>\$ 9,934,390.00</u>	<u>\$ 16,778,824.00</u>

\$550,443.00 and \$1,678,582.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2018. These amounts were based on an estimated April 1, 2019 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2017 to the Township's year end of December 31, 2017.

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

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

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

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

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

Year Ending Dec 31,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2018	\$ 852,821.00	\$ 2,356,570.00	\$ 3,209,391.00
2019	1,184,300.00	3,573,898.00	4,758,198.00
2020	1,088,841.00	1,084,893.00	2,173,734.00
2021	(125,126.00)	(2,029,151.00)	(2,154,277.00)
2022	(297,019.00)	(986,989.00)	(1,284,008.00)
	<u>\$ 2,703,817.00</u>	<u>\$ 3,999,221.00</u>	<u>\$ 6,703,038.00</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate	2.25%	2.25%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	2.10% - 8.98% Based on Age
Thereafter	2.65% - 5.15% Based on Age	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013

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

For PERS, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Plan actuary's modified MP-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 and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

For PFRS, preretirement mortality rates were based on the RP-2000 Preretirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the Plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and three years using the Plan actuary's modified 2014 projection scales and further projected on a generational basis using the Plan actuary's modified 2014 projection scales. Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then three years using the Plan actuary's modified 2014 projection scales and further projected on a generational basis using the Plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Best estimates of arithmetic rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2017 are summarized in the following table:

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

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2017 was 5.00% for PERS and 6.14% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension Plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% 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 2040 for PERS and through 2057 for PFRS; therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2040 for PERS and through 2057 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

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

Public Employees' Retirement System (PERS) - The following presents the Township's proportionate share of the net pension liability at June 30, 2017, the Plan's measurement date, calculated using a discount rate of 5.00%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Township's Proportionate Share of the Net Pension Liability	\$ 34,317,274.00	\$ 27,662,553.00	\$ 22,118,345.00

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Township's annual required contribution. As such, the net pension liability as of June 30, 2017, the Plan's measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 6.14%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	PFRS		
	1% Decrease (5.14%)	Current Discount Rate (6.14%)	1% Increase (7.14%)
Township's Proportionate Share of the Net Pension Liability	\$ 77,159,768.00	\$ 58,561,628.00	\$ 43,281,142.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	8,642,544.41	6,559,396.00	4,847,852.71
	<u>\$ 85,802,312.41</u>	<u>\$ 65,121,024.00</u>	<u>\$ 48,128,994.71</u>

Pension Plan Fiduciary Net Position

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

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

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

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

	<u>Measurement Date Ended June 30,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township's Proportion of the Net Pension Liability	0.1188335578%	0.1041600492%	0.1000742320%
Township's Proportionate Share of the Net Pension Liability	\$ 27,662,553.00	\$ 30,849,219.00	\$ 22,464,660.00
Township's Covered Payroll (Plan Measurement Period)	\$ 8,212,092.00	\$ 7,235,632.00	\$ 6,853,252.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	336.85%	426.35%	327.80%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%
	<u>Measurement Date Ended June 30,</u>		
	<u>2014</u>	<u>2013</u>	
Township's Proportion of the Net Pension Liability	0.1004808943%	0.1178066439%	
Township's Proportionate Share of the Net Pension Liability	\$ 18,812,772.00	\$ 22,515,190.00	
Township's Covered Payroll (Plan Measurement Period)	\$ 6,877,064.00	\$ 5,685,840.00	
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	273.56%	395.99%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%	

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

	<u>Year Ended December 31,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township's Contractually Required Contribution	\$ 1,100,866.00	\$ 925,343.00	\$ 860,370.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(1,100,866.00)</u>	<u>(925,343.00)</u>	<u>(860,370.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 8,347,830.00	\$ 8,198,747.00	\$ 7,462,451.00
Township's Contributions as a Percentage of Covered Payroll	13.19%	11.29%	11.53%
	<u>Year Ended December 31,</u>		
	<u>2014</u>	<u>2013</u>	
Township's Contractually Required Contribution	\$ 828,350.00	\$ 887,649.00	
Township's Contribution in Relation to the Contractually Required Contribution	<u>(828,350.00)</u>	<u>(887,649.00)</u>	
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	
Township's Covered Payroll (Calendar Year)	\$ 6,825,776.00	\$ 6,696,274.00	
Township's Contributions as a Percentage of Covered Payroll	12.14%	13.26%	

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

	<u>Measurement Date Ended June 30,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township's Proportion of the Net Pension Liability	0.3793326534%	0.3670901493%	0.3456970022%
Township's Proportionate Share of the Net Pension Liability	\$ 58,561,628.00	\$ 70,123,609.00	\$ 57,581,070.00
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>6,559,396.00</u>	<u>5,888,644.00</u>	<u>5,049,667.00</u>
Total	<u>\$ 65,121,024.00</u>	<u>\$ 76,012,253.00</u>	<u>\$ 62,630,737.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 12,225,308.00	\$ 11,849,924.00	\$ 10,918,532.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	479.02%	591.76%	527.37%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.60%	52.01%	56.31%
	<u>Measurement Date Ended June 30,</u>		
	<u>2014</u>	<u>2013</u>	
Township's Proportion of the Net Pension Liability	0.3362946265%	0.3109934496%	
Township's Proportionate Share of the Net Pension Liability	\$ 42,302,745.00	\$ 41,343,773.00	
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>4,555,295.00</u>	<u>3,853,742.00</u>	
Total	<u>\$ 46,858,040.00</u>	<u>\$ 45,197,515.00</u>	
Township's Covered Payroll (Plan Measurement Period)	\$ 10,554,980.00	\$ 9,646,628.00	
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	400.78%	428.58%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.41%	58.70%	

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

	<u>Year Ended December 31,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township's Contractually Required Contribution	\$ 3,357,164.00	\$ 2,993,035.00	\$ 2,810,001.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(3,357,164.00)</u>	<u>(2,993,035.00)</u>	<u>(2,810,001.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 12,563,928.00	\$ 12,185,857.00	\$ 11,771,077.00
Township's Contributions as a Percentage of Covered Payroll	26.72%	24.56%	23.87%
	<u>Year Ended December 31,</u>		
	<u>2014</u>	<u>2013</u>	
Township's Contractually Required Contribution	\$ 2,582,975.00	\$ 2,268,939.00	
Township's Contribution in Relation to the Contractually Required Contribution	<u>(2,582,975.00)</u>	<u>(2,268,939.00)</u>	
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	
Township's Covered Payroll (Calendar Year)	\$ 10,878,044.00	\$ 10,618,007.00	
Township's Contributions as a Percentage of Covered Payroll	23.74%	21.37%	

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

Changes in Benefit Terms - None

Changes in Assumptions - For 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65% from 7.90%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the Plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

Police and Firemen's Retirement System (PFRS)

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

Changes in Assumptions - For 2017, the discount rate changed to 6.14% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 5.55%, the long-term expected rate of return changed to 7.65% from 7.90%, and the mortality improvement scale incorporated the Plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 5.79% and demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study. For 2014, the discount rate was 6.32%.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description - The Township provides certain medical and prescription drug benefits for retired employees, where such benefits are established and amended by various union contracts, separate employee agreements and Township policies. This plan is a single-employer defined benefit health plan.

The Township provides for 100% payment of retired employees health, dental and prescription coverage until the retiree is eligible for Medicare benefits at age 65. The Township also pays the entire Medicare Part B premium for retirees who purchase Medicare Part B and their beneficiaries. The retired employee has a choice of benefit plans based on union contracts. The plans are administered by the Township; therefore, premium payments are made directly by the Township to the insurance carriers. The Plan does not issue a separate financial report.

Funding Policy - The contribution requirements of plan members and the Township are established and may be amended by the Township's governing body. Plan members receiving benefits contribute twenty percent (20%) of the total cost of the medical benefits, per retiree, spouse, and family per year.

Retirees - The Township presently funds its current retiree postemployment benefit costs on a "pay-as-you-go" basis. The Township contributes 100% of the cost of the benefits for employees with 25 or more years of service; however, retirees with less than 25 years of service have to pay 100% of the self-insured premium to continue coverage. The Township's contributions to the plan for the years ended December 31, 2017, 2016, and 2015 were \$4,010,669.00, \$3,940,680.00, and \$3,690,737.00, respectively, for 135, 134 and 125 retirees, respectively.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Funding Policy (Cont'd)**

Future Retirees - In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the Township is required to disclose the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be \$9,005,467.00 at an unfunded discount rate of 4.00%. As previously stated, the Township has funded the cost of existing retirees in the amount of \$4,010,669.00, and has incurred the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

Annual OPEB Cost - For year ended December 31, 2017, the Township's annual OPEB cost (expense) of \$8,422,767.00 for the plan was equal to the ARC plus certain adjustments because the Township's actual contributions in prior years differed from the ARC.

The Township's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for years 2017, 2016, and 2015 are as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Required Contribution (ARC)	\$ 9,005,467.00	\$ 9,005,467.00	\$ 8,973,163.00
Interest on the Net OPEB Obligation	1,307,100.00	1,130,566.00	936,000.00
Adjustment to the ARC	<u>(1,889,800.00)</u>	<u>(1,782,457.01)</u>	<u>(1,353,200.00)</u>
Annual OPEB Cost	8,422,767.00	8,353,575.99	8,555,963.00
Pay-as-You Go Cost (Existing Retirees)	<u>(4,010,669.00)</u>	<u>(3,940,680.00)</u>	<u>(3,690,737.00)</u>
Increase (Decrease) in the Net OPEB Obligation	4,412,098.00	4,412,895.99	4,865,226.00
Net OPEB Obligation, January 1	<u>32,677,034.99</u>	<u>28,264,139.00</u>	<u>23,398,913.00</u>
Net OPEB Obligation, December 31	<u>\$ 37,089,132.99</u>	<u>\$ 32,677,034.99</u>	<u>\$ 28,264,139.00</u>
Percentage of Annual OPEB Cost Contributed	47.6%	47.2%	43.1%

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Cont'd)

Funded Status and Funding Progress - The funded status of the plan as of the past three actuarial valuation dates is as follows:

	<u>2016</u>	<u>2014</u>	<u>2012</u>
Actuarial Accrued Liability (AAL)	\$ 129,761,448.00	\$ 118,133,916.00	\$ 114,036,259.00
Actuarial Value of Plan Assets	-	-	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 129,761,448.00</u>	<u>\$ 118,133,916.00</u>	<u>\$ 114,036,259.00</u>
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0.0%	0.0%	0.0%
Covered Payroll (Active Plan Members)	\$ 20,384,604.00	\$ 19,233,528.00	\$ 17,703,820.00
UAAL as a Percentage of Covered Payroll	636.6%	614.2%	644.1%

Actuarial valuations of an ongoing plan involve 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 healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required 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. The schedule of funding progress, as shown above, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) 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 short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the most recent actuarial valuation of December 31, 2016, the Projected Unit Credit Funding Method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate identified in the below table. The actuarial value of the Township Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a four year period. The Township Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2016 was twenty-four years on a straight line basis.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Healthcare Trend Rate

	Medical		Medical
<u>Year</u>	<u>Trend</u>	<u>Year</u>	<u>Trend</u>
2017	.74%	2026	4.93%
2018	1.20%	2027	5.39%
2019	1.67%	2030	5.39%
2020	2.13%	2035	5.39%
2021	2.60%	2040	5.39%
2022	3.06%	2045	5.05%
2023	3.53%	2050	4.91%
2024	4.00%	2075+	3.94%
2025	4.46%		

The information was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	December 31, 2016
Actuarial Cost Method	Entry Age Normal Actuarial Cost Method
Amortization Method	Closed/Level
Remaining Amortization	24 years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	4.0%
Rate of Medical Inflation/Healthcare Trend Rate	See Above Table

For determining the GASB ARC, the rate of employer contributions to the Plan is composed of the Normal Cost plus amortization of the Unfunded Actuarial Liability. The Normal Cost is a portion of the actuarial present value of plan benefits and expenses which is allocated to a valuation year by the actuarial cost method. The Actuarial Liability is that portion of the Present Value of Projected Benefits that will not be paid by Future Employer Normal Costs or active employee contributions. The difference between this liability and the funds accumulated as of the same date is the Unfunded Actuarial Liability.

Note 9: COMPENSATED ABSENCES

Full-time Township employees are granted vacation and sick leave in varying amounts in accordance with the Township's personnel policies and collective bargaining agreements. Unused sick leave and vacation days may be accumulated and carried forward to the subsequent year. Employees who retire from the Township shall be paid for unused sick leave and vacation days in accordance with the Township's agreement or personnel policy.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2017, accrued benefits for compensated absences are valued at \$5,721,740.55. Actual payment for compensated absences occurs through the Accumulated Leave Trust Fund at the time the employee terminates employment. The Trust Fund is funded through the annual budget appropriation of the Current Fund budget. The balance in the Trust Fund as of December 31, 2017 is \$54,817.61.

Note 10: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 11: CAPITAL DEBT**General Improvement Bonds**

General Improvement Bonds, Series 2007 - On December 1, 2007, the Township issued \$6,154,000.00 of General Improvement Bonds, with interest rates ranging from 2.00% to 3.80%. The purpose of the bonds was to fund various capital ordinances. The final maturity of the bonds is December 1, 2020.

General Improvement Bonds, Series 2011 - On February 1, 2011, the Township issued \$10,000,000.00 of General Improvement Bonds, with interest rates ranging from 3.00% to 4.00%. The purpose of the bonds was to fund various capital ordinances. The final maturity of the bonds is February 1, 2022.

General Improvement Refunding Revenue Bonds CCIA Lease, Series 2011 - On April 1, 2011, the Township issued \$3,440,000.00 of General Improvement Refunding Bonds with interest rates ranging from 2.00% - 5.00%. The bonds were issued to refund \$3,580,000.00 in Revenue Bonds CCIA Lease, Series 2001 with an interest rate of 4.95% and \$410,000.00 of General Improvement Bonds, Series 2003 with an interest rate of 3.85%. The final maturity of the bonds is April 1, 2022.

General Improvement Refunding Bonds, Series 2012 - On February 1, 2012, the Township issued \$5,540,000.00 of General Improvement Refunding Bonds with an interest rate of 2.00%. The bonds were issued to refund \$5,438,000.00 in General Improvement Bonds, Series 2003 with an interest rate of 3.85%. The final maturity of the bonds is February 1, 2018.

General Improvement Bonds, Series 2012 - On November 15, 2012, the Township issued \$1,985,000.00 of General Improvement Bonds, with interest rates ranging from 2.00% to 3.50%. The purpose of the bonds was to fund various capital ordinances. The final maturity of the bonds is November 15, 2026.

General Improvement Bonds, Series 2014 - On April 2, 2014, the Township issued \$21,154,000.00 of General Improvement Bonds, with interest rates ranging from 2.00% to 3.00%. The purpose of the bonds was to fund various capital ordinances. The final maturity of the bonds is February 15, 2025.

General Improvement Refunding Bonds, Series 2014 - On October 1, 2014, the Township issued \$4,770,000.00 of General Improvement Refunding Bonds with interest rates ranging from 3.00% to 4.00%. The bonds were issued to refund \$4,928,000.00 in General Improvement Bonds, Series 2005 with interest rates ranging from 2.75% to 4.00%. The final maturity of the bonds is August 1, 2023.

Note 11: CAPITAL DEBT (CONT'D)**General Improvement Bonds (Cont'd)**

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 5,155,000.00	\$ 921,725.00	\$ 6,076,725.00
2019	4,960,000.00	786,612.50	5,746,612.50
2020	5,055,000.00	644,337.50	5,699,337.50
2021	4,535,000.00	498,500.00	5,033,500.00
2022	4,620,000.00	360,637.50	4,980,637.50
2023-2026	<u>8,385,000.00</u>	<u>400,737.50</u>	<u>8,785,737.50</u>
Totals	<u>\$ 32,710,000.00</u>	<u>\$ 3,612,550.00</u>	<u>\$ 36,322,550.00</u>

General Debt - New Jersey Environmental Infrastructure Loans

On September 1, 2012, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,185,938.00, at no interest, from the fund loan, and \$375,000.00 with interest rates ranging from 3.00% to 5.00% from the trust loan. The proceeds were used to finance various capital ordinances. Semiannual debt payments are due February 1st and August 1st through 2031.

On May 21, 2014, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,173,256.00, at no interest, from the fund loan, and \$385,000.00 with interest rates ranging from 3.00% to 5.00% from the trust loan. The proceeds were used to finance various capital ordinances. Semiannual debt payments are due February 1st and August 1st through 2033.

On May 28, 2015, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$526,319.00, at no interest, from the fund loan, and \$165,000.00 with interest rates ranging from 4.00% to 5.00% from the trust loan. The proceeds were used to finance various capital ordinances. Semiannual debt payments are due February 1st and August 1st through 2034.

On September 1, 2016, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$920,888.00, at no interest, from the fund loan, and \$300,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund the various capital improvements. Semiannual debt payments are due March 1st and September 1st through 2035.

Note 11: CAPITAL DEBT (CONT'D)**General Debt - New Jersey Environmental Infrastructure Loans (Cont'd)**

The following schedule represents the remaining debt service, through maturity, for the New Jersey Environmental Infrastructure loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 244,128.17	\$ 42,325.02	\$ 286,453.19
2019	244,128.17	40,075.02	284,203.19
2020	244,128.17	37,825.02	281,953.19
2021	259,128.17	35,575.02	294,703.19
2022	264,128.17	32,575.02	296,703.19
2023-2027	1,335,640.85	115,975.10	1,451,615.95
2028-2032	1,244,857.75	51,081.32	1,295,939.07
2033-2035	308,927.67	6,012.50	314,940.17
Totals	<u>\$ 4,145,067.12</u>	<u>\$ 361,444.02</u>	<u>\$ 4,506,511.14</u>

General Debt - New Jersey Green Acres Loans

The Township entered into a loan agreement with the New Jersey Department of Environmental Protection. Semiannual debt payments are due through 2028.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Green Acres loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 130,216.32	\$ 19,224.97	\$ 149,441.29
2019	132,833.67	16,607.60	149,441.27
2020	130,894.27	13,937.67	144,831.94
2021	128,869.79	11,352.79	140,222.58
2022	131,460.08	8,762.49	140,222.57
2023-2027	327,052.87	15,105.25	342,158.12
2028	12,313.17	123.14	12,436.31
Totals	<u>\$ 993,640.17</u>	<u>\$ 85,113.91</u>	<u>\$ 1,078,754.08</u>

Note 11: CAPITAL DEBT (CONT'D)

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 59,844,027.29	\$ 59,210,458.60	\$ 55,496,591.76
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	<u>5,352,091.34</u>	<u>4,602,091.34</u>	<u>5,099,862.00</u>
Total Issued and Authorized but not Issued	<u>65,196,118.63</u>	<u>63,812,549.94</u>	<u>60,596,453.76</u>
<u>Deductions</u>			
General:			
Funds Temporarily Held to Pay Debt	<u>91,960.15</u>	<u>691,960.15</u>	<u>2,101,464.77</u>
Net Debt	<u>\$ 65,104,158.48</u>	<u>\$ 63,120,589.79</u>	<u>\$ 58,494,988.99</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 1.515%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Purposes	\$ 4,570,000.00	\$ 4,570,000.00	
Regional School Purposes	4,606,891.53	4,606,891.53	
General	<u>65,196,118.63</u>	<u>91,960.15</u>	<u>\$ 65,104,158.48</u>
	<u>\$ 74,373,010.16</u>	<u>\$ 9,268,851.68</u>	<u>\$ 65,104,158.48</u>

Net debt \$65,104,158.48 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$4,295,993,439.00, equals 1.515%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 150,359,770.37
Less: Net Debt	<u>65,104,158.48</u>
Remaining Borrowing Power	<u>\$ 85,255,611.89</u>

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

Note 12: ARBITRAGE REBATE

The Township has the following bond issues outstanding at December 31, 2017:

<u>Issue Date</u>	<u>Amount</u>	<u>Liability</u>
December 1, 2007	\$ 6,154,000.00	None (2)
February 1, 2011	10,000,000.00	None (2)
April 1, 2011	3,440,000.00	None (1)
February 1, 2012	5,540,000.00	None (4)
November 15, 2012	1,985,000.00	None (1)
April 2, 2014	21,154,000.00	None (3)
October 1, 2014	4,770,000.00	None (4)

- (1) Issue meets the small issuer or other exceptions and is not subject to an arbitrage calculation.
- (2) Arbitrage calculation was completed and no rebate is due.
- (3) The rebate calculations on these bonds are required to be made at least once every five years. However, the Township of Gloucester has not prepared the rebate calculation for purposes of determining any contingent liability for rebate. It is anticipated that when such calculation is made, the liability, if any, will be appropriated in that year's current fund budget.
- (4) Refunding bonds are not subject to arbitrage calculations.

Note 13: RISK MANAGEMENT

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

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

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

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

<u>Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	\$ 31,242.34	\$ 226.05	\$ 12,855.53	\$ 63,325.99
2016	54,948.91		43,656.62	44,713.13
2015	49,930.23	137.49	31,087.42	33,420.84

It is estimated that unreimbursed payments on behalf of the Township at December 31, 2017 are \$5,553.91.

Note 13: RISK MANAGEMENT (CONT'D)

Self- Insurance Plan - The Township is self-insured for the following:

Health Benefits - The Township contracts with third party administrators to provide health, prescription and dental benefits. Per the contracts, there is a stop loss deductible of \$75,000.00 per individual and a \$1,000,000.00 aggregate at 125% of projected claims. At December 31, 2017, the balance of estimated health insurance payables was \$505,138.64, as provided by the third party administrators. None of the pending claims have been recorded as accounts payable and charged to the employee group insurance appropriation as of December 31, 2017. Any additional funding required for claims will be paid and charged to future budgets.

There were certain settlements that exceed the Township's coverage for years ended December 31, 2016, and 2015 totaling \$48,434.38 and \$118,463.00, respectively. There were no settlements that exceeded the Township's coverage for the year ended December 31, 2017.

Workers Compensation - The Township is self-insured for worker's compensation up to \$250,000.00 per incident with an aggregate of \$500,000.00. A commercial policy is maintained for claims in excess of \$250,000.00 per occurrence. The Gloucester Township Municipal Utilities Authority is also covered under this policy and reimburses the Township for claims applicable to their employees.

A workers' compensation insurance claims liability (incurred) is based on an analysis prepared by management, which is based on historical trends. The remaining claims liability (incurred) is based on an evaluation performed by the third-party administrator of the plan. The total liability of \$240,939.68 consists of claims reported and payable as well as an estimate for claims incurred but not reported. None of the pending claims have been recorded as accounts payable and charged to the workman's compensation budget appropriation as of December 31, 2017. Any additional funding required for claims will be paid and charged to future budgets.

There have been no settlements that exceed the Township's coverage for years ended December 31, 2017, 2016, and 2015.

Temporary Disability Insurance – The Township's Temporary Disability program is a mirror image of the State of New Jersey Temporary Disability Insurance Plan, whereby an employee who becomes temporarily disabled within fourteen (14) days of their last day of work is covered. Each employee must contribute 1/2 of a percent on the first \$20,200.00 of covered wages up to a maximum of \$101.00. The Township is required to contribute at a variable rate.

A Reserve for Disability Insurance was established in the Trust - Other Fund to account for and finance its related uninsured risks. The following is a summary of Township contributions, claims paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Employee Receipts</u>	<u>Claims Paid</u>	<u>Ending Balance</u>
2017	\$ 16,748.15	\$ 42,576.78	\$ 129.81
2016	12,973.88	23,839.99	25,958.44
2015	15,358.06	21,097.87	36,824.55

Note 13: RISK MANAGEMENT (CONT'D)**Self- Insurance Plan (Cont'd)**

Temporary Disability Insurance (Cont'd) - At December 31, 2017, the balance of disability insurance payables was unable to be determined. Any additional funding required for claims in excess of the aforementioned reserve will be paid and charged to future budgets. No estimate of the required reserve for claims has been made.

There have been no settlements that exceed the Township's coverage for years ended December 31, 2017, 2016, and 2015.

Note 14: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 6, 2001, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township authorized the establishment of the Township of Gloucester Open Space, Recreation and Farmland Preservation Trust Fund effective February 25, 2002, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the referendum, the Township levies a tax not to exceed two cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Gloucester Open Space, Recreation and Farmland Preservation Trust Funds.

Note 15: CONTINGENCIES

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

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

Note 16: CONCENTRATIONS

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

Note 17: SUBSEQUENT EVENTS

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

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
General Improvements		
Acquisition of Various Pieces of Capital Equipment and Construction and Completion of Various Capital Improvements	01/22/18	\$ 5,903,165.00
Various Improvements to the Stormwater Drainage System	01/22/18	1,400,000.00

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF GLOUCESTER
CURRENT FUND
Statement of Current Cash -- Treasurer
For the Year Ended December 31, 2017

Balance December 31, 2016		\$	12,315,967.19
Increased by Receipts:			
Taxes Receivable	\$ 165,996,993.30		
Tax Overpayments	325,056.26		
Tax Title Liens	100,079.98		
Prepaid Taxes	3,944,585.12		
Prepaid Abatements	97.00		
Revenue Accounts Receivable	10,113,754.60		
Miscellaneous Revenue not Anticipated	1,587,159.86		
Refunds of Appropriations	2,473,552.02		
Refunds of Appropriation Reserves	1,866.56		
Petty Cash Funds	600.00		
Due State of New Jersey -- Veterans' and Senior Citizens' Deductions	523,750.00		
Due State of New Jersey -- Training Fees Surcharge	46,241.00		
Due State of New Jersey -- Marriage Licenses	9,475.00		
Due Camden County Municipal Utilities Authority	818,468.91		
Due Gloucester Municipal Utilities Authority	382,558.85		
Due Trust Other Fund:			
Police Outside Employment Receipts Collected on Behalf of Trust Other Fund	369,087.44		
Tax Title Lien Redemptions Collected on Behalf of Trust Other Fund	1,291,460.08		
Other Receipts Collected on Behalf of Trust Other Fund	17,988.75		
Interfunds Received	19,000.00		
Due General Capital Fund:			
Current Year Interfunds	2,000,000.00		
Collected on Behalf of Federal and State Grant Fund:			
Federal and State Grants - Unappropriated	31,870.09		
Federal and State Grants Receivable	532,443.48		
			190,586,088.30
Decreased by Disbursements:			
2017 Appropriations	59,438,480.03		
2016 Appropriation Reserve	572,463.18		
County Taxes Payable	38,131,997.48		
County Added and Omitted Taxes	62,246.58		
Local School District Tax Payable	50,129,587.48		
Regional High School Tax Payable	27,513,335.06		
Special (Fire) District Taxes Payable	6,808,131.00		
Tax Overpayments	67,951.54		
Petty Cash Funds	600.00		
Establishment of Change Fund - Municipal Court	1,000.00		
Refund of Prior Year Revenue	15,757.75		
Due State of New Jersey -- Training Fees Surcharge	66,408.00		
Due State of New Jersey -- Marriage Licenses	8,975.00		
Property Maintenance Liens Receivable	52,437.59		
Police Outside Service Receivable	190.00		
Due Trust Other Fund:			
Police Outside Employment Disbursements Made on Behalf of Trust Other Fund	368,050.03		
Interfunds Disbursed	2,009,286.05		
Due Municipal Open Space Trust Fund:			
2017 Levy	879,314.00		
Disbursements Made on Behalf of Open Space Fund	227,600.00		
Due General Capital:			
Current Year Interfund	2,017,136.97		
Disbursements Made on Behalf of General Capital Fund	7,731.38		
Due Camden County Municipal Utilities Authority	989,978.89		
Due Gloucester Municipal Utilities Authority	457,397.33		
Disbursed on Behalf of Federal and State Grant Fund:			
Reserve for Federal and State Grants Appropriated	674,481.18		
			190,500,536.52
Balance December 31, 2017		\$	12,401,518.97

TOWNSHIP OF GLOUCESTER
CURRENT FUND
 Schedule of Change Funds
 As of December 31, 2017

<u>Office</u>	<u>Amount</u>
Tax Collector	\$ 1,400.00
Municipal Court	1,000.00
Township Chief Finance Officer	200.00
Township Clerk	100.00
Municipal Alliance Office	100.00
Mayor's Office	50.00
	<u>\$ 2,850.00</u>

Exhibit SA-3

CURRENT FUND
 Statement of Petty Cash Funds
 For the Year Ended December 31, 2017

<u>Office</u>	<u>Received from Treasurer</u>	<u>Returned to Treasurer</u>
Police Department	\$ 300.00	\$ 300.00
Finance Office	300.00	300.00
	<u>\$ 600.00</u>	<u>\$ 600.00</u>
Total	<u>\$ 600.00</u>	<u>\$ 600.00</u>

TOWNSHIP OF GLOUCESTER
CURRENT FUND
Statement of Due from State of New Jersey - Senior Citizens' and Veterans Deductions
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 86,460.49
Increased by:		
2017 Levy:		
Deductions per Tax Billing	\$ 525,000.00	
2017 Deductions Allowed by Collector	<u>9,750.00</u>	
		\$ 534,750.00
Less: 2017 Deductions Disallowed by Collector		<u>(12,585.20)</u>
		522,164.80
Less: 2016 Deductions Disallowed by Tax Collector		<u>(550.00)</u>
		<u>521,614.80</u>
		608,075.29
Decreased by:		
Receipts		<u>523,750.00</u>
Balance December 31, 2017		<u><u>\$ 84,325.29</u></u>

TOWNSHIP OF GLOUCESTER
CURRENT FUND
 Statement of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2017

	Balance Dec. 31, 2016	Added	2017 Levy	2016	Collected 2017	Due from State of New Jersey	Overpayments Applied	Canceled	Arrears Transfers	Transferred to Tax Title Liens	Balance Dec. 31, 2017
Bankruptcies	\$ 130,087.20	\$ 4,740.17			\$ 99,034.85			\$ 105.00	\$ 82,715.41		\$ 118,402.93
2016	11,124.81	550.00			11,048.78		\$ 76.03	550.00			
	141,212.01	5,290.17			110,083.63		76.03	655.00	82,715.41		118,402.93
2017			\$ 168,270,441.08	\$ 1,222,850.33	165,886,909.67	\$ 522,164.80		305,590.18	(82,715.41)	\$ 243,923.93	6,286.76
	\$ 141,212.01	\$ 5,290.17	\$ 168,270,441.08	\$ 1,222,850.33	\$ 165,996,993.30	\$ 522,164.80	\$ 76.03	\$ 306,245.18	\$ -	\$ 243,923.93	\$ 124,689.69

Analysis of 2017 Property Tax Levy

Tax Yield:			
General Purpose		\$ 161,136,043.52	
Fire District Tax		6,808,131.00	
Added / Omitted Taxes		326,266.56	
			\$ 168,270,441.08
Tax Levy:			
Local District School Tax		\$ 50,129,952.00	
Regional High School Tax		27,513,335.00	
County Taxes:			
County Tax	\$ 35,055,083.27		
County Library Tax	2,219,434.13		
County Open Space Preservation	857,480.08		
Due County for Added and Omitted Taxes	64,335.46		
		38,196,332.94	
Special (Fire) District Tax	6,808,131.00		
Municipal Open Space Tax	879,314.00		
Due Municipal Open Space Trust for Added and Omitted Taxes	1,481.75		
Local Tax for Municipal Purposes	44,481,445.04		
Add: Additional Tax Levied	260,449.35		
		52,430,821.14	
			\$ 168,270,441.08

TOWNSHIP OF GLOUCESTER
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 1,039,000.51
Increased by:		
Transfers from Taxes Receivable	\$ 243,923.93	
Other	6,051.51	
I/C on Tax Sale	<u>16,637.37</u>	
		<u>266,612.81</u>
		1,305,613.32
Decreased by:		
Transferred to Foreclosure Property	237,683.86	
Collections	<u>100,079.98</u>	
		<u>337,763.84</u>
Balance December 31, 2017		<u><u>\$ 967,849.48</u></u>

TOWNSHIP OF GLOUCESTER
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Accrued</u> <u>in 2017</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Miscellaneous Revenue:				
Alcoholic Beverages		\$ 58,945.00	\$ 58,945.00	
Licenses Other		25,690.00	25,690.00	
Fees and Permits		109,621.00	109,621.00	
Fines and Costs - Municipal Court	\$ 35,251.29	541,060.56	547,249.62	\$ 29,062.23
Interest and Costs on Taxes		338,955.87	338,955.87	
Interest on Investments and Deposits		72,070.00	72,070.00	
Recreation Fees		230,638.00	230,638.00	
Tax Sale Fees		221,757.70	221,757.70	
Payment in Lieu of Senior Citizen Housing Complex		202,479.24	202,479.24	
Municipal Pool Fees		97,061.00	97,061.00	
Lease of Public Building		10,395.00	10,395.00	
Tax Abatement in Lieu of Billing	10,517.50	929,444.00	934,980.25	4,981.25
Cable TV Fees		256,997.90	256,997.90	
Consolidated Municipal Property Tax Relief Aid		413,565.00	413,565.00	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)		4,692,894.00	4,692,894.00	
Uniform Construction Code Fees		867,130.20	867,130.20	
Payment of Bond Principal - Due from Black Horse				
Pike Regional High School District		89,000.00	89,000.00	
Interest on Bonds - Due from Black Horse				
Pike Regional High School District		30,132.50	30,132.50	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items:				
Utility Operating Surplus of Prior Year		319,995.83	319,995.83	
Reserve to Pay Debt Service		600,000.00	600,000.00	
	<u>\$ 45,768.79</u>	<u>\$ 10,107,832.80</u>	<u>\$ 10,119,558.11</u>	<u>\$ 34,043.48</u>
Cash Receipts			\$ 10,113,754.60	
Interest Earnings Due from:				
Trust Other Fund			3,139.38	
General Capital Fund			2,664.13	
			<u>\$ 10,119,558.11</u>	

TOWNSHIP OF GLOUCESTER
CURRENT FUND
 Statement of Accounts Payable
 For the Year Ended December 31, 2017

Balance December 31, 2016	\$	1,441.65
Increased by:		
Transferred from Appropriation Reserves		6,170.40
		7,612.05
Decreased by:		
Accounts Payable Canceled		618.00
Balance December 31, 2017	\$	6,994.05

Exhibit SA-9

CURRENT FUND
 Statement of Special (Fire) District Taxes Payable
 For the Year Ended December 31, 2017

Increased by:		
2017 Levy	\$	6,808,131.00
Decreased by:		
Disbursements		6,808,131.00

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

	Balance December 31, 2016				
	<u>Reserved</u>	<u>Encumbered</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Lapsed to Fund Balance</u>
OPERATIONS -- WITHIN "CAPS"					
<u>Administrative and Executive:</u>					
Office of Business Administrator:					
Salaries and Wages	\$ 2,437.04		\$ 2,437.04		\$ 2,437.04
Other Expenses	276.30		276.30		276.30
Office of Administrative Support:					
Salaries and Wages	200.93		200.93		200.93
Other Expenses	193.76	\$ 192.00	885.76	\$ 678.53	207.23
Office of Grants Administration					
Other Expenses	6.06		6.06		6.06
Office of Human Resources:					
Salaries and Wages	358.31		358.31		358.31
Other Expenses	2,510.63	162.80	2,673.43	1,025.10	1,648.33
Office of Mayor:					
Salaries and Wages	1,835.50		1,835.50		1,835.50
Other Expenses	348.38		348.38		348.38
Office of Twp. Council:					
Other Expenses	295.60		295.60		295.60
Office of Public Information:					
Other Expenses	13,494.83		13,494.83	530.45	12,964.38
Office of Twp. Clerk:					
Salaries and Wages	951.11		951.11		951.11
Other Expenses	262.31		262.31		262.31
Office of Treasury:					
Salaries and Wages	1,144.06		1,144.06		1,144.06
Other Expenses	70.80		70.80		70.80
Audit Services:					
Other Expenses	1,760.00		1,760.00		1,760.00
Office of Data Processing:					
Salaries and Wages	2,474.20		2,474.20		2,474.20
Other Expenses	8,349.70	9,833.67	25,183.37	24,752.00	431.37
Office of Tax Collector:					
Salaries and Wages	13.54		13.54		13.54
Other Expenses	42,408.44	1,212.57	43,621.01	601.09	43,019.92
Tax Assessment Administration:					
Salaries and Wages	211.68		211.68		211.68
Other Expenses	822.89		822.89		822.89
Legal Services:					
Salaries and Wages	73.52		73.52		73.52
Other Expenses	8,381.79	19.00	8,400.79	6,380.28	2,020.51
Engineering Services:					
Other Expenses	3,258.00		28,258.00	26,320.00	1,938.00
Rent Stabilization Board:					
Other Expenses	80.00		80.00		80.00
Office of Community Development:					
Salaries and Wages	5,928.67		5,928.67		5,928.67
Other Expenses	4,779.29		4,779.29		4,779.29
Const. Code Enforcement Agency:					
Salaries and Wages	124.43		124.43		124.43
Other Expenses	13,390.99		13,390.99		13,390.99
<u>Health and Welfare:</u>					
Director of Community Services:					
Salaries and Wages	284.83		284.83		284.83
Other Expenses	19.79		19.79		19.79
Office of Senior Citizens:					
Salaries and Wages	0.05		0.05		0.05
Other Expenses	293.41		293.41		293.41
Board of Health					
Salaries and Wages	5.44		5.44		5.44
Other Expenses	916.41		916.41		916.41
<u>Land Use Administration:</u>					
Planning Board:					
Salaries and Wages	180.38		880.38	833.34	47.04
Other Expenses	6,961.72	160.00	7,121.72	1,428.29	5,693.43
Zoning Board of Adjustment:					
Salaries and Wages	835.48		1,735.48	1,664.00	71.48
Other Expenses	11,987.74	5,358.35	17,346.09	5,683.35	11,662.74
Office of Zoning:					
Salaries and Wages	0.87		0.87		0.87

(Continued)

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

	Balance December 31, 2016				
	<u>Reserved</u>	<u>Encumbered</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Lapsed to Fund Balance</u>
Insurance:					
General Liability	\$ 2,448.68	\$ 23,130.00	\$ 25,578.68	\$ 3,069.57	\$ 22,509.11
Workers Compensation	281.89		9,781.89	9,453.85	328.04
Health Benefit Waiver	356.38		1,156.38	1,138.24	18.14
Employee Group Health	297,529.88	6,046.61	251,676.49	60,791.39	190,885.10
Public Safety:					
Police Department:					
Salaries and Wages	25,073.11		25,073.11		25,073.11
Other Expenses	11,651.86	30,615.29	47,267.15	38,628.79	8,638.36
Police Communications:					
Salaries and Wages	297.59		297.59		297.59
Other Expenses	137.16	8,495.49	8,632.65	8,495.49	137.16
Office of Prosecutor:					
Other Expenses	676.24		676.24		676.24
Office of Emergency Management					
Salaries and Wages	1,528.78		1,528.78		1,528.78
Other Expenses	6,912.97		6,912.97		6,912.97
Municipal Court:					
Salaries and Wages	4,694.59		4,694.59		4,694.59
Other Expenses	1,453.12	3,243.64	7,196.76	6,697.39	499.37
Public Works:					
Office of Director:					
Salaries and Wages	5,304.01		5,304.01		5,304.01
Other Expenses	20,405.32	1,376.33	21,781.65	3,329.64	18,452.01
Street and Road Maintenance:					
Salaries and Wages	1,223.87		1,223.87		1,223.87
Other Expenses	96,625.77	28,497.80	125,123.57	28,594.49	96,529.08
Sanitation:					
Contractual	49,695.17	1,566.80	51,261.97	1,566.80	49,695.17
Public Buildings and Grounds					
Salaries and Wages	383.28		383.28		383.28
Other Expenses	2,343.74	5,981.31	8,325.05	4,109.25	4,215.80
Vehicle Maintenance:					
Salaries and Wages	84.25		84.25		84.25
Other Expenses	18,008.79	13,130.22	31,139.01	13,259.17	17,879.84
Parks and Recreation:					
Recreation					
Salaries and Wages	1,334.70		1,334.70		1,334.70
Other Expenses	747.30		747.30	693.75	53.55
Office of Community Activities:					
Other Expenses	3,542.35		3,542.35	523.67	3,018.68
Municipal Pool:					
Salaries and Wages	3,424.21		3,424.21		3,424.21
Other Expenses	1,277.03		1,277.03	(109.87)	1,386.90
Maintenance of Parks and Play Grounds:					
Salaries and Wages	13,995.02		13,995.02		13,995.02
Other Expenses	26,673.05	6,294.63	32,967.68	7,254.63	25,713.05
Tax Appeals					
Other Expenses	38,938.09		38,938.09		38,938.09
Utility Expenses and Bulk Purchases:					
Electric	13,552.97	14,310.79	27,863.76	14,957.63	12,906.13
Street Lights	60,196.54	33,798.05	93,994.59	33,798.05	60,196.54
Telephone	4,137.26	122.94	4,260.20	2,269.10	1,991.10
Water	3,011.57		3,011.57		3,011.57
Heating	27,589.16	1,139.61	28,728.77	1,139.61	27,589.16
Sewer	808.52		808.52		808.52
Gasoline	162,836.85	26,497.55	189,334.40	34,747.45	154,586.95
Landfill Disposal Costs:					
Other Expenses	53,202.28		53,202.28		53,202.28
Unclassified:					
Absences Leave - Retires	791.01		791.01		791.01
Compensated Absences Leave	1,508.39		1,508.39		1,508.39
Total Operations Including Contingent - Within "CAPS"	<u>1,102,611.63</u>	<u>221,185.45</u>	<u>1,323,797.08</u>	<u>344,304.52</u>	<u>979,492.56</u>

(Continued)

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

	Balance December 31, 2016				
	<u>Reserved</u>	<u>Encumbered</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Lapsed to Fund Balance</u>
<u>DEFERRED CHARGES AND STATUTORY</u>					
<u>EXPENDITURES MUNICIPAL -- WITHIN "CAPS"</u>					
<u>Statutory Expenditures</u>					
Contribute To:					
Social Security System(O.A.S.I)	\$ 34,303.87		\$ 34,303.87		\$ 34,303.87
DCRP	6,970.70		6,970.70		6,970.70
Total Deferred Charges and Statutory Expenditures- Municipal Within "CAPS"	<u>41,274.57</u>	<u>-</u>	<u>41,274.57</u>	<u>-</u>	<u>41,274.57</u>
<u>Operations Excluded from "CAPS"</u>					
Streets and Road Maintenance					
Stormwater Permits	345.00		345.00		345.00
Sanitation - Recycling Tax	84,972.79		84,972.79		84,972.79
Transferred to Board of Education for use of Local Schools (NJSA 40:48-17.1 & 17.3)		<u>\$ 232,462.50</u>	<u>232,462.50</u>	<u>\$ 232,462.50</u>	
Total Operations - Excluded From "CAPS"	<u>85,317.79</u>	<u>232,462.50</u>	<u>317,780.29</u>	<u>232,462.50</u>	<u>85,317.79</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>85,317.79</u>		<u>317,780.29</u>	<u>232,462.50</u>	<u>85,317.79</u>
Total General Appropriations	<u>\$ 1,229,203.99</u>	<u>\$ 453,647.95</u>	<u>\$ 1,682,851.94</u>	<u>\$ 576,767.02</u>	<u>\$ 1,106,084.92</u>
				\$ 572,463.18	
Cash Disbursed				6,170.40	
Transfer to Accounts Payable				(1,866.56)	
Reimbursements				<u>\$ 576,767.02</u>	

TOWNSHIP OF GLOUCESTER
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2017

Balance December 31, 2016 (2017 Taxes)		\$ 1,222,850.33
Increased by:		
Receipts (2018 Taxes)	\$ 3,944,585.12	
Overpayments Applied	<u>255,719.54</u>	
		<u>4,200,304.66</u>
		5,423,154.99
Decreased by:		
Application to 2017 Taxes		<u>1,222,850.33</u>
Balance December 31, 2017 (2018 Taxes)		<u><u>\$ 4,200,304.66</u></u>

Exhibit SA-12

CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2017

Increased by:		
Created - 2017 Taxes	\$ 325,056.26	
Miscellaneous Added Tax Overpayments	<u>925.44</u>	
		\$ 325,981.70
Decreased by:		
Disbursements	67,951.54	
Overpayments Applied - 2016 Taxes	76.03	
Overpayments Applied - Prepaid Taxes	<u>255,719.54</u>	
		<u>323,747.11</u>
Balance December 31, 2017		<u><u>\$ 2,234.59</u></u>

TOWNSHIP OF GLOUCESTER
CURRENT FUND
 Statement of County Taxes Payable
 For the Year Ended December 31, 2017

2017 Levy:		
County Tax	\$ 35,055,083.27	
County Library Tax	2,219,434.13	
County Open Space Preservation	<u>857,480.08</u>	
		\$ 38,131,997.48
Decreased by:		
Disbursements		<u>\$ 38,131,997.48</u>

CURRENT FUND
 Statement of Due County for Added and Omitted Taxes
 For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 62,246.58
Increased by:		
2016 Added Assessments	\$ 1,859.95	
2017 Added Assessments	<u>62,475.51</u>	
		<u>64,335.46</u>
		126,582.04
Decreased by:		
Disbursements		<u>62,246.58</u>
Balance December 31, 2017		<u>\$ 64,335.46</u>

TOWNSHIP OF GLOUCESTER
CURRENT FUND
Statement of Regional High School Tax
For the Year Ended December 31, 2017

Balance December 31, 2016	\$	1.11
Increased by:		
Levy -- Calendar Year		<u>27,513,335.00</u>
		27,513,336.11
Decreased by:		
Disbursements		<u>27,513,335.06</u>
Balance December 31, 2017	\$	<u><u>1.05</u></u>

Exhibit SA-16

CURRENT FUND
Statement of Local School District Tax Payable
For the Year Ended December 31, 2017

Increased by:		
Levy -- Calendar Year	\$	50,129,952.00
Decreased by:		
Disbursements		<u>50,129,587.48</u>
Balance December 31, 2017	\$	<u><u>364.52</u></u>

TOWNSHIP OF GLOUCESTER
CURRENT FUND
 Statement of Municipal Open Space Tax
 For the Year Ended December 31, 2017

Increased by:		
2017 Levy	\$	879,314.00
Added and Omitted Taxes		<u>1,481.75</u>
	\$	880,795.75
Decreased by:		
Disbursements		<u>879,314.00</u>
Balance December 31, 2017	\$	<u><u>1,481.75</u></u>

CURRENT FUND
 Statement of Property Acquired for Taxes (Assessed Valuation)
 For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 703,300.00
Increased by:		
Foreclosed - Transferred from Tax Title Liens		237,683.86
Increased to 2017 Assessed Valuation		<u>704,716.14</u>
Balance December 31, 2017	\$	<u><u>1,645,700.00</u></u>

TOWNSHIP OF GLOUCESTER
CURRENT FUND
 Statement of Reserve for Encumbrances
 For the Year Ended December 31, 2017

Balance December 31, 2016		
Current Fund Appropriations		\$ 453,647.95
Federal and State Grant Fund		<u>73,790.50</u>
		527,438.45
Increased by:		
Current Year Encumbrances:		
Current Fund Appropriations	\$ 406,228.54	
Federal and State Grant Fund	<u>18,071.65</u>	
		<u>424,300.19</u>
		951,738.64
Decreased by:		
Prior Year Encumbrances Reclassified:		
Current Fund Appropriations	453,647.95	
Federal and State Grant Fund	<u>73,790.50</u>	
		<u>527,438.45</u>
Balance December 31, 2017		<u><u>\$ 424,300.19</u></u>

TOWNSHIP OF GLOUCESTER
CURRENT FUND
Statement of Changes in (Assets), Liabilities and Reserves
For the Year Ended December 31, 2017

<u>Description</u>	Balance <u>Dec. 31, 2016</u>	Increased by <u>Receipts</u>	Decreased by <u>Disbursements</u>	Balance <u>Dec. 31, 2017</u>
Police Outside Service Receivable	\$ (8,206.91)		\$ 190.00	\$ (8,396.91)
Due to State of New Jersey:				
Marriage License Fees	1,800.00	\$ 9,475.00	8,975.00	2,300.00
State Training Fees	34,648.00	46,241.00	66,408.00	14,481.00
Due Camden County Municipal Utilities Authority	989,978.89	818,468.91	989,978.89	818,468.91
Due Gloucester Township Municipal Utilities Authority	457,397.33	382,558.85	457,397.33	382,558.85
Reserve For:				
Cost of Revaluation	8,771.60			8,771.60
	<u>\$ 1,484,388.91</u>	<u>\$ 1,256,743.76</u>	<u>\$ 1,522,949.22</u>	<u>\$ 1,218,183.45</u>

TOWNSHIP OF GLOUCESTER
FEDERAL AND STATE GRANT FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 72,814.92
Increased by:		
Disbursements Made By Current Fund on Behalf of Federal and State Grant Fund		<u>674,481.18</u>
		747,296.10
Decreased by:		
Matching Share of Municipal Alliance Grant	\$ 15,730.00	
Receipts Collected by Current Fund on Behalf of Federal and State Grant Fund:		
Grants Receivable	532,443.48	
Unappropriated Grants	<u>31,870.09</u>	
		<u>580,043.57</u>
Balance December 31, 2017		<u><u>\$ 167,252.53</u></u>

TOWNSHIP OF GLOUCESTER
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2017

	Balance <u>Dec. 31, 2016</u>	Anticipated <u>Revenue</u>	<u>Received</u>	<u>Canceled</u>	Balance <u>Dec. 31, 2017</u>
Federal Grants:					
Edward Byrne Memorial Justice Assistance Grant	\$ 19,440.00	\$ 15,806.00	\$ 19,440.00		\$ 15,806.00
Bulletproof Vest Partnership Grant	24,685.46				24,685.46
Click it or Ticket		5,000.00	5,000.00		
Drive Sober Get Pulled Over		10,000.00	10,000.00		
DVRPC:					
Blackhorse Pike Corridor Wayfinding	34,633.03		30,925.51	\$ 3,707.52	
Gloucester Township Bike Path	217,000.00				217,000.00
Emergency Management Grant	16,400.00		7,000.00		9,400.00
NJ Transportation Trust Fund Authority Act:					
Bike Path	170,167.00		88,291.43		81,875.57
Recreational Trails	24,000.00		24,000.00		
	<u>506,325.49</u>	<u>30,806.00</u>	<u>184,656.94</u>	<u>3,707.52</u>	<u>348,767.03</u>
State Grants:					
NJ Transportation Trust Fund Authority Act:					
Garwood Rd.	51,777.63				51,777.63
Kelly Driver Road	46,696.64				46,696.64
NJ DEP - Clean Communities Program		121,778.38	121,778.38		
Municipal Alliance Grant	45,766.21	39,629.74	41,008.16		44,387.79
Drunk Driving Enforcement Fund		10,300.79	10,300.79		
Safe and Secure Communities Program		90,000.00	90,000.00		
Community Policing Grant		10,000.00			10,000.00
Body Armor Grant		10,524.83	10,524.83		
	<u>144,240.48</u>	<u>282,233.74</u>	<u>273,612.16</u>	<u>-</u>	<u>152,862.06</u>
Local Grants					
CHOP Grant		5,000.00	5,000.00		
Camden County Open Space Grant	125,000.00	60,000.00	100,000.00		85,000.00
	<u>125,000.00</u>	<u>65,000.00</u>	<u>105,000.00</u>	<u>-</u>	<u>85,000.00</u>
	<u>\$ 775,565.97</u>	<u>\$ 378,039.74</u>	<u>\$ 563,269.10</u>	<u>\$ 3,707.52</u>	<u>\$ 586,629.09</u>
Original Budget					
Appropriation by N.J.S.A. 40A:4-87 (Chapter 159's)		\$ 160,455.36			
Transferred from Unappropriated Grants		217,584.38			
Cash Receipts			\$ 30,825.62		
			<u>532,443.48</u>		
		<u>\$ 378,039.74</u>	<u>\$ 563,269.10</u>		

TOWNSHIP OF GLOUCESTER
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants -- Unappropriated
For the Year Ended December 31, 2017

	<u>Balance Dec. 31, 2016</u>	<u>Grant Received</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
Federal Grants:				
Drive Sober Get Pulled Over	\$ 5,000.00	\$ 11,000.00	\$ 5,000.00	\$ 11,000.00
Emergency Management Grant	5,000.00			5,000.00
COPS in Shop		2,400.00		2,400.00
Click it or Ticket	5,000.00		5,000.00	
	<u>15,000.00</u>	<u>13,400.00</u>	<u>10,000.00</u>	<u>18,400.00</u>
State Grants:				
Drunk Driving Enforcement Fund	10,300.79	7,685.92	10,300.79	7,685.92
Body Armor Grant	10,524.83	10,784.17	10,524.83	10,784.17
	<u>20,825.62</u>	<u>18,470.09</u>	<u>20,825.62</u>	<u>18,470.09</u>
Total Federal and State Unappropriated Grants	<u>\$ 35,825.62</u>	<u>\$ 31,870.09</u>	<u>\$ 30,825.62</u>	<u>\$ 36,870.09</u>

TOWNSHIP OF GLOUCESTER
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants -- Appropriated
For the Year Ended December 31, 2017

	Balance Dec. 31, 2016	Transferred from 2017 Budget Appropriation	Prior Year Encumbrances Reclassified	Paid or Charged	Canceled	Balance Dec. 31, 2017
Federal Grants:						
Edward Byrne Memorial Justice Assistance Grant	\$ 92.84	\$ 15,806.00	\$ 19,440.00	\$ 19,440.00		\$ 15,898.84
Emergency Management Grant	21,400.00			3,906.31		17,493.69
Bulletproof Vest Partnership Grant	1,204.12		15,709.00	15,709.00		1,204.12
Drive Sober Get Pulled Over		10,000.00		10,000.00		
Click it or Ticket		5,000.00		5,000.00		
NJ Transportation Trust Fund Authority Act:						
Bike Path	157,724.50		160.00	129,072.98		28,811.52
DVRPC:						
Gloucester Township Bike Path	124,469.89		30,355.00	148,887.37	\$ 3,707.52	2,230.00
	<u>304,891.35</u>	<u>30,806.00</u>	<u>65,664.00</u>	<u>332,015.66</u>	<u>3,707.52</u>	<u>65,638.17</u>
State Grants:						
NJ Transportation Trust Fund Authority Act:						
Garwood Rd.	32,429.95					32,429.95
Kelly Driver Road	43,130.23					43,130.23
NJ DEP - Clean Communities Program	37,636.97	121,778.38		127,285.21		32,130.14
Municipal Alliance Grant	41,624.83	55,359.74	7,636.00	69,126.07		35,494.50
Drunk Driving Enforcement Fund	14,450.33	10,300.79	490.50	16,066.36		9,175.26
Safe and Secure Communities Program		90,000.00		90,000.00		
Community Policing Grant		10,000.00		7,390.75		2,609.25
Body Armor Grant	8,841.27	10,524.83				19,366.10
Hepatitis B Grant	130.00					130.00
	<u>178,243.58</u>	<u>297,963.74</u>	<u>8,126.50</u>	<u>309,868.39</u>		<u>174,465.43</u>
Local Grants:						
CHOP Grant		5,000.00		5,000.00		
Camden County Open Space Grant	75,000.00	60,000.00		72,618.78		62,381.22
	<u>75,000.00</u>	<u>65,000.00</u>		<u>77,618.78</u>		<u>62,381.22</u>
	<u>\$ 558,134.93</u>	<u>\$ 393,769.74</u>	<u>\$ 73,790.50</u>	<u>\$ 719,502.83</u>	<u>\$ 3,707.52</u>	<u>\$ 302,484.82</u>
Original Budget						
Appropriation by N.J.S.A. 40A:4-87 (Chapter 159's)		\$ 176,185.36				
Disbursed by Current Fund		217,584.38		\$ 674,481.18		
Disbursed by General Capital Fund				25,000.00		
Disbursed by Trust Other Fund				1,950.00		
Reserve for Encumbrances				18,071.65		
		<u>\$ 393,769.74</u>		<u>\$ 719,502.83</u>		

TOWNSHIP OF GLOUCESTER
CURRENT FUND
Statement of Maintenance Liens Receivable
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 509,153.54
Increased by:		
Disbursements	\$ 52,437.59	
Administrative Fees Billed	90,450.00	
		142,887.59
		652,041.13
Decreased by:		
Receipts - Miscellaneous Revenue not Anticipated:		
Liens Collected	476,551.89	
Administrative Fees Collected	81,545.93	
		558,097.82
Liens Canceled	46,834.19	
		604,932.01
Balance December 31, 2017		\$ 47,109.12

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF GLOUCESTER
TRUST FUND
 Statement of Trust Cash - Treasurer
 For the Year Ended December 31, 2017

	<u>Animal Control</u>	<u>Municipal Open Space Trust</u>	<u>Other</u>
Balance December 31, 2016	\$ 828.51	\$ 170,221.95	\$ 5,771,492.32
Increased by Receipts:			
Animal License Fees	\$ 55,398.60		
Due to State of New Jersey	3,725.40		
Due Current Fund:			
Interfund Receipts		\$ 879,314.00	\$ 2,009,286.05
Budget Appropriations			100,000.00
Due Open Space Fund			588,609.66
Interest Earnings		1,210.06	3,139.38
Budget Appropriations	81,000.00		
Receipts on Receivable			430,287.75
Contra			4,285,444.73
Reserve for Trust Other Funds:			
Interest Earnings			4,056.42
Other Receipts			35,235,572.73
	<u>140,124.00</u>	<u>880,524.06</u>	<u>42,656,396.72</u>
	140,952.51	1,050,746.01	48,427,889.04
Decreased by Disbursements:			
Reserve for Animal Fund Expenditures	136,438.29		
Due to State of New Jersey	3,741.60		
Due Current Fund:			
Interfunds Returned			19,000.00
Disbursed by Trust Other Fund on Behalf of:			
Open Space Fund			556,542.78
Federal and State Grant Fund			1,950.00
Due Trust Other Fund:			
Interfunds Returned		588,609.66	
Budget Appropriations		82,502.84	
Reserve for Future Use - Other Expenses		70,272.00	
Contra			4,285,444.73
Disbursed on Receivable			7,555.28
Reserve for Trust Other Funds			37,483,635.44
	<u>140,179.89</u>	<u>741,384.50</u>	<u>42,354,128.23</u>
Balance December 31, 2017	<u>\$ 772.62</u>	<u>\$ 309,361.51</u>	<u>\$ 6,073,760.81</u>

TOWNSHIP OF GLOUCESTER
ANIMAL CONTROL FUND
 Statement of Due to State of New Jersey
 For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 21.00
Increased by:		
Receipts		<u>3,725.40</u>
		3,746.40
Decreased by:		
Disbursements		<u>3,741.60</u>
Balance December 31, 2017		<u><u>\$ 4.80</u></u>

Exhibit SB-3

ANIMAL CONTROL FUND
 Statement of Reserve for Animal Control Fund Expenditures
 For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 807.51
Increased by:		
Receipts - Animal License Fees	\$ 55,398.60	
Budget Appropriation	<u>81,000.00</u>	
		<u>136,398.60</u>
		137,206.11
Decreased by:		
Expenditures Under R.S.4:19.11		<u>136,438.29</u>
Balance December 31, 2017		<u><u>\$ 767.82</u></u>
 <u>License Fees Collected</u>		
<u>Year</u>		<u>Amount</u>
2015		\$ 56,535.60
2016		<u>52,930.80</u>
		<u><u>\$ 109,466.40</u></u>

TOWNSHIP OF GLOUCESTER
MUNICIPAL OPEN SPACE TRUST FUND
 Statement of Due to Current Fund
 For the Year Ended December 31, 2017

Balance December 31, 2016		\$ -
Increased by:		
Receipts:		
2017 Levy	\$ 879,314.00	
Disbursed by Current Fund on Behalf of Open Space Fund	<u>227,600.00</u>	
		<u>1,106,914.00</u>
Decreased by:		1,106,914.00
2017 Levy	879,314.00	
Added and Omitted Levy	<u>1,481.75</u>	
		<u>880,795.75</u>
Balance December 31, 2017		<u><u>\$ 226,118.25</u></u>

Exhibit SB-5

MUNICIPAL OPEN SPACE TRUST FUND
 Statement of Reserve for Future Use
 For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 197,041.60
Increased by:		
Receipts:		
2017 Levy	\$ 879,314.00	
Added and Omitted Levy	1,481.75	
Interest Earnings on Deposits	<u>1,210.06</u>	
		<u>882,005.81</u>
		1,079,047.41
Decreased by:		
Disbursements:		
Budget Appropriations	879,314.00	
Other Open Space Disbursements	<u>70,272.00</u>	
		<u>949,586.00</u>
Balance December 31, 2017		<u><u>\$ 129,461.41</u></u>

TOWNSHIP OF GLOUCESTER
TRUST - OTHER FUNDS
Statement of Due from Current Fund
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 2,066,915.28
Increased by:		
Police Outside Employment Receipts Collected by Current Fund	\$ 369,087.44	
Tax Title Lien Redemptions Collected by Current Fund	1,291,460.08	
Budget Appropriation - Workman's Compensation	5,000.00	
Budget Appropriation - Flexible Spending	100,000.00	
Collected by Current Fund on Behalf of Trust Other Fund	17,988.75	
Disbursements:		
Interfunds Disbursed to Current Fund	19,000.00	
		1,802,536.27
		3,869,451.55
Decreased by:		
Police Outside Employment Disbursements Made by Current Fund	368,050.03	
Cancellation of Payroll Deductions Payable	161,524.37	
Receipts:		
Interest Earnings	3,139.38	
Budget Appropriations Turned Over	100,000.00	
Interfunds Returned	2,009,286.05	
		2,641,999.83
Balance December 31, 2017		\$ 1,227,451.72
 <u>Analysis of Balance Due From/(Due To)</u>		
Disposal of Forfeited Property		\$ 23,967.93
Disability		(6,000.00)
Trust Other		54,194.63
Payroll		(160,504.58)
Redemption of Privately Held Liens		1,310,793.74
Workman's Compensation		5,000.00
		\$ 1,227,451.72

TOWNSHIP OF GLOUCESTER
TRUST - OTHER FUNDS
Statement of Changes in Miscellaneous Trust Other Receivables
For the Year Ended December 31, 2017

	Balance Dec. 31, 2016	Increased By		Decreased by	Balance Dec. 31, 2017
		Awarded	Disbursements	Receipts	
Housing and Community Development Act					
Metro Cities Grant	\$ 351,175.00	\$ 258,446.00		\$ 430,287.75	\$ 179,333.25
CC Home Consortium Program FY07	46,638.00				46,638.00
School Bus GPS System	40,972.57		\$ 7,555.28		48,527.85
Workman's Compensation - MUA	12,064.30				12,064.30
Rehabilitation Mortgages Receivable	905,471.46				905,471.46
	<u>\$ 1,356,321.33</u>	<u>\$ 258,446.00</u>	<u>\$ 7,555.28</u>	<u>\$ 430,287.75</u>	<u>\$ 1,192,034.86</u>

TOWNSHIP OF GLOUCESTER
TRUST - OTHER FUNDS
 Statement of Changes in Miscellaneous Trust Other Reserves
 For the Year Ended December 31, 2017

	Balance Dec. 31, 2016	Increased by			Current Year Awards	Decreased by		Balance Dec. 31, 2017
		Interest Earnings	Other Receipts	Due Current Fund		Paid or Charged	Due Current Fund	
Reserve for:								
Seasonal Cleanup Escrows	\$ 1,031.00							\$ 1,031.00
Accumulated Absences	54,817.61							54,817.61
Engineering Escrows	469,125.34	\$ 350.84	\$ 330,248.57			\$ 303,726.59		495,998.16
Cash Performance Guarantees	450,849.20	505.20	437,284.15			7,468.15		881,170.40
Grading Escrows	199,011.89		37,453.77					236,465.66
Developers Interest on Escrows	2,272.86							2,272.86
Police Outside Employment	190,656.56			\$ 369,087.44			\$ 368,050.03	191,693.97
Recycling Funds	80,370.17		196,644.47			70,955.36		206,059.28
Miscellaneous Grant Escrows	11,091.28							11,091.28
Public Defender	19,830.70		11,578.64			23,748.90		7,660.44
POAA	3,376.00		96.00					3,472.00
Municipal Alliance Funds	23,146.09		500.00					23,646.09
Housing and Community Development Act:								
Metro Cities Grant	215,109.71				\$ 258,446.00	417,890.38		55,665.33
CC Home Consortium Program	858.00							858.00
Sidewalk Improvements	1,087.01							1,087.01
Neighborhood Preservation Program	12,900.30							12,900.30
Disposal of Forfeited Property	67,755.25	491.38	41,000.05	17,988.75		65,506.66		61,728.77
Redemption of Privately Held Liens	773,396.37		4,698,036.70			5,025,664.77		445,768.30
Tax Sale Premium	4,428,100.00		732,439.92	1,291,460.08		3,373,400.00		3,078,600.00
Tax Sale Bid Holding Account	243,200.00		287,235.08			243,200.00		287,235.08
Workman's Compensation	877.84		519,031.02	5,000.00		524,251.01		657.85
Workman's Compensation - Salaries and Wages	9,690.11							9,690.11
Workman's Compensation - MUA	6,282.92							6,282.92
Disability Claims	25,958.44		16,748.15			42,576.78		129.81
Unemployment Compensation Insurance	44,713.13	226.05	31,242.34			12,855.53		63,325.99
Special Recreation Trust	22,888.86					18,907.90		3,980.96
Affordable Housing Trust	598,104.57	2,472.28	173,054.50			60,751.95		712,879.40
Rehabilitation Mortgages Receivable	905,471.46							905,471.46
Encroachment Escrows	14,495.89		4,179.00			2,455.00		16,219.89
Multiple Dwelling Escrows	38,425.61							38,425.61
Sloan's Legacy	2,982.42	10.67						2,993.09
Revolving Loan Fund	103,355.55		31,205.00			102,263.43		32,297.12
Payroll Fund	159,559.80		27,664,595.85			27,213,910.96	161,524.37	448,720.32
Flexible Spending	22,217.34		22,999.52	100,000.00		95,889.07		49,327.79
	<u>\$ 9,203,009.28</u>	<u>\$ 4,056.42</u>	<u>\$ 35,235,572.73</u>	<u>\$ 1,783,536.27</u>	<u>\$ 258,446.00</u>	<u>\$ 37,605,422.44</u>	<u>\$ 529,574.40</u>	<u>\$ 8,349,623.86</u>
Disbursed						\$ 37,483,635.44		
Disbursed by General Capital Fund on Behalf of Trust Other Fund						121,787.00		
						<u>\$ 37,605,422.44</u>		

TOWNSHIP OF GLOUCESTER
TRUST OTHER FUND
Statement of Due from Federal and State Grant Fund
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 10,000.00
Increased by:	
Disbursements Made by Trust Other Fund on Behalf of Federal and State Grant Fund	1,950.00
Balance December 31, 2017	\$ 11,950.00

Exhibit SB-10

TRUST OTHER FUND
Statement of Due to Municipal Open Space Fund
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 1,819.65
Increased by:	
Interfunds Received	588,609.66
	590,429.31
Decreased by:	
Disbursements Made By Trust Other Fund on Behalf of Municipal Open Space Fund	556,542.78
Balance December 31, 2017	\$ 33,886.53

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

TOWNSHIP OF GLOUCESTER
GENERAL CAPITAL FUND
Statement of General Capital Cash
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 1,083,072.70
Increased by Receipts:		
Due Current Fund:		
Interest Earnings	\$ 2,664.13	
Interfunds Liquidated	2,017,136.97	
Bond Anticipation Notes	6,316,635.00	
Capital Improvement Fund	<u>310,000.00</u>	
		<u>8,646,436.10</u>
		9,729,508.80
Decreased by Disbursements:		
Improvement Authorizations	5,772,509.03	
Disbursements Made on Behalf of:		
Trust Other Fund	121,787.00	
Municipal Open Space Trust Fund	12,668.38	
Federal and State Grant Fund	25,000.00	
Due Current Fund:		
Reserve for Payment of Debt Service	600,000.00	
Interfunds Liquidated	<u>2,000,000.00</u>	
		<u>8,531,964.41</u>
Balance December 31, 2017		<u><u>\$ 1,197,544.39</u></u>

TOWNSHIP OF GLOUCESTER
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2017

	Balance or (Deficit) <u>Dec. 31, 2016</u>	Receipts		Disbursements		Transfers		Balance or (Deficit) <u>Dec. 31, 2017</u>
		Miscellaneous	Notes Issued	Improvement Authorizations	Miscellaneous	From	To	
Due to/(from) Current Fund	\$ 131.65	\$ 2,019,801.10			\$ 2,000,000.00		\$ 7,731.38	\$ 27,664.13
Due from Federal and State Grant Fund					25,000.00			(25,000.00)
Due from Municipal Open Space Trust Fund					12,668.38			(12,668.38)
Due from Trust Fund Other					121,787.00			(121,787.00)
Due from New Jersey Environmental Infrastructure Trust Fund	(1,949,445.00)							(1,949,445.00)
Capital Improvement Fund	6,063.69	310,000.00				\$ 315,728.00		335.69
Encumbrances	999,622.95					999,622.95	1,172,080.66	1,172,080.66
Reserve for Payment of Debt	691,960.15				600,000.00			91,960.15
Fund Balance	26,725.72							26,725.72
Ordinance								
<u>Number</u>								
General Improvements:								
00-19	Various Capital Improvements	(1,800.00)						(1,800.00)
02-34	Acquisition of Various Vehicles	(951.00)						(951.00)
03-26	Acquisition of Vehicles	(119.00)						(119.00)
04-19	Various Capital Improvements	(133.00)						(133.00)
04-26	Acquisition of Vehicles	(228.00)						(228.00)
05-14	Various Capital Improvements	(69.00)						(69.00)
09-12	Various Capital Improvements	(228,833.19)						(228,833.19)
09-15	Various Capital Improvements	(313,473.67)						(313,473.67)
09-17	Various Capital Improvements	(146,222.19)						(146,222.19)
09-21	Various Capital Improvements	(20,920.87)						(20,920.87)
11-16	Cost of Closure Remediation	(31.00)						(31.00)
11-21	Acquisition of Four Wheel Drive Vehicles	(499,022.15)						(499,022.15)
12-06	Various Capital Improvements				\$ 41,111.00		41,111.00	
12-12	Building Improvements	116,789.57			26,274.00			90,515.57
12-28	Drainage Improvements	(129,970.00)						(129,970.00)
13-03	Various Capital Improvements	(184,731.97)			63,566.21		2,831.56	(245,466.62)
14-01	Various Capital Improvements	126,114.00			15,535.48			110,578.52
14-02	Various Capital Improvements - NJEIT	(38,511.88)			555.00	18,625.58	18,625.58	(39,066.88)
14-15	Landfill Closure/ Dam Repairs	74,101.41			11,119.41		57,520.01	120,502.01
14-19/15-16	Various Capital Improvements - NJEIT	33,210.40			195,177.26	13,076.80	257,370.56	82,326.90
15-01	Various Capital Improvements	1,091,976.89			616,380.11	48,067.04	105,556.10	533,085.84
15-11	Improvements to Wash Bay	40,276.34			82,901.59		68,349.44	25,724.19
16-01	Various Capital Improvements	1,474,064.18			1,281,365.09	208,107.50	378,511.80	363,103.39
16-02	Various Capital Improvements - NJEIT	(198,799.83)			4,362.40			(203,162.23)
16-03	Synthetic Fields					20,749.40	20,749.40	
16-05	Install Guide Rails Lakeview	115,297.50			48,846.75		48,997.50	115,448.25
17-02	Various Capital Improvements		\$ 6,316,635.00		3,344,454.23	871,185.72	315,728.00	2,416,723.05
17-16	Drainage Improvements - NJEIT				40,860.50			(40,860.50)
		<u>\$ 1,083,072.70</u>	<u>\$ 2,329,801.10</u>	<u>\$ 6,316,635.00</u>	<u>\$ 5,772,509.03</u>	<u>\$ 2,495,162.99</u>	<u>\$ 2,495,162.99</u>	<u>\$ 1,197,544.39</u>

TOWNSHIP OF GLOUCESTER
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation -- Funded
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 43,265,103.60
Decreased by:		
Budget Appropriation:		
Serial Bonds	\$ 5,040,000.00	
NJEIT Loans Payable	244,128.20	
Green Acres Loans Payable	<u>132,268.11</u>	
		<u>5,416,396.31</u>
Balance December 31, 2017		<u><u>\$ 37,848,707.29</u></u>

TOWNSHIP OF GLOUCESTER
GENERAL CAPITAL FUND
 Statement of Deferred Charges to Future Taxation -- Unfunded
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	Increased by	Decreased by	Balance Dec. 31, 2017	Analysis of Balance December 31, 2017		Unexpended Improvement Authorizations
			2017 Authorizations	Notes paid by Budget Appropriation		Financed by Bond Anticipation Notes	Expenditures	
General Improvements:								
00-19	Various Capital Improvements	\$ 1,800.00			\$ 1,800.00		\$ 1,800.00	
02-34	Various Capital Improvements	951.00			951.00		951.00	
03-26	Various Capital Improvements	119.00			119.00		119.00	
04-19	Various Capital Improvements	133.00			133.00		133.00	
04-26	Acquisition of Vehicles	228.00			228.00		228.00	
05-14	Various Capital Improvements	69.00			69.00		69.00	
09-12	Various Capital Improvements	228,833.19			228,833.19		228,833.19	
09-15	Various Capital Improvements	313,473.67			313,473.67		313,473.67	
09-17	Various Capital Improvements	146,222.19			146,222.19		146,222.19	
09-21	Various Capital Improvements	20,920.87			20,920.87		20,920.87	
11-16	Cost of Closure Remediation	31.00			31.00		31.00	
11-21	Acquisition of Four Wheel Drive Vehicles	499,022.15			499,022.15		499,022.15	
12-28	Drainage Improvements	129,970.00			129,970.00		129,970.00	
13-03	Various Capital Improvements	272,525.27			272,525.27		245,466.62	\$ 27,058.65
14-02	Various Capital Improvements - NJEIT	1,058,681.00			1,058,681.00		39,066.88	1,019,614.12
14-15	Landfill Closure/ Dam Repairs	1,609,629.00			1,609,629.00	\$ 1,609,629.00		
14-19/15-16	Various Capital Improvements - NJEIT	379,112.00			379,112.00			379,112.00
15-01	Various Capital Improvements	5,452,883.00			5,452,883.00	5,452,883.00		
15-11	Improvement to Wash Bay	200,000.00			200,000.00	200,000.00		
15-15	Severe Storm Emergency	533,330.00		\$ 266,670.00	266,660.00	266,660.00		
16-01	Various Capital Improvements	5,983,240.00			5,983,240.00	5,983,240.00		
16-02	Various Capital Improvements - NJEIT	1,550,000.00			1,550,000.00		203,162.23	1,346,837.77
16-03	Synthetic Fields	2,009,523.00			2,009,523.00	2,009,523.00		
16-05	Install Guide Rails Lakeview	156,750.00			156,750.00	156,750.00		
17-02	Various Capital Improvements		\$ 6,316,635.00		6,316,635.00	6,316,635.00		
17-16	Drainage Improvements - NJEIT		750,000.00		750,000.00		40,860.50	709,139.50
		<u>\$ 20,547,446.34</u>	<u>\$ 7,066,635.00</u>	<u>\$ 266,670.00</u>	<u>\$ 27,347,411.34</u>	<u>\$ 21,995,320.00</u>	<u>\$ 1,870,329.30</u>	<u>\$ 3,481,762.04</u>
								\$ 7,056,348.77
								Improvement Authorizations - Unfunded
								Less - Unexpended Proceeds of Bond Anticipation Notes Issued:
					<u>Ordinance Number</u>			
					14-15	\$ 120,502.01		
					15-01	533,085.84		
					15-11	25,724.19		
					16-01	363,103.39		
					16-05	115,448.25		
					17-02	2,416,723.05		
								<u>3,574,586.73</u>
								<u>\$ 3,481,762.04</u>

TOWNSHIP OF GLOUCESTER
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2016		2017 Authorizations	Prior Year Encumbrances/ Contracts Payable/ Reclassified	Paid or Charged	Balance Dec. 31, 2017	
				Funded	Unfunded				Funded	Unfunded
12-06	Various Capital Improvements	11/28/11	\$ 5,374,912.00				\$ 41,111.00	\$ 41,111.00		
12-12	Building Improvements	11/28/11	920,000.00	\$ 116,789.57				26,274.00	\$ 90,515.57	
13-03	Various Capital Improvements	01/28/13	550,000.00		\$ 87,793.30		2,831.56	63,566.21		\$ 27,058.65
14-01	Various Capital Improvements	01/13/15	6,491,472.00	126,114.00				15,535.48	110,578.52	
14-02	Various Capital Improvements - NJEIT	01/13/15	1,750,000.00		1,020,169.12		18,625.58	19,180.58		1,019,614.12
14-15	Landfill Closure/ Dam Repairs	08/25/15	1,609,629.00		74,101.41		57,520.01	11,119.41		120,502.01
14-19/15-16	Various Capital Improvements - NJEIT	11/10/15	1,600,000.00	33,210.40	379,112.00		257,370.56	208,254.06	82,326.90	379,112.00
15-01	Various Capital Improvements	01/26/15	5,950,403.00		1,091,976.89		105,556.10	664,447.15		533,085.84
15-11	Improvements to Wash Bay	06/08/15	200,000.00		40,276.34		68,349.44	82,901.59		25,724.19
16-01	Various Capital Improvements	01/25/16	6,282,404.00		1,474,064.18		378,511.80	1,489,472.59		363,103.39
16-02	Various Capital Improvements - NJEIT	01/25/16	1,550,000.00		1,351,200.17			4,362.40		1,346,837.77
16-03	Synthetic Fields	01/25/16	2,110,000.00				20,749.40	20,749.40		
16-05	Install Guide Rails Lakeview	02/22/16	165,000.00		115,297.50		48,997.50	48,846.75		115,448.25
17-02	Various Capital Improvements	01/23/17	6,632,363.00			\$ 6,632,363.00		4,215,639.95		2,416,723.05
17-16	Drainage Improvements - NJEIT	04/24/17	750,000.00			750,000.00		40,860.50		709,139.50
				<u>\$ 276,113.97</u>	<u>\$ 5,633,990.91</u>	<u>\$ 7,382,363.00</u>	<u>\$ 999,622.95</u>	<u>\$ 6,952,321.07</u>	<u>\$ 283,420.99</u>	<u>\$ 7,056,348.77</u>
Capital Improvement Fund						\$ 315,728.00				
Deferred Charges to Future Taxation - Unfunded						7,066,635.00				
Disbursed by General Capital Fund								\$ 5,772,509.03		
Disbursed By Current Fund on Behalf of General Capital Fund								7,731.38		
Reserve for Encumbrances								1,172,080.66		
						<u>\$ 7,382,363.00</u>	<u>\$ 6,952,321.07</u>			

TOWNSHIP OF GLOUCESTER
GENERAL CAPITAL FUND
 Statement of Due To Current Fund
 For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 131.65
Increased by:		
Disbursements Made by Current Fund on Behalf of General Capital Fund	\$ 7,731.38	
Receipts:		
Interest Earnings	2,664.13	
Interfund Receipts	<u>2,017,136.97</u>	
		<u>2,027,532.48</u>
		2,027,664.13
Decreased by:		
Interfunds Disbursed		<u>2,000,000.00</u>
Balance December 31, 2017		<u><u>\$ 27,664.13</u></u>

Exhibit SC-7

GENERAL CAPITAL FUND
 Statement of Capital Improvement Fund
 For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 6,063.69
Increased by:		
Budget Appropriation - Receipts		<u>310,000.00</u>
		316,063.69
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>315,728.00</u>
Balance December 31, 2017		<u><u>\$ 335.69</u></u>

TOWNSHIP OF GLOUCESTER
GENERAL CAPITAL FUND
 Statement of General Serial Bonds
 For the Year Ended December 31, 2017

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2016	Decreased By		Balance Dec. 31, 2017
			Outstanding Date	December 31, 2017 Amount			Paid By Budget Appropriation		
General Bonds 2007	12/01/07	\$ 6,154,000.00	12/01/18	\$ 550,000.00	3.750%	\$ 2,300,000.00	\$ 550,000.00		\$ 1,750,000.00
			12/01/19-20	600,000.00	3.800%				
General Bonds 2011	02/01/11	10,000,000.00	02/01/18	1,050,000.00	3.000%	6,430,000.00	1,005,000.00		5,425,000.00
			02/01/19	1,075,000.00	3.000%				
			02/01/20	1,100,000.00	3.000%				
			02/01/21	1,100,000.00	3.125%				
			02/01/22	1,100,000.00	4.000%				
Refunding Revenue Bonds CCIA Lease of 2011	04/01/11	3,440,000.00	04/01/18	315,000.00	2.750%	2,050,000.00	310,000.00		1,740,000.00
			04/01/19	330,000.00	5.000%				
			04/01/20	345,000.00	5.000%				
			04/01/21	365,000.00	5.000%				
			04/01/22	385,000.00	5.000%				
Refunding Bonds 2012	02/01/12	5,540,000.00	02/01/18	1,300,000.00	2.000%	2,560,000.00	1,260,000.00		1,300,000.00
General Bonds 2012	11/15/12	1,985,000.00	11/15/18	125,000.00	2.000%	1,545,000.00	120,000.00		1,425,000.00
			11/15/19	135,000.00	2.000%				
			11/15/20	140,000.00	2.000%				
			11/15/21	150,000.00	2.000%				
			11/15/22	155,000.00	2.750%				
			11/15/23	165,000.00	3.000%				
			11/15/24	175,000.00	3.000%				
			11/15/25	185,000.00	3.250%				
			11/15/26	195,000.00	3.250%				
			General Bonds 2015	04/02/15	21,154,000.00				
02/15/19	2,270,000.00	2.000%							
02/15/20	2,295,000.00	2.000%							
02/15/21	2,300,000.00	2.000%							
02/15/22	2,310,000.00	2.500%							
02/15/23	2,315,000.00	3.000%							
02/15/24	2,325,000.00	3.000%							
02/15/25	2,330,000.00	3.000%							

(Continued)

TOWNSHIP OF GLOUCESTER
GENERAL CAPITAL FUND
 Statement of Green Acres Trust Fund Loan Payable
 For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 1,125,908.28
Decreased by:	
Paid by Budget Appropriation	132,268.11
Balance December 31, 2017	\$ 993,640.17

Schedule of Loan Payable December 31, 2017

<u>Year</u>	<u>Interest</u>	<u>Principal</u>
2018	\$ 19,224.97	\$ 130,216.32
2019	16,607.60	132,833.67
2020	13,937.67	130,894.27
2021	11,352.79	128,869.79
2022	8,762.49	131,460.08
2023	6,284.89	100,989.50
2024	4,255.00	92,566.74
2025	2,605.30	62,489.98
2026	1,349.25	46,744.18
2027	610.81	24,262.47
2028	123.14	12,313.17
	\$ 85,113.91	\$ 993,640.17

TOWNSHIP OF GLOUCESTER
GENERAL CAPITAL FUND
Statement of New Jersey Environmental Trust Fund Loan Payable
For the Year Ended December 31, 2017

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Decreased By</u>	
			<u>Outstanding Date</u>	<u>December 31, 2017 Amount</u>			<u>Paid By Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
N.J. Environmental Infrastructure Trust Loan	09/01/12	\$ 375,000.00	09/01/18-20	\$ 15,000.00	5.000%	\$ 315,000.00	\$ 15,000.00	\$ 300,000.00
			09/1/21-25	20,000.00	5.000%			
			09/1/26	25,000.00	5.000%			
			09/1/27-28	25,000.00	3.000%			
			09/1/29	25,000.00	3.125%			
			09/1/30	25,000.00	3.200%			
			09/1/31	30,000.00	3.250%			
N.J. Environmental Infrastructure Fund Loan	09/01/12	1,185,938.00 (1)	2018 - 2030	62,417.77	NIL	936,266.92	62,417.80	873,849.12
		(1)	2031	62,418.11	NIL			
N.J. Environmental Infrastructure Trust Loan	05/21/14	385,000.00	08/01/18-20	15,000.00	5.000%	355,000.00	15,000.00	340,000.00
			08/01/21-24	20,000.00	5.000%			
			08/01/25-26	20,000.00	3.000%			
			08/01/27-31	25,000.00	3.000%			
			08/01/32	25,000.00	3.125%			
			08/01/33	25,000.00	3.250%			
N.J. Environmental Infrastructure Fund Loan	05/21/15	1,173,256.00 (1)	2018 - 2030	61,480.65	NIL	920,324.70	61,480.65	858,844.05
		(1)	2031	59,595.60	NIL			
N.J. Environmental Infrastructure Trust Loan		165,000.00	8/1/2018-21	5,000.00	5.000%	160,000.00	5,000.00	155,000.00
			8/1/2022-26	10,000.00	5.000%			
			8/1/2027-33	10,000.00	4.000%			
			08/01/34	15,000.00	4.000%			
N.J. Environmental Infrastructure Fund Loan	05/28/15	526,319.00 (1)	2018 - 2033	26,761.98	NIL	481,715.70	26,761.98	454,953.72
		(1)	2034	26,762.04	NIL			
N.J. Environmental Infrastructure Trust Loan	09/01/16	300,000.00	9/1/2018-20	10,000.00	5.000%	300,000.00	10,000.00	290,000.00
			9/1/2021-23	15,000.00	5.000%			
			9/1/2024-27	15,000.00	4.000%			
			9/1/2028	15,000.00	2.000%			
			9/1/2029-30	20,000.00	2.000%			
			9/1/2031	20,000.00	2.125%			
			9/1/2032-35	20,000.00	3.000%			
N.J. Environmental Infrastructure Fund Loan	09/01/16	920,888.00 (1)	2018 - 2034	48,467.77	NIL	920,888.00	48,467.77	872,420.23
		(1)	2035	48,468.14	NIL			
						<u>\$ 4,389,195.32</u>	<u>\$ 244,128.20</u>	<u>\$ 4,145,067.12</u>

(1) Semiannual Principal Payments due February 1 and August 1.

TOWNSHIP OF GLOUCESTER
GENERAL CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 999,622.95
Increased by:	
Encumbered Against:	
Improvement Authorizations	<u>1,172,080.66</u>
	2,171,703.61
Decreased by:	
Encumbrances Reclassified:	
Improvement Authorizations	<u>999,622.95</u>
Balance December 31, 2017	<u><u>\$ 1,172,080.66</u></u>

TOWNSHIP OF GLOUCESTER
GENERAL CAPITAL FUND
 Statement of Bond Anticipation Notes
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2016	Issued	Redeemed	Balance Dec. 31, 2017	
14-15	Various Capital Improvements	03/20/15	03/17/16	03/16/17	0.79%	\$ 1,609,629.00		\$ 1,609,629.00		
14-15	Various Capital Improvements	03/20/15	03/15/17	03/14/18	1.10%		\$ 1,609,629.00		\$ 1,609,629.00	
15-01	Various Capital Improvements	03/20/15	03/17/16	03/16/17	0.79%	5,452,883.00		5,452,883.00		
15-01	Various Capital Improvements	03/20/15	03/15/17	03/14/18	1.10%		5,452,883.00		5,452,883.00	
15-11	Improvement to Wash Bay	03/20/15	03/17/16	03/16/17	0.79%	200,000.00		200,000.00		
15-11	Improvement to Wash Bay	03/20/15	03/15/17	03/14/18	1.10%		200,000.00		200,000.00	
15-15	Severe Storm Emergency - Refunding Note	12/31/15	12/14/16	12/13/17	1.24%	533,330.00		533,330.00		
15-15	Severe Storm Emergency - Refunding Note	12/31/15	12/12/17	12/11/18	1.34%		266,660.00		266,660.00	
16-01	Various Capital Improvements	03/17/16	03/17/16	03/16/17	0.79%	5,983,240.00		5,983,240.00		
16-01	Various Capital Improvements	03/17/16	03/15/17	03/14/18	1.10%		5,983,240.00		5,983,240.00	
16-03	Synthetic Fields	03/17/16	03/17/16	03/16/17	0.79%	2,009,523.00		2,009,523.00		
16-03	Synthetic Fields	03/17/16	03/15/17	03/14/18	1.10%		2,009,523.00		2,009,523.00	
16-05	Install Guide Rails Lakeview	03/17/16	03/17/16	03/16/17	0.79%	156,750.00		156,750.00		
16-05	Install Guide Rails Lakeview	03/17/16	03/15/17	03/14/18	1.10%		156,750.00		156,750.00	
17-02	Various Capital Improvements	03/15/17	03/15/17	03/14/18	1.10%		6,316,635.00		6,316,635.00	
						<u>\$ 15,945,355.00</u>	<u>\$ 21,995,320.00</u>	<u>\$ 15,945,355.00</u>	<u>\$ 21,995,320.00</u>	
							Issued for Cash			
							Paid By Budget Appropriation - Current Fund			
							Renewal			
								\$ 6,316,635.00	\$ 266,670.00	
								15,678,685.00	15,678,685.00	
							<u>\$ 21,995,320.00</u>	<u>\$ 15,945,355.00</u>		

TOWNSHIP OF GLOUCESTER
GENERAL CAPITAL FUND
Schedule of Due from State of New Jersey
Environmental Infrastructure Trust Receivable
For the Year Ended December 31, 2017

Balance December 31, 2016 & 2017

\$ 1,949,445.00

TOWNSHIP OF GLOUCESTER
GENERAL CAPITAL FUND
Statement of Reserve for Payment of Debt Service
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 691,960.15
Decreased by:	
Due Current Fund - Anticipated Revenue	<u>600,000.00</u>
Balance December 31, 2017	<u><u>\$ 91,960.15</u></u>

TOWNSHIP OF GLOUCESTER
GENERAL CAPITAL FUND
 Statement of Due From Open Space Fund
 For the Year Ended December 31, 2017

Increased by:	
Disbursements Made by General Capital Fund on Behalf of Open Space Fund	<u>\$ 12,668.38</u>
Balance December 31, 2017	<u><u>\$ 12,668.38</u></u>

Exhibit SC-16

GENERAL CAPITAL FUND
 Statement of Due From Trust Other Fund
 For the Year Ended December 31, 2017

Increased by:	
Disbursements Made by General Capital Fund on Behalf of Trust Other Fund	<u>\$ 121,787.00</u>
Balance December 31, 2017	<u><u>\$ 121,787.00</u></u>

Exhibit SC-17

GENERAL CAPITAL FUND
 Statement of Due From Federal and State Grant Fund
 For the Year Ended December 31, 2017

Increased by:	
Disbursements Made by General Capital Fund on Behalf of Federal and State Grant Fund	<u>\$ 25,000.00</u>
Balance December 31, 2017	<u><u>\$ 25,000.00</u></u>

TOWNSHIP OF GLOUCESTER
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized but Not Issued
For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	<u>Increased by</u>	<u>Decreased by</u>	Balance Dec. 31, 2017
			2017 Authorizations	Issuance of Notes	
00-19	Various Capital Improvements	\$ 1,800.00			\$ 1,800.00
02-34	Acquisition of Various Vehicles	951.00			951.00
03-26	Acquisition of Vehicles	119.00			119.00
04-19	Acquisition of Vehicles	133.00			133.00
04-26	Acquisition of Vehicles	228.00			228.00
05-14	Various Capital Improvements	69.00			69.00
09-12	Various Capital Improvements	228,833.19			228,833.19
09-15	Various Capital Improvements	313,473.67			313,473.67
09-17	Various Capital Improvements	146,222.19			146,222.19
09-21	Various Capital Improvements	20,920.87			20,920.87
11-16	Landfill Closure Costs	31.00			31.00
11-21	Acquisition of Four Wheel Drive Vehicle	499,022.15			499,022.15
12-28	Drainage Improvements	129,970.00			129,970.00
13-03	Various Capital Improvements	272,525.27			272,525.27
14-02	Drainage Improvements	1,058,681.00			1,058,681.00
14-19/15-16	Drainage Improvements	379,112.00			379,112.00
16-02	Various Capital Improvements - NJEIT	1,550,000.00			1,550,000.00
17-02	Various Capital Improvements		\$ 6,316,635.00	\$ 6,316,635.00	
17-16	Drainage Improvements - NJEIT		750,000.00		750,000.00
		<u>\$ 4,602,091.34</u>	<u>\$ 7,066,635.00</u>	<u>\$ 6,316,635.00</u>	<u>\$ 5,352,091.34</u>

PART II
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

TOWNSHIP OF GLOUCESTER
Schedule of Findings and Recommendations
For the Year Ended December 31, 2017

Schedule of Financial Statement Findings

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

There are no current year findings.

TOWNSHIP OF GLOUCESTER
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with *Government Auditing Standards*, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings.

FEDERAL AWARDS

There were no prior year audit findings.

STATE FINANCIAL ASSISTANCE PROGRAMS

This section is not applicable.

TOWNSHIP OF GLOUCESTER
 Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
David R. Mayer	Mayor	
Orlando Mercado	President of Council	
Tracey Trotto	Vice – President of Council	
Daniel Hutchison	Councilperson	
Michael Mignone	Councilperson	
Franklin T. Schmidt	Councilperson	
Andrea Stubbs	Councilperson	
Michelle Winters	Councilperson	
Rosemary DiJosie	Township Clerk	\$100,000 A
Nancy Power	Assistant Township Clerk	\$100,000 A
Thomas C. Cardis	Township Administrator	\$20,000 B
Sandra Ferguson	Tax Collector, Tax Search Officer, Officer for Searches for Municipal Liens	\$750,000 B
Christie Ehret	Chief Financial Officer, Treasurer	\$283,000 B
David Carlamere	Solicitor	
Nicholas Trabosh	Magistrate	\$100,000 A
Patricia Carroll	Municipal Court & Violations Clerk	\$100,000 A
Margaret Monahan	Deputy Court Clerk	\$100,000 A

A Employees are covered by a public employees honesty blanket bond with the Western Surety Insurance Company in the amount of \$100,000.

B Western Surety Company

12950

APPRECIATION

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Certified Public Accountant
Registered Municipal Accountant

