

TOWNSHIP OF GLOUCESTER
COUNTY OF CAMDEN

REPORT OF AUDIT

FOR THE YEAR ENDED
DECEMBER 31, 2018

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Gloucester
Gloucester Township, New Jersey 08012

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, 2018 and 2017, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinions

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

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

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

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

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

Opinion on Regulatory Basis of Accounting

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

Emphasis of Matter

Adoption of New Accounting Principles

As discussed in note 1 to the financial statements, during the year ended December 31, 2018, the Township adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The adoption of this new accounting principle resulted in a material note disclosure (see note 16). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only required financial statement disclosures. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

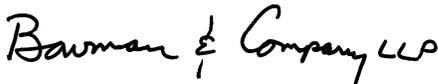
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2019 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
September 24, 2019

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township Gloucester
Gloucester Township, New Jersey 08012

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, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated September 24, 2019. 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. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting pronouncement.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of 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.

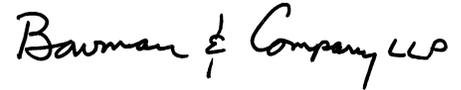
Compliance and Other Matters

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, and federal awarding agencies and pass-through entities, in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

Voorhees, New Jersey
September 24, 2019

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

ASSETS:	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Regular Fund:			
Cash	SA-1	\$ 10,770,589.61	\$ 12,401,518.97
Cash -- Change Funds	SA-2	2,850.00	2,850.00
Due State of New Jersey:			
Senior Citizens' and Veterans Deductions	SA-4	<u>98,706.29</u>	<u>84,325.29</u>
		<u>10,872,145.90</u>	<u>12,488,694.26</u>
Receivables and Other Assets			
with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	90,925.70	124,689.69
Tax Title Liens Receivable	SA-6	1,246,054.00	967,849.48
Revenue Accounts Receivable	SA-7	36,360.48	34,043.48
Prepaid Regional High School Taxes	SA-15	3.43	
Property Acquired for Taxes - Assessed Valuation	SA-18	1,487,600.00	1,645,700.00
Property Maintenance Liens Receivable	SA-25	50,161.04	47,109.12
Police Outside Service Receivable	SA-20	5,515.42	8,396.91
Due from Federal and State Grant Fund	SA-21	3,607.10	167,252.53
Due from General Capital	SC-6		27,664.13
Due from Municipal Open Space Trust Fund	SB-4	<u>448,690.85</u>	<u>226,118.25</u>
		<u>3,368,918.02</u>	<u>3,248,823.59</u>
		<u>14,241,063.92</u>	<u>15,737,517.85</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	SA-22	<u>801,551.01</u>	<u>586,629.09</u>
		<u>801,551.01</u>	<u>586,629.09</u>
		<u>\$ 15,042,614.93</u>	<u>\$ 16,324,146.94</u>

(Continued)

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

LIABILITIES, RESERVES
 AND FUND BALANCE:

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3,SA-10	\$ 728,964.22	\$ 1,053,227.75
Reserve for Encumbrances	SA-19	871,179.02	406,228.54
Accounts Payable	SA-8	287,981.64	6,994.05
Prepaid Taxes	SA-11	1,425,604.46	4,200,304.66
Prepaid Abatement	A	613.00	613.00
Tax Overpayments	SA-12	430.00	2,234.59
Due to County for Added and Omitted Taxes	SA-14	59,499.85	64,335.46
Due to General Capital Fund	SC-6	337,696.42	
Due Trust Other Fund	SB-6	2,436,974.67	1,227,451.72
Regional School Taxes Payable	SA-15		1.05
Local School Taxes Payable	SA-16	0.52	364.52
Due to State of New Jersey:			
Marriage Licenses	SA-20	1,800.00	2,300.00
State Training Fees	SA-20	13,239.00	14,481.00
Reserve for Cost of Revaluation	SA-20	8,771.60	8,771.60
Due Camden County Municipal Utility Authority	SA-20	745,605.18	818,468.91
Due Gloucester Township Municipal Utility Authority	SA-20	344,056.79	382,558.85
		<u>7,262,416.37</u>	<u>8,188,335.70</u>
Reserve for Receivables and Other Assets	A	3,368,918.02	3,248,823.59
Fund Balance	A-1	<u>3,609,729.53</u>	<u>4,300,358.56</u>
		<u>14,241,063.92</u>	<u>15,737,517.85</u>
Federal and State Grant Fund:			
Due to Trust Other Fund	B	11,950.00	11,950.00
Due to Open Space Fund	B	25,000.00	25,000.00
Due to General Capital Fund	SC-16	94,029.00	25,000.00
Due to Current Fund	SA-21	3,607.10	167,252.53
Reserve for Encumbrances	SA-19	231,949.85	18,071.65
Reserve for Federal and State Grants:			
Appropriated Grant Reserves	SA-24	403,455.06	302,484.82
Unappropriated Reserves	SA-23	31,560.00	36,870.09
		<u>801,551.01</u>	<u>586,629.09</u>
		<u>\$ 15,042,614.93</u>	<u>\$ 16,324,146.94</u>

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

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

REVENUE AND OTHER INCOME REALIZED:	<u>2018</u>	<u>2017</u>
Fund Balance Utilized	\$ 4,000,000.00	\$ 5,240,000.00
Miscellaneous Revenue Anticipated	11,488,130.00	10,497,597.85
Receipts from Delinquent Taxes	234,697.69	210,239.64
Receipts from Current Taxes	173,675,979.97	167,631,924.80
Non-Budget Revenue	983,804.80	1,748,684.23
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	573,048.65	1,106,084.92
Cancellation of:		
Prior Year Accounts Payables		618.00
Other		1,000.00
Liquidation of Reserve for:		
Police Outside Service Receivable	2,881.49	
Interfunds	191,309.56	
	<u>191,149,852.16</u>	<u>186,436,149.44</u>
Total Income		
EXPENDITURES:		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	25,141,121.00	23,743,980.00
Other Expenses	21,071,931.00	20,891,249.00
Deferred Charges and Statutory Expenditures Municipal -- Within "CAPS"	6,683,104.00	6,149,946.00
Operations -- Excluded from "CAPS":		
Salaries and Wages	103,400.00	105,000.00
Other Expenses	946,075.17	407,307.74
Capital Improvements -- Excluded from "CAPS"	300,000.00	310,000.00
Municipal Debt Service -- Excluded from "CAPS"	7,247,209.88	6,705,671.30
Transferred to Board of Education	255,000.00	510,000.00
County Taxes	39,311,809.55	38,131,997.48
Due County for Added and Omitted Taxes	59,499.85	64,335.46
Local School District Tax	50,416,295.00	50,129,952.00
Regional High School Tax	28,028,623.00	27,513,335.00
Special (Fire) District Taxes	7,074,130.00	6,808,131.00
Municipal Open Space Tax	880,088.26	880,795.75
Other Charges to Income:		
Establishment of Change Fund - Municipal Court		1,000.00
Interfunds Created	222,572.60	348,088.34
Creation of Maintenance Liens	44,861.82	52,437.59
Creation of Prepaid Regional High School Taxes	3.43	190.00
Due State of New Jersey Senior Citizens and Veteran Deductions:		
Reimbursement due to Taxation Audit	22,435.63	
Prior Year Disallowed		550.00
Refund of Prior Year Revenue	30,151.73	15,757.75
Miscellaneous Added Tax Overpayments	2,169.27	925.44
	<u>187,840,481.19</u>	<u>182,770,649.85</u>
Total Expenditures		
Statutory Excess to Fund Balance	3,309,370.97	3,665,499.59
FUND BALANCE:		
Balance January 1	<u>4,300,358.56</u>	<u>5,874,858.97</u>
	7,609,729.53	9,540,358.56
Decreased by:		
Utilized as Revenue	<u>4,000,000.00</u>	<u>5,240,000.00</u>
Balance December 31	<u>\$ 3,609,729.53</u>	<u>\$ 4,300,358.56</u>

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

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

	Anticipated		Realized	Excess or (Deficit)
	Budget	Special N.J.S. 40A: 4-87		
Surplus Anticipated	\$ 4,000,000.00		\$ 4,000,000.00	
Miscellaneous Revenues:				
Alcoholic Beverages	55,000.00		56,280.00	\$ 1,280.00
Licenses Other	20,000.00		28,613.00	8,613.00
Fees and Permits	325,000.00		714,147.00	389,147.00
Fines and Costs - Municipal Court	500,000.00		503,308.75	3,308.75
Interest and Costs on Taxes	300,000.00		352,873.79	52,873.79
Interest on Investments and Deposits	65,000.00		159,132.25	94,132.25
Recreation Fees	200,000.00		212,383.68	12,383.68
Tax Sale Fees	200,000.00		252,351.59	52,351.59
Payment in Lieu of Senior Citizen Housing Complex	160,000.00		256,082.14	96,082.14
Municipal Pool Fees	70,000.00		91,320.00	21,320.00
Lease of Public Building	10,000.00		11,840.00	1,840.00
Tax Abatement in Lieu of Billing	1,400,000.00		1,493,091.00	93,091.00
Cable TV Fees	200,500.00		269,944.43	69,444.43
Consolidated Municipal Property Tax Relief Aid	413,565.00		283,320.00	(130,245.00)
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	4,692,894.00		4,823,139.00	130,245.00
Uniform Construction Code Fees	615,000.00		683,743.70	68,743.70
Public and Private Revenues - Offset With Appropriations:				
Clean Communities		\$ 116,589.85	116,589.85	
Camden County Open Space Grant		50,000.00	50,000.00	
Hazardous Materials Emergency Grant		10,900.00	10,900.00	
Drunk Driving Enforcement Fund	7,685.92		7,685.92	
Municipal Alliance on Alcohol and Drug Abuse	39,826.26		39,826.26	
Safe and Secure Communities Program	90,000.00		90,000.00	
Body Armor Grant	10,784.17		10,784.17	
Emergency Management	5,000.00		5,000.00	
Cops in Shops	2,400.00		2,400.00	
Drive Sober or Get Pulled Over	11,000.00		11,000.00	
National Crime Statistics Exchange		34,029.00	34,029.00	
NJDOT- Resurfacing Stone Bridge Drive		226,595.00	226,595.00	
NJDOT - 2017 Bike Path Final Extension		284,042.00	284,042.00	
Bulletproof Vest Partnership Grant		26,354.97	26,354.97	
Other Special Items of Revenue:				
Payment of Bond Principal - Due from Black Horse				
Pike Regional High School District	93,000.00		93,000.00	
Interest on Bonds - Due from Black Horse				
Pike Regional High School District	28,352.50		28,352.50	
Utility Operating Surplus of Prior Year - GTMUA	260,000.00		260,000.00	
Total Miscellaneous Revenues	9,775,007.85	748,510.82	11,488,130.00	964,611.33
Receipts from Delinquent Taxes	210,000.00	-	234,697.69	24,697.69
Amount to be Raised by Taxes for				
Support of Municipal Budget:				
Local Tax for Municipal Purposes				
Including Reserve for Uncollected Taxes	47,829,279.04	-	48,713,730.85	884,451.81
Budget Totals	61,814,286.89	748,510.82	64,436,558.54	1,873,760.83
Non-Budget Revenue	-	-	983,804.80	983,804.80
	<u>\$ 61,814,286.89</u>	<u>\$ 748,510.82</u>	<u>\$ 65,420,363.34</u>	<u>\$ 2,857,565.63</u>

(Continued)

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

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 173,675,979.97
Allocated to School, County and Special District Taxes	<u>125,770,445.66</u>
Balance for Support of Municipal Budget Appropriations	47,905,534.31
Add: Appropriation "Reserve for Uncollected Taxes"	<u>808,196.54</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 48,713,730.85</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 103,301.65
Tax Title Lien Collections	<u>131,396.04</u>
	<u><u>\$ 234,697.69</u></u>

Analysis of Non-Budget Revenue

Miscellaneous Revenue not Anticipated:

Receipts:

Administrative Fees - Maintenance Liens	\$ 93,150.27
Maintenance Liens Receivable Collected	47,771.26
Billboard Revenue	20,167.31
Cancel Prior Year Checks	2,601.52
Cell Phone Tower	60,986.49
Community Development Ad Fees	2,570.00
Community Garden	820.00
eCrash Reports	6,160.00
Fuel Reimbursement	142,347.06
Gazebo Rentals	6,450.00
Homestead Rebate Admin Fee	5,716.20
License Plate Reader	4,950.00
Metal Recycling	7,470.86
Miscellaneous	57,066.77
Motor Vehicle Fines	2,463.76
NSF Fee	900.00
Ordinances, Books & Maps	1,010.00
Photocopies	8,290.10
Police Fees	1,270.60
Police Outside Employment - Admin Fee	223,308.66
Public Works Vehicle Repairs	33,804.61
Refund	138,773.00
Restitution	701.19
Senior Citizens & Veteran Admin Fee	9,840.00
Sale of Township Property	26,980.00
SREC	58,013.23
Tax Fees	8,175.00
Twp Pool Snack Bar	11,024.00
Vending Machine	<u>1,022.91</u>

Total Non-Budget Revenues	<u><u>\$ 983,804.80</u></u>
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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, 2018

	<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	\$ 137,500.00	\$ 137,500.00	\$ 136,506.62		\$ 993.38	
Other Expenses	2,075.00	2,075.00	1,856.12		218.88	
Office of Administrative Support Services:						
Salaries and Wages	117,500.00	110,500.00	109,793.92		706.08	
Other Expenses	16,400.00	29,400.00	25,264.52	\$ 250.87	3,884.61	
Office of Grants Administration:						
Other Expenses	10,000.00	1,000.00	25.95		974.05	
Office of Human Resources:						
Salaries and Wages	246,000.00	246,350.00	245,868.60		481.40	
Other Expenses	54,850.00	54,850.00	44,728.87	5,031.00	5,090.13	
Office of the Mayor:						
Salaries and Wages	181,000.00	181,000.00	180,586.12		413.88	
Other Expenses	4,840.00	6,840.00	6,739.80	100.00	0.20	
Office of the Twp. Council:						
Salaries and Wages	55,935.00	55,935.00	55,935.00			
Other Expenses	5,025.00	5,025.00	4,806.41		218.59	
Office of Public Information:						
Other Expenses	124,500.00	106,300.00	100,576.90		5,723.10	
Office of the Twp. Clerk:						
Salaries and Wages	223,500.00	194,000.00	193,984.53		15.47	
Other Expenses:	51,375.00	54,875.00	54,503.86		371.14	
Office of the Treasury:						
Salaries and Wages	222,500.00	225,500.00	225,454.95		45.05	
Other Expenses	30,800.00	30,800.00	30,656.95		143.05	
Audit Services:						
Other Expenses	70,000.00	70,000.00	70,000.00			
Office of Data Processing:						
Salaries and Wages	47,000.00	49,400.00	49,397.68		2.32	
Other Expenses	255,000.00	295,000.00	274,670.61	5,750.00	14,579.39	
Office of the Tax Collector:						
Salaries and Wages	299,000.00	299,000.00	298,428.44		571.56	
Other Expenses	111,625.00	101,625.00	92,330.25	82.50	9,212.25	
Office of Tax Assessment:						
Salaries and Wages	199,000.00	201,000.00	200,373.39		626.61	
Other Expenses	32,300.00	32,300.00	25,562.98	37.92	6,699.10	
Office of the Twp. Attorney:						
Salaries and Wages	142,000.00	144,400.00	144,337.76		62.24	
Other Expenses	26,100.00	126,100.00	102,097.52	17,319.99	6,682.49	

(Continued)

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

	<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 Township Engineer:						
Other Expenses	\$ 85,000.00	\$ 155,000.00	\$ 124,259.00		\$ 30,741.00	
Office of Community Development:						
Salaries and Wages	262,000.00	270,000.00	263,670.49		6,329.51	
Other Expenses	22,500.00	8,500.00	6,512.63	\$ 440.00	1,547.37	
<u>Land Use Administration:</u>						
Planning Board:						
Salaries and Wages	8,500.00	8,500.00	7,903.60	416.67	179.73	
Other Expenses	56,200.00	106,200.00	68,792.58	6,295.91	31,111.51	
Zoning Board of Adjustments:						
Salaries and Wages	8,500.00	8,500.00	7,064.14	1,248.00	187.86	
Other Expenses	59,600.00	9,600.00	4,088.99	425.00	5,086.01	
Office of Zoning:						
Salaries and Wages	52,500.00	52,500.00	51,763.09		736.91	
<u>Insurance:</u>						
Liability Insurance	929,000.00	1,029,000.00	991,816.87		37,183.13	
Workman's Compensation	599,000.00	699,000.00	666,326.61		32,673.39	
Employee Group Insurance	8,115,000.00	7,454,190.00	7,385,200.64	15,651.25	53,338.11	
Health Benefit Waiver	250,000.00	257,000.00	256,782.70		217.30	
Disability Insurance	20,000.00	20,000.00	20,000.00			
Unemployment Insurance	20,000.00	20,000.00	20,000.00			
<u>Public Safety:</u>						
Police Department:						
Salaries and Wages	15,021,208.00	14,684,408.00	14,443,406.71		241,001.29	
Other Expenses	878,240.00	808,240.00	725,284.28	22,300.16	60,655.56	
Police Communications:						
Salaries and Wages	789,800.00	774,800.00	774,708.45		91.55	
Other Expenses	126,376.00	121,376.00	115,226.98	3,602.99	2,546.03	
Office of Emergency Management:						
Salaries and Wages	31,500.00	29,000.00	28,981.92		18.08	
Other Expenses	14,525.00	9,525.00	5,733.46		3,791.54	
Aid to Ambulance:						
Other Expenses	5,000.00					
Office of the Prosecutor:						
Salaries and Wages	82,000.00	62,000.00	61,191.08		808.92	

(Continued)

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

	<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>Public Works:</u>						
Office of the Director:						
Salaries and Wages	\$ 147,100.00	\$ 179,800.00	\$ 179,723.31		\$ 76.69	
Other Expenses	116,750.00	91,750.00	83,934.78	\$ 540.21	7,275.01	
Street and Road Maintenance:						
Salaries and Wages	2,027,168.00	2,137,168.00	2,134,822.25		2,345.75	
Other Expenses	807,825.00	792,825.00	749,388.59	27,932.78	15,503.63	
Sanitation:						
Contractual	3,985,500.00	4,005,500.00	3,645,886.58	356,812.12	2,801.30	
Public Buildings and Grounds:						
Salaries and Wages	790,000.00	809,000.00	808,503.46		496.54	
Other Expenses	120,500.00	180,500.00	162,198.11	11,271.73	7,030.16	
Vehicle Maintenance:						
Salaries and Wages	420,000.00	426,000.00	425,244.90		755.10	
Other Expenses	377,700.00	445,700.00	410,401.05	32,609.97	2,688.98	
<u>Health and Human Services:</u>						
Office of Community Services and Information:						
Salaries and Wages	58,000.00	59,500.00	59,233.83		266.17	
Other Expenses	775.00	975.00	943.14		31.86	
Board of Health:						
Salaries and Wages	11,000.00	11,000.00	10,380.58		619.42	
Other Expenses	2,900.00	2,900.00	1,153.71		1,746.29	
<u>Animal Control:</u>						
Animal Control Services:						
Other Expenses	75,000.00	95,000.00	95,000.00			
<u>Parks and Recreation</u>						
Office of the Director:						
Salaries and Wages	643,500.00	601,300.00	599,915.51		1,384.49	
Other Expenses	36,350.00	36,350.00	29,126.20	0.68	7,223.12	
Office of Community Activities:						
Other Expenses	22,950.00	30,950.00	29,944.86	531.18	473.96	
Municipal Pool:						
Salaries and Wages	90,000.00	90,160.00	90,154.31		5.69	
Other Expenses	21,350.00	21,350.00	20,624.76	465.67	259.57	
Maintenance of Parks and Playgrounds:						
Salaries and Wages	1,545,000.00	1,530,000.00	1,529,201.91		798.09	
Other Expenses	148,500.00	148,500.00	136,613.33	3,354.86	8,531.81	

(Continued)

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

	<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>Other Common Operating Functions:</u>						
Office of Senior Citizens:						
Salaries and Wages	\$ 64,100.00	\$ 54,100.00	\$ 53,006.10		\$ 1,093.90	
Other Expenses	4,550.00	5,550.00	5,146.25		403.75	
<u>Reserve for Tax Appeals:</u>						
Tax Appeals:						
Other Expenses	15,000.00					
<u>Utility and Bulk Purchases:</u>						
Electric	269,500.00	239,500.00	237,970.12		1,529.88	
Street Lighting	885,000.00	957,000.00	954,947.86		2,052.14	
Telephone	226,000.00	226,000.00	220,902.66	\$ 2,210.00	2,887.34	
Water	89,000.00	89,000.00	80,026.86		8,973.14	
Natural Gas	83,000.00	96,000.00	90,369.54	931.02	4,699.44	
Sewerage	14,200.00	14,200.00	11,813.06	230.00	2,156.94	
Gasoline	400,000.00	520,000.00	492,806.67	18,538.63	8,654.70	
<u>Landfill Disposal Costs:</u>						
Other Expenses	1,000,000.00	1,310,000.00	1,142,646.13	161,879.30	5,474.57	
<u>Municipal Court:</u>						
Salaries and Wages	570,000.00	586,000.00	585,886.77		113.23	
Other Expenses	102,660.00	102,660.00	85,887.22	10,068.61	6,704.17	
<u>Construction Code Enforcement:</u>						
Salaries and Wages	654,000.00	649,600.00	649,561.25		38.75	
Other Expenses	15,900.00	45,900.00	26,941.79		18,958.21	
<u>Unclassified:</u>						
Absence Leave-Retirees	210,000.00	211,100.00	211,027.13		72.87	
Compensated Absences Leave	60,000.00	62,100.00	62,050.99		49.01	
Total Operations Including Contingent-Within "CAPS"	46,213,052.00	46,213,052.00	44,816,587.54	706,329.02	690,135.44	-
Detail:						
Salaries and Wages	25,416,811.00	25,141,121.00	24,878,068.79	1,664.67	261,387.54	-
Other Expenses	20,796,241.00	21,071,931.00	19,938,518.75	704,664.35	428,747.90	-
<u>Statutory Expenditures:</u>						
Contribution to:						
Public Employees' Retirement System	1,180,778.00	1,180,778.00	1,180,777.68		0.32	
Social Security System (O.A.S.I)	1,985,000.00	1,985,000.00	1,955,438.73		29,561.27	
DCRP	10,000.00	10,000.00	3,332.81		6,667.19	
Police and Firemen's Retirement System	3,507,326.00	3,507,326.00	3,507,326.00			
Total Deferred Charges and Statutory Expenditures -- Municipal -- Within "CAPS"	6,683,104.00	6,683,104.00	6,646,875.22	-	36,228.78	-

(Continued)

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

	<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 -- EXCLUDED FROM "CAPS"						
<u>General Appropriations:</u>						
Stormwater Management Permits	\$ 12,000.00	\$ 12,000.00	\$ 9,400.00		\$ 2,600.00	
Sanitation - Recycling Tax	85,000.00	85,000.00	85,000.00			
Total General Appropriations - Excluded from "CAPS"	97,000.00	97,000.00	94,400.00	-	2,600.00	-
<u>Public and Private Programs Offset by Revenues:</u>						
Supplemental Fire Services Program	21,538.00	21,538.00	21,538.00			
Clean Communities (40A:4-87 \$116,589.82)		116,589.85	116,589.85			
Drunk Driving Enforcement Fund	7,685.92	7,685.92	7,685.92			
Municipal Alliance	39,826.26	39,826.26	39,826.26			
Hazardous Materials Emergency Grant (40A:4-87 \$10,900.00)		10,900.00	10,900.00			
Camden County Open Space (40A:4-87 \$50,000.00)		50,000.00	50,000.00			
Municipal Alliance (Local Match)	15,730.00	15,730.00	15,730.00			
Safe and Secure Communities Program	90,000.00	90,000.00	90,000.00			
Body Armor Grant	10,784.17	10,784.17	10,784.17			
Emergency Management	5,000.00	5,000.00	5,000.00			
Cops in Shops	2,400.00	2,400.00	2,400.00			
Drive Sober or Get Pulled Over	11,000.00	11,000.00	11,000.00			
National Crime Statistics Exchange (40A:4-87 \$34,029.00)		34,029.00	34,029.00			
NJDOT- Resurfacing Stone Bridge Drive (40A:4-87 \$226,595.00)		226,595.00	226,595.00			
NJDOT - 2017 Bike Path Final Extension (40A:4-87 \$284,042.00)		284,042.00	284,042.00			
Bulletproof Vest Partnership Grant (40A:4-87 \$26,354.97)		26,354.97	26,354.97			
Total Public and Private Programs Offset by Revenues	203,964.35	952,475.17	952,475.17	-	-	-
Total Operations - Excluded from "CAPS"	300,964.35	1,049,475.17	1,046,875.17	-	2,600.00	-
Detail:						
Salaries and Wages	103,400.00	103,400.00	103,400.00	-	-	-
Other Expenses	197,564.35	946,075.17	943,475.17	-	2,600.00	-
CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS"						
Capital Improvement Fund	300,000.00	300,000.00	300,000.00	-	-	-

(Continued)

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

	<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>	Budget After <u>Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"						
Payment of Bond Principal	\$ 4,970,000.00	\$ 4,970,000.00	\$ 4,970,000.00			
Interest on Bonds	882,825.00	882,825.00	882,781.71			\$ 43.29
Payment of Bond Anticipation Notes	603,700.00	603,700.00	603,684.00			16.00
Interest on Bond Anticipation Notes	361,500.00	361,500.00	361,431.25			68.75
NJEIT Loan Program:						
Principal	244,150.00	244,150.00	244,128.17			21.83
Interest	42,350.00	42,350.00	35,743.46			6,606.54
Green Trust Loan Program:						
Principal	130,220.00	130,220.00	130,216.32			3.68
Interest	19,225.00	19,225.00	19,224.97			0.03
Total Municipal Debt Service - Excluded from "CAPS"	7,253,970.00	7,253,970.00	7,247,209.88	-	-	6,760.12
Transferred to Board of Education for use of Local Schools (NJSA 40:48-17.1 & 17.3)	255,000.00	255,000.00	90,150.00	\$ 164,850.00	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	8,109,934.35	8,858,445.17	8,684,235.05	164,850.00	\$ 2,600.00	6,760.12
Subtotal General Appropriations	61,006,090.35	61,754,601.17	60,147,697.81	871,179.02	728,964.22	6,760.12
Reserve for Uncollected Taxes	808,196.54	808,196.54	808,196.54			
Total General Appropriations	\$ 61,814,286.89	\$ 62,562,797.71	\$ 60,955,894.35	\$ 871,179.02	\$ 728,964.22	\$ 6,760.12
Original Budget		\$ 61,814,286.89				
Appropriation by NJS 40A:4-87		748,510.82				
		\$ 62,562,797.71				
Reserve for Federal and State Grants Appropriated			\$ 930,937.17			
Reserve for Uncollected Taxes			808,196.54			
Disbursements - Current Fund			61,218,284.95			
Disbursements - General Capital Fund			337,024.00			
Disbursements - Trust Other Fund			41,957.13			
Refund of Appropriations						
Refunded - Current Fund			(2,361,086.68)			
Refunded - Trust Other Fund			(19,418.76)			
			\$ 60,955,894.35			

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, 2018 and 2017

ASSETS:	Ref.	2018	2017
Animal Control Fund:			
Cash	SB-1	\$ 8,208.37	\$ 772.62
Other Funds:			
Cash	SB-1	3,804,283.99	6,073,760.81
Change Fund	B	100.00	100.00
		<u>3,804,383.99</u>	<u>6,073,860.81</u>
Accounts Receivable:			
Due from Current Fund	SB-6	2,436,974.67	1,227,451.72
Due from Federal and State Grant Fund	SB-9	11,950.00	11,950.00
Due from Municipal Open Space Trust Fund	SB-10	287,255.00	
Due from General Capital Fund	SC-15	16,740.76	
Due from School Bus GPS System	SB-7	49,537.63	48,527.85
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	314,376.53	179,333.25
Camden County Home Consortium Program Receivable	SB-7	46,638.00	46,638.00
		<u>4,081,008.35</u>	<u>2,431,436.58</u>
		<u>7,885,392.34</u>	<u>8,505,297.39</u>
Municipal Open Space Trust Fund:			
Cash	SB-1	785,499.38	309,361.51
Due from Federal and State Grant Fund	A	25,000.00	25,000.00
Due from Trust Other Fund	SB-10		33,886.53
		<u>810,499.38</u>	<u>368,248.04</u>
		<u>\$ 8,704,100.09</u>	<u>\$ 8,874,318.05</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Animal Control Fund:			
Due State of New Jersey	SB-2	\$ 9.60	\$ 4.80
Reserve for Animal Control Fund Expenditures	SB-3	8,198.77	767.82
		<u>8,208.37</u>	<u>772.62</u>
Other Funds:			
Due to Municipal Open Space Trust Fund	SB-10		33,886.53
Due to General Capital Fund	SC-15		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	770,772.19	495,998.16
Cash Performance Guarantees	SB-8	1,093,436.51	881,170.40
Grading Escrows	SB-8	236,444.92	236,465.66
Developers Interest on Escrows	SB-8	2,272.86	2,272.86
Police Outside Employment	SB-8	78,079.30	191,693.97
Recycling Funds	SB-8	150,343.04	206,059.28
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, 2018 and 2017

LIABILITIES, RESERVES AND FUND BALANCE (CONT'D):	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Other Funds (cont'd):			
Reserve for (cont'd):			
Public Defender	SB-8		\$ 7,660.44
POAA	SB-8	\$ 3,560.00	3,472.00
Municipal Alliance Funds	SB-8	23,646.09	23,646.09
Housing and Community Development Act:			
Metro Cities Grant	SB-8	111,382.92	55,665.33
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	68,138.10	61,728.77
Redemption of Privately Held Liens	SB-8	413,425.09	445,768.30
Tax Sale Premium	SB-8	2,501,400.00	3,078,600.00
Tax Sale Bid Holding Account	SB-8		287,235.08
Workman's Compensation	SB-8	2,184.93	657.85
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	26,067.96	129.81
Unemployment Compensation Insurance	SB-8	106,380.28	63,325.99
Special Recreation Trust	SB-8	3,980.96	3,980.96
Affordable Housing Trust	SB-8	860,427.80	712,879.40
Rehabilitation Mortgages Receivable	SB-8	905,471.46	905,471.46
Encroachment Escrows	SB-8	17,504.89	16,219.89
Multiple Dwelling Escrows	SB-8	38,425.61	38,425.61
Sloan's Legacy	SB-8	3,020.35	2,993.09
Revolving Loan Fund	SB-8	76,670.12	32,297.12
Payroll Fund	SB-8	226,556.16	448,720.32
Flexible Spending	SB-8	68,042.57	49,327.79
		<u>7,885,392.34</u>	<u>8,505,297.39</u>
Municipal Open Space Trust Fund:			
Due to Current Fund	SB-4	448,690.85	226,118.25
Due to General Capital Fund	SC-14		12,668.38
Due to Trust Other Fund	SB-10	287,255.00	
Reserve for Future Use	SB-5	74,553.53	129,461.41
		<u>810,499.38</u>	<u>368,248.04</u>
		<u>\$ 8,704,100.09</u>	<u>\$ 8,874,318.05</u>

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

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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
REVENUE REALIZED:		
Amount to be Raised by Taxation	\$ 880,088.26	\$ 880,795.75
Miscellaneous	5,228.54	1,210.06
	<u>885,316.80</u>	<u>882,005.81</u>
EXPENDITURES:		
Budget Appropriations:		
Maintenance of Lands for Recreation and Conservation	654,860.86	651,714.00
Debt Service:		
Payment on Bond Principal	185,000.00	185,000.00
Interest on Bonds	38,900.00	42,600.00
Expenses Paid Directly from Reserve Funds:		
Other Open Space Expenditures	61,463.82	70,272.00
	<u>940,224.68</u>	<u>949,586.00</u>
Total Expenditures	<u>940,224.68</u>	<u>949,586.00</u>
Excess (Deficit) to Reserve	(54,907.88)	(67,580.19)
RESERVE FOR FUTURE USE:		
Balance January 1,	<u>129,461.41</u>	<u>197,041.60</u>
Balance December 31,	<u>\$ 74,553.53</u>	<u>\$ 129,461.41</u>

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

TOWNSHIP OF GLOUCESTER
MUNICIPAL OPEN SPACE TRUST FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2018

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxation	\$ 878,760.86	\$ 880,088.26	\$ 1,327.40
Miscellaneous		5,228.54	5,228.54
	<u>\$ 878,760.86</u>	<u>\$ 885,316.80</u>	<u>\$ 6,555.94</u>
 <u>Analysis of Realized Revenues</u>			
Receipts:			
Open Space Tax Levy	\$ 878,760.86		
Added and Omitted Taxes	<u>1,327.40</u>		
		\$ 880,088.26	
Interest Earnings on Deposits		<u>5,228.54</u>	
		<u>\$ 885,316.80</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, 2018

	<u>Original Budget</u>	<u>Appropriations Budget After Modification</u>	<u>Paid or Charged</u>	<u>Unexpended Balance Canceled</u>
Development of Lands for Recreation and Conservation:				
Salaries and Wages		\$ 116,034.44	\$ 116,034.44	
Other Expenses	\$ 654,860.86	538,826.42	538,826.42	
Debt Service:				
Payment on Bond Principal	185,000.00	185,000.00	185,000.00	
Interest on Bonds	38,900.00	38,900.00	38,900.00	
	<u>\$ 878,760.86</u>	<u>\$ 878,760.86</u>	<u>\$ 878,760.86</u>	<u>\$ -</u>
Reimbursed			\$ (4,727.00)	
Disbursed:				
Open Space Fund			116,034.44	
Trust Other Fund on Behalf of Open Space Fund			536,798.97	
General Capital Fund on Behalf of Open Space Fund			6,754.45	
Current Fund on Behalf of Open Space Fund			223,900.00	
			<u>\$ 878,760.86</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, 2018 and 2017

ASSETS:	Ref.	2018	2017
Cash	SC-1, SC-2	\$ 3,139,574.11	\$ 1,197,544.39
Deferred Charges to Future Taxation:			
Funded	SC-3	32,295,595.80	37,848,707.29
Unfunded	SC-4	34,070,659.34	27,347,411.34
Due from New Jersey Environmental Trust Fund	SC-13	100,670.00	1,949,445.00
Due from Current Fund	SC-6	337,696.42	
Due from Municipal Open Space Fund	SC-14		12,668.38
Due from Trust Other Fund	SC-15		121,787.00
Due from Federal and State Grant Fund	SC-16	94,029.00	25,000.00
		<u>70,038,224.67</u>	<u>68,502,563.40</u>
Total Assets		<u>\$ 70,038,224.67</u>	<u>\$ 68,502,563.40</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Improvement Authorizations:			
Funded	SC-5	\$ 303,260.18	\$ 283,420.99
Unfunded	SC-5	7,847,386.09	7,056,348.77
Due to Current Fund	SC-6		27,664.13
Due to Trust Other Fund	SC-15	16,740.76	
Reserve for Encumbrances	SC-11	1,821,881.15	1,172,080.66
Capital Improvement Fund	SC-7	5,177.69	335.69
General Serial Bonds	SC-8	27,555,000.00	32,710,000.00
Green Acres Loan Payable	SC-9	863,423.85	993,640.17
New Jersey Environmental Infrastructure Loan Payable	SC-10	3,877,171.95	4,145,067.12
Bond Anticipation Notes Payable	SC-12	27,294,801.00	21,995,320.00
Reserve for Payment of Debt Service	C	91,960.15	91,960.15
Fund Balance	C-1	361,421.85	26,725.72
		<u>70,038,224.67</u>	<u>68,502,563.40</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 70,038,224.67</u>	<u>\$ 68,502,563.40</u>

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

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

Balance December 31, 2017		\$	26,725.72
Increased by:			
Premium on Sale of Notes:			
Receipts	\$		302,972.29
Collections by Current Fund on Behalf of General Capital Fund			<u>31,723.84</u>
			<u>334,696.13</u>
Balance December 31, 2018		\$	<u><u>361,421.85</u></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, 2018

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
General Fixed Assets:				
Land	\$ 7,037,273.45			\$ 7,037,273.45
Land Improvements	5,653,561.28	\$ 185,152.54		5,838,713.82
Buildings and Improvements	10,974,527.70	68,598.90		11,043,126.60
Machinery, Equipment and Vehicles	20,315,176.66	1,385,433.50	\$ 646,938.00	21,053,672.16
Infrastructure	130,700.00			130,700.00
	<u>\$ 44,111,239.09</u>	<u>\$ 1,639,184.94</u>	<u>\$ 646,938.00</u>	<u>\$ 45,103,486.03</u>
Investment in General Fixed Assets	<u>\$ 44,111,239.09</u>	<u>\$ 1,639,184.94</u>	<u>\$ 646,938.00</u>	<u>\$ 45,103,486.03</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, 2018

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.

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.

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

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 fund 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.

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.

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

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.

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

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

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

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2018, the Township's bank balances of \$19,534,583.37 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 18,223,194.50
Uninsured and Uncollateralized	<u>1,311,388.87</u>
Total	<u>\$ 19,534,583.37</u>

New Jersey Cash Management Fund - During the year, the Township participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2018, the Township's deposits with the New Jersey Cash Management Fund were \$322,063.90.

Note 3: PROPERTY TAXES

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

	<u>Year Ended</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate	<u>\$ 4.713</u>	<u>\$ 4.551</u>	<u>\$ 4.457</u>	<u>\$ 4.157</u>	<u>\$ 4.132</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.088	\$ 1.011	\$ 1.008	\$ 0.898	\$ 0.906
County	0.90	0.87	0.85	0.81	0.80
Local School	1.15	1.14	1.10	1.03	1.04
Regional School	0.64	0.63	0.60	0.57	0.54
Fire Districts	0.92	0.89	0.87	0.84	0.83
Municipal Open Space	0.02	0.02	0.02	0.02	0.02

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):

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2018	\$ 4,393,804,300.00
2017	4,396,570,200.00
2016	4,411,876,400.00
2015	4,447,441,000.00
2014	4,406,383,200.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2018	\$ 174,195,022.75	\$ 173,675,279.97	99.70%
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%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2018	\$ 1,246,054.00	\$ 90,925.70	\$ 1,336,979.70	0.77%
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%

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

<u>Year</u>	<u>Number</u>
2018	208
2017	182
2016	411
2015	381
2014	356

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2018	\$ 1,487,600.00
2017	1,645,700.00
2016	703,300.00
2015	-
2014	-

Note 5: FUND BALANCES APPROPRIATED

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2018	\$ 3,609,729.53	\$ 3,500,000.00	96.96%
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%

Note 6: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 452,297.95	\$ 2,774,671.09
Federal and State Grant		134,586.10
Trust - Other	2,752,920.43	
Trust - Municipal Open Space Fund	25,000.00	735,945.85
General Capital	431,725.42	16,740.76
Totals	<u>\$ 3,661,943.80</u>	<u>\$ 3,661,943.80</u>

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

Note 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, required supplementary information and detailed information about the PERS and PFRS plan's fiduciary net position which can be obtained by writing to or at the following website:

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

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

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

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

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

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

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

The following represents the membership tiers for PERS:

Tier Definition

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

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

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.

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

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

Contributions

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

The Township's contractually required contribution rate for the year ended December 31, 2018 was 13.24% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2018, the Township's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$1,176,197.00, and was payable by April 1, 2019. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$1,100,866.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$666,418.82.

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

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

The Township's contractually required contribution rate for the year ended December 31, 2018 was 28.25% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2018, the Township's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$3,357,164.00, and was payable by April 1, 2019. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$3,357,164.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$1,328,820.07.

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

Based on the most recent PFRS measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2018 is \$415,940.00, and was payable by April 1, 2019. Based on the PFRS measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2017 was \$327,998.00, which was paid on April 1, 2018.

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

For the year ended December 31, 2018, employee contributions totaled \$7,664.34, and the Township's contributions were \$3,332.81. There were no forfeitures during the year.

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

Public Employees' Retirement System - At December 31, 2018, the Township's proportionate share of the PERS net pension liability was \$23,282,668.00. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2018 measurement date, the Township's proportion was .1182491498%, which was a decrease of .0005844080% from its proportion measured as of June 30, 2017.

At December 31, 2018, the Township's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is \$1,494,424.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the Township's contribution to PERS was \$1,100,866.00, and was paid on April 1, 2018.

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

Township's Proportionate Share of Net Pension Liability	\$ 51,704,118.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>7,023,149.00</u>
	<u>\$ 58,727,267.00</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2018 measurement date, the Township's proportion was .3820977027%, which was an increase of .0027650493% from its proportion measured as of June 30, 2017. Likewise, at June 30, 2018, the State of New Jersey's proportion, on-behalf of the Township, was .3820977027%, which was an increase of .0027650493% from its proportion, on-behalf of the Township, measured as of June 30, 2017.

At December 31, 2018, the Township's proportionate share of the PFRS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is \$5,730,199.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the Township's contribution to PFRS was \$3,357,164.00, and was paid on April 1, 2018.

At December 31, 2018, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the Plan as of the June 30, 2018 measurement date is \$831,881.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

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

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

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 444,004.00	\$ 526,022.00	\$ 970,026.00	\$ 120,053.00	\$ 213,964.00	\$ 334,017.00
Changes of Assumptions	3,836,598.00	4,438,103.00	8,274,701.00	7,444,559.00	13,250,873.00	20,695,432.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	218,392.00	282,868.00	501,260.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	2,405,999.00	3,930,614.00	6,336,613.00	872,353.00	-	872,353.00
Township Contributions Subsequent to the Measurement Date	588,099.00	1,867,784.00	2,455,883.00	-	-	-
	<u>\$ 7,274,700.00</u>	<u>\$ 10,762,523.00</u>	<u>\$ 18,037,223.00</u>	<u>\$ 8,655,357.00</u>	<u>\$ 13,747,705.00</u>	<u>\$ 22,403,062.00</u>

\$588,099.00 and \$1,867,784.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2019. These amounts were based on an estimated April 1, 2020 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2018 to the Township's year end of December 31, 2018.

Note 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	-
June 30, 2018	-	5.63	5.73	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	5.00	-	5.00	-
June 30, 2016	5.00	-	5.00	-
June 30, 2017	-	5.00	-	5.00
June 30, 2018	-	5.00	-	5.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73

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

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

Year Ending Dec 31,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2019	\$ 339,800.00	\$ 2,164,682.00	\$ 2,504,482.00
2020	246,245.00	(338,387.00)	(92,142.00)
2021	(960,899.00)	(3,471,931.00)	(4,432,830.00)
2022	(1,133,847.00)	(2,418,901.00)	(3,552,748.00)
2023	(460,055.00)	(788,429.00)	(1,248,484.00)
	<u>\$ (1,968,756.00)</u>	<u>\$ (4,852,966.00)</u>	<u>\$ (6,821,722.00)</u>

Actuarial Assumptions

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

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

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

For PERS, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent modified 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

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

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

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

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

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

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

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

	PERS		
	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
Township's Proportionate Share of the Net Pension Liability	\$ 29,275,273.00	\$ 23,282,668.00	\$ 18,255,256.00

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

	PFRS		
	1% Decrease (5.51%)	Current Discount Rate (6.51%)	1% Increase (7.51%)
Township's Proportionate Share of the Net Pension Liability	\$ 69,199,546.00	\$ 51,704,118.00	\$ 37,273,577.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	9,399,613.41	7,023,149.00	5,062,998.74
	<u>\$ 78,599,159.41</u>	<u>\$ 58,727,267.00</u>	<u>\$ 42,336,575.74</u>

Pension Plan Fiduciary Net Position

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

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

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

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

	Measurement Date Ended June 30,		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Proportion of the Net Pension Liability	0.1182491498%	0.1188335578%	0.1041600492%
Township's Proportionate Share of the Net Pension Liability	\$ 23,282,668.00	\$ 27,662,553.00	\$ 30,849,219.00
Township's Covered Payroll (Plan Measurement Period)	\$ 8,270,936.00	\$ 8,212,092.00	\$ 7,235,632.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	281.50%	336.85%	426.35%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%
	Measurement Date Ended June 30,		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.1000742320%	0.1004808943%	0.1178066439%
Township's Proportionate Share of the Net Pension Liability	\$ 22,464,660.00	\$ 18,812,772.00	\$ 22,515,190.00
Township's Covered Payroll (Plan Measurement Period)	\$ 6,853,252.00	\$ 6,877,064.00	\$ 5,685,840.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	327.80%	273.56%	395.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

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

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Contractually Required Contribution	\$ 1,176,197.00	\$ 1,100,866.00	\$ 925,343.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(1,176,197.00)</u>	<u>(1,100,866.00)</u>	<u>(925,343.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 8,886,437.00	\$ 8,347,830.00	\$ 8,198,747.00
Township's Contributions as a Percentage of Covered Payroll	13.24%	13.19%	11.29%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 860,370.00	\$ 828,350.00	\$ 887,649.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(860,370.00)</u>	<u>(828,350.00)</u>	<u>(887,649.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 7,462,451.00	\$ 6,825,776.00	\$ 6,696,274.00
Township's Contributions as a Percentage of Covered Payroll	11.53%	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 Six Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Proportion of the Net Pension Liability	0.3820977027%	0.3793326534%	0.3670901493%
Township's Proportionate Share of the Net Pension Liability	\$ 51,704,118.00	\$ 58,561,628.00	\$ 70,123,609.00
State's Proportionate Share of the Net Pension Liability associated with the Township	7,023,149.00	6,559,396.00	5,888,644.00
Total	<u>\$ 58,727,267.00</u>	<u>\$ 65,121,024.00</u>	<u>\$ 76,012,253.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 12,617,392.00	\$ 12,225,308.00	\$ 11,849,924.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	409.78%	479.02%	591.76%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.48%	58.60%	52.01%
	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.3456970022%	0.3362946265%	0.3109934496%
Township's Proportionate Share of the Net Pension Liability	\$ 57,581,070.00	\$ 42,302,745.00	\$ 41,343,773.00
State's Proportionate Share of the Net Pension Liability associated with the Township	5,049,667.00	4,555,295.00	3,853,742.00
Total	<u>\$ 62,630,737.00</u>	<u>\$ 46,858,040.00</u>	<u>\$ 45,197,515.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 10,918,532.00	\$ 10,554,980.00	\$ 9,646,628.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	527.37%	400.78%	428.58%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

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

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Contractually Required Contribution	\$ 3,735,568.00	\$ 3,357,164.00	\$ 2,993,035.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(3,735,568.00)</u>	<u>(3,357,164.00)</u>	<u>(2,993,035.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 13,224,683.00	\$ 12,563,928.00	\$ 12,185,857.00
Township's Contributions as a Percentage of Covered Payroll	28.25%	26.72%	24.56%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 2,810,001.00	\$ 2,582,975.00	\$ 2,268,939.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(2,810,001.00)</u>	<u>(2,582,975.00)</u>	<u>(2,268,939.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 11,771,077.00	\$ 10,878,044.00	\$ 10,618,007.00
Township's Contributions as a Percentage of Covered Payroll	23.87%	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

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

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

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

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

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

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

Changes in Assumptions

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

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

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

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

Note 8: 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, 2018, accrued benefits for compensated absences are valued at \$5,749,221.65. 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, 2018 is \$54,817.61.

Note 9: 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 10: 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 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.

Note 10: CAPITAL DEBT (CONT'D)**General Improvement Bonds (Cont'd)**

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.

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>
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	3,175,000.00	224,725.00	3,399,725.00
2024-2026	<u>5,210,000.00</u>	<u>176,012.50</u>	<u>5,386,012.50</u>
Totals	<u>\$ 27,555,000.00</u>	<u>\$ 2,690,825.00</u>	<u>\$ 30,245,825.00</u>

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 10: CAPITAL DEBT (CONT'D)**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>
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	264,128.17	29,325.02	293,453.19
2024-2028	1,345,640.85	101,475.10	1,447,115.95
2029-2033	1,100,959.33	39,868.80	1,140,828.13
2034-2035	154,930.95	2,400.00	157,330.95
Totals	<u>\$ 3,877,171.98</u>	<u>\$ 319,119.00</u>	<u>\$ 4,196,290.98</u>

New Jersey Green Acres Loans

The Township entered into loan agreements with the New Jersey Department of Environmental Protection. Semiannual debt payments are due through 2028. All loans have a 2.00% interest rate.

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>
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	100,989.50	6,284.89	107,274.39
2024-2028	238,376.54	8,943.50	247,320.04
Totals	<u>\$ 863,423.85</u>	<u>\$ 65,888.94</u>	<u>\$ 929,312.79</u>

Note 10: CAPITAL DEBT (CONT'D)

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 59,590,396.80	\$ 59,844,027.29	\$ 59,210,458.60
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	6,775,858.34	5,352,091.34	4,602,091.34
Total Issued and Authorized but not Issued	<u>66,366,255.14</u>	<u>65,196,118.63</u>	<u>63,812,549.94</u>
<u>Deductions</u>			
General:			
Funds Temporarily Held to Pay Debt	91,960.15	91,960.15	691,960.15
Net Debt	<u>\$ 66,274,294.99</u>	<u>\$ 65,104,158.48</u>	<u>\$ 63,120,589.79</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 1.514%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Purposes	\$ 13,500,000.00	\$ 13,500,000.00	
Regional School Purposes	2,215,192.04	2,215,192.04	
General	66,366,255.14	91,960.15	\$ 66,274,294.99
	<u>\$ 82,081,447.18</u>	<u>\$ 15,807,152.19</u>	<u>\$ 66,274,294.99</u>

Net debt \$66,274,294.99 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$4,376,561,877.33, equals 1.514%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 153,179,665.71
Less: Net Debt	<u>66,274,294.99</u>
Remaining Borrowing Power	<u>\$ 86,905,370.72</u>

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

Note 11: ARBITRAGE REBATE

The Township has the following bond issues outstanding at December 31, 2018:

<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)
November 15, 2012	1,985,000.00	None (1)
April 2, 2015	21,154,000.00	None (3)
October 1, 2015	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 12: 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>
2018	\$ 55,462.62	-	\$ 12,408.33	\$ 106,380.28
2017	31,242.34	\$ 226.05	12,855.53	63,325.99
2016	54,948.91	-	43,656.62	44,713.13

It is estimated that unreimbursed payments on behalf of the Township at December 31, 2018 are \$17,025.00

Note 12: 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, 2018, the balance of estimated health insurance payables was \$549,194.90, 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, 2018. 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, totaling \$48,434.38. There were no settlements that exceeded the Township's coverage for the years ended December 31, 2018 and 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 \$67,774.45 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, 2018. 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, 2018, 2017, and 2016.

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>
2018	\$ 33,596.97	\$ 7,658.82	\$ 26,067.96
2017	16,748.15	42,576.78	129.81
2016	12,973.88	23,839.99	25,958.44

Note 12: RISK MANAGEMENT (CONT'D)**Self- Insurance Plan (Cont'd)**

Temporary Disability Insurance (Cont'd) - At December 31, 2018, 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, 2018, 2017, and 2016.

Note 13: 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 14: 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 15: 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 16: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**General Information about the OPEB Plan**

Plan Description and Benefits Provided - 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. 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. No assets are accumulated in a trust. In accordance with GASB Statement 75, this plan is considered a Single Employer, Defined Benefit OPEB Plan that is not administered through a Trust that meets the criteria in paragraph 4 of GASB Statement 75

Employees Covered by Benefit Terms - At January 1, 2018, the most recent Actuarial Valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	152
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	<u>181</u>
	<u>333</u>

Total OPEB Liability

The Township's total OPEB liability of \$122,368,169.00 was measured as of January 1, 2018, and was determined by an actuarial valuation as of this same date.

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

Inflation	2.30% Annually
Salary Increases	3.00% Annually
Discount Rate	3.44%
Healthcare Cost Trend Rates	0.74% initially, increasing to 5.39% at 2040, then decreasing to 4.91% at 2050 and 3.94% 2075+
Retirees' Share of Benefit-Related Costs	During Pre-Medical Retiree Period \$6,368/avg. During Medical Retiree Period \$6,145/avg.

The discount rate was based on the 20-Bond GO Index.

Note 16: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**Total OPEB Liability (Cont'd)****Actuarial Assumptions and Other Inputs (Cont'd)** - Mortality rates were based on the following:

RP-2017 mortality table with morality projected to the current year using Scale MP-2017 to account for morality improvement.

An experience study was not performed on the actuarial assumptions used in the January 1, 2018 valuation since the plan had insufficient data to produce a study with credible results. Mortality rates, termination rates and retirement rates were based on standard tables either issued by the SOA or developed for the applicable State Pension system in which the Township participates. The actuary has used their professional judgement in applying these assumptions to this plan.

Changes in the Total OPEB Liability

Balance at December 31, 2017		\$ 135,872,993.00
Changes for the Year:		
Service Cost	\$ 987,640.00	
Interest Cost	5,032,529.00	
Benefit Payments	(6,462,233.00)	
Changes in Assumptions	11,640,653.00	
Difference Between Expected and Actual Experience	<u>(24,703,413.00)</u>	
Net Changes		<u>(13,504,824.00)</u>
Balance at December 31, 2018		<u>\$ 122,368,169.00</u>

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

Changes of assumptions and other inputs reflect a change in the discount rate from 3.78% at January 1, 2017 to 3.44% at January 1, 2018.

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

	1.00% Decrease <u>(2.44%)</u>	Current Discount Rate <u>(3.44%)</u>	1.00% Increase <u>(4.44%)</u>
Total OPEB Liability	<u>\$ 145,505,190.00</u>	<u>\$ 122,368,169.00</u>	<u>\$ 103,863,373.00</u>

Note 16: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**Changes in the Total OPEB Liability (Cont'd)**

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

	<u>1.00%</u> <u>Decrease</u>	<u>Healthcare</u> <u>Cost Trend</u> <u>Rate</u>	<u>1.00%</u> <u>Increase</u>
Total OPEB Liability	<u>\$ 103,794,057.00</u>	<u>\$ 122,368,169.00</u>	<u>\$ 145,089,669.00</u>

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

For the year ended December 31, 2018, OPEB expense was \$4,568,751.00. At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred</u> <u>Outflows</u> <u>of Resources</u>	<u>Deferred</u> <u>Inflows</u> <u>of Resources</u>
Changes of Assumptions	\$ 11,640,653.00	\$ -
Difference Between Expected and Actual Experience	-	24,703,413.000
Contributions Subsequent to the Measurement Date	<u>3,301,240.00</u>	<u>-</u>
	<u>\$ 14,941,893.00</u>	<u>\$ 24,703,413.00</u>

\$3,301,240.00 reported as deferred outflows of resources resulting from contributions subsequent to the January 1, 2018 measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending</u> <u>Dec. 31.</u>	
2019	\$ (1,451,418.00)
2020	(1,451,418.00)
2021	(1,451,418.00)
2022	(1,451,418.00)
2023	(1,451,418.00)
Thereafter	<u>(5,805,670.00)</u>
	<u>\$ (13,062,760.00)</u>

Note 16: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

Supplementary OPEB Information

In accordance with GASB 75, the following information is also presented for the OPEB Plan. This schedule is presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

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

Total OPEB Liability

Service Cost	\$ 987,640.000
Interest Cost	5,032,529.00
Benefit Payments	(6,462,233.00)
Changes in Assumptions	11,640,653.00
Difference Between Expected and Actual Experience	<u>(24,703,413.00)</u>
Net Change in Total OPEB Liability	(13,504,824.00)
Total OPEB Liability - Beginning of Year	<u>135,872,993.00</u>
Total OPEB Liability - End of Year	<u>\$ 122,368,169.00</u>
Covered-Employee Payroll	\$ 26,241,653.00
Total OPEB Liability as a Percentage of Covered-Employee Payroll	466.31%

Notes to Schedule:

Changes of Benefit Terms:
None

Changes of Assumptions:
The discount rate changed from 3.78% as of the January 1, 2017 measurement date to 3.44% as of the January 1, 2018 measurement date.

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 the Construction and Completion of Various Capital Improvements	03/25/19	\$ 6,716,544.00

Note 17: SUBSEQUENT EVENTS (CONT'D)

General Obligation Bonds, Series 2019 - On June 12, 2019, the Township issued \$34,011,000.00 of General Obligation Bonds, Series 2019, with interest rates ranging from 2.00% to 2.25%. The purpose of the bonds was to fund the following capital ordinances: O-14-15, O-15-01, O-16-01, O-16-03, O-16-05, O-17-02, O-18-01 and O-19-03. The final maturity of the bonds is February 1, 2029.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF GLOUCESTER
CURRENT FUND
Statement of Current Cash -- Treasurer
For the Year Ended December 31, 2018

Balance December 31, 2017		\$	12,401,518.97
Increased by Receipts:			
Taxes Receivable	\$ 169,056,636.80		
Tax Overpayments	326,454.71		
Tax Title Liens	131,396.04		
Prepaid Taxes	1,204,594.35		
Revenue Accounts Receivable	10,356,722.96		
Miscellaneous Revenue not Anticipated	983,804.80		
Refunds of Appropriations	2,361,086.68		
Refunds of Appropriation Reserves	5,882.24		
Petty Cash Funds	600.00		
Due State of New Jersey -- Veterans' and Senior Citizens' Deductions	469,564.37		
Police Outside Services	2,881.49		
Due State of New Jersey -- Training Fees Surcharge	49,380.00		
Due State of New Jersey -- Marriage Licenses	8,450.00		
Due Camden County Municipal Utilities Authority	745,605.18		
Due Gloucester Municipal Utilities Authority	344,056.79		
Due Trust Other Fund:			
Police Outside Employment Receipts Collected on Behalf of Trust Other Fund	652,018.96		
Tax Title Lien Premiums Collected on Behalf of Trust Other Fund	851,796.29		
Tax Title Lien Redemptions Collected on Behalf of Trust Other Fund	5,296.70		
Disposal of Forfeited Property	34,884.19		
Interfunds Received	2,763,177.38		
Due General Capital Fund:			
Collected on Behalf of General Capital Fund	51,559.84		
Current Year Interfunds	4,500,000.00		
Collected on Behalf of Federal and State Grant Fund:			
Federal and State Grants - Unappropriated	31,560.00		
Federal and State Grants Receivable	663,415.16		
Contra	21,728,660.00		
	21,728,660.00		217,329,484.93
Decreased by Disbursements:			
2018 Appropriations	61,218,284.95		
2017 Appropriation Reserves	611,302.29		
County Taxes Payable	39,311,809.55		
County Added and Omitted Taxes	64,335.46		
Local School District Tax Payable	50,416,659.00		
Regional High School Tax Payable	28,028,627.48		
Special (Fire) District Taxes Payable	7,074,130.00		
Tax Overpayments	93,459.30		
Petty Cash Funds	600.00		
Refund of Prior Year Revenue	30,151.73		
Due State of New Jersey -- Training Fees Surcharge	50,622.00		
Due State of New Jersey -- Marriage Licenses	8,950.00		
Property Maintenance Liens Receivable	44,861.82		
Due Trust Other Fund:			
Police Outside Employment Disbursements Made on Behalf of Trust Other Fund	765,633.63		
Escrow Disbursements Made on Behalf of Trust Other Fund	22,165.47		
Interfunds Disbursed	2,123,048.39		
Due Municipal Open Space Trust Fund:			
2018 Levy	878,760.86		
Disbursements Made on Behalf of Open Space Fund	223,900.00		
Due General Capital:			
Current Year Interfund	4,516,364.87		
Due Camden County Municipal Utilities Authority	818,468.91		
Due Gloucester Municipal Utilities Authority	382,558.85		
Disbursed on Behalf of Federal and State Grant Fund:			
Reserve for Federal and State Grants Appropriated	547,059.73		
Contra	21,728,660.00		
	21,728,660.00		218,960,414.29
Balance December 31, 2018		\$	10,770,589.61

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

<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
	\$ 2,850.00

Exhibit SA-3

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

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

TOWNSHIP OF GLOUCESTER
CURRENT FUND

Statement of Due from State of New Jersey - Senior Citizens' and Veterans' Deductions
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 84,325.29
Increased by:		
2018 Levy:		
Deductions per Tax Billing	\$ 495,500.00	
2018 Deductions Allowed by Collector	<u>13,750.00</u>	
	\$ 509,250.00	
Less: 2018 Deductions Disallowed by Collector	<u>(2,869.00)</u>	<u>506,381.00</u>
		590,706.29
Decreased by:		
Receipts	469,564.37	
Reimbursement due to Taxation Audit	<u>22,435.63</u>	
		<u>492,000.00</u>
Balance December 31, 2018		<u><u>\$ 98,706.29</u></u>

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

	Balance Dec. 31, 2017	Added	2018 Levy	Collected		Due from State of New Jersey	Overpayments Applied	Canceled	Arrears Transfers	Transferred to Tax Title Liens	Balance Dec. 31, 2018
				2017	2018						
Bankruptcies	\$ 118,402.93				\$ 94,780.30				\$ 71,065.00	\$ 4,843.36	\$ 89,844.27
2017	6,286.76	\$ 2,234.59			7,438.07		\$ 1,083.28				
	124,689.69	2,234.59			102,218.37		1,083.28		71,065.00	4,843.36	89,844.27
2018			\$ 174,195,722.75	\$ 4,200,304.66	168,954,418.43	\$ 506,381.00	14,875.88	\$ 78,850.33	(71,065.00)	368,746.02	1,081.43
	<u>\$ 124,689.69</u>	<u>\$ 2,234.59</u>	<u>\$ 174,195,722.75</u>	<u>\$ 4,200,304.66</u>	<u>\$ 169,056,636.80</u>	<u>\$ 506,381.00</u>	<u>\$ 15,959.16</u>	<u>\$ 78,850.33</u>	<u>\$ -</u>	<u>\$ 373,589.38</u>	<u>\$ 90,925.70</u>

Analysis of 2018 Property Tax Levy

Tax Yield:

General Purpose	\$ 166,464,767.45
Fire District Tax	7,074,130.00
Added / Omitted Taxes	656,825.30
	<u>\$ 174,195,722.75</u>

Tax Levy:

Local District School Tax	\$ 50,416,295.00
Regional High School Tax	28,028,623.00
County Taxes:	
County Tax	\$ 36,143,070.98
County Library Tax	2,286,928.15
County Open Space Preservation	881,810.42
Due County for Added and Omitted Taxes	59,499.85
	39,371,309.40
Special (Fire) District Tax	7,074,130.00
Municipal Open Space Tax	878,760.86
Due Municipal Open Space Trust for Added and Omitted Taxes	1,327.40
Local Tax for Municipal Purposes	47,829,279.04
Add: Additional Tax Levied	595,998.05
	<u>56,379,495.35</u>
	<u>\$ 174,195,722.75</u>

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

Balance December 31, 2017		\$ 967,849.48
Increased by:		
Transfers from Taxes Receivable	\$ 373,589.38	
I/C on Tax Sale	<u>49,721.49</u>	
		<u>423,310.87</u>
		1,391,160.35
Decreased by:		
Canceled	13,710.31	
Collections	<u>131,396.04</u>	
		<u>145,106.35</u>
Balance December 31, 2018		<u><u>\$ 1,246,054.00</u></u>

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

	<u>Balance Dec. 31, 2017</u>	<u>Accrued in 2018</u>	<u>Collected</u>	<u>Balance Dec. 31, 2018</u>
Miscellaneous Revenue:				
Alcoholic Beverages		\$ 56,280.00	\$ 56,280.00	
Licenses Other		28,613.00	28,613.00	
Fees and Permits		714,147.00	714,147.00	
Fines and Costs - Municipal Court	\$ 29,062.23	510,607.00	503,308.75	\$ 36,360.48
Interest and Costs on Taxes		352,873.79	352,873.79	
Interest on Investments and Deposits		159,132.25	159,132.25	
Recreation Fees		212,383.68	212,383.68	
Tax Sale Fees		252,351.59	252,351.59	
Payment in Lieu of Senior Citizen Housing Complex		256,082.14	256,082.14	
Municipal Pool Fees		91,320.00	91,320.00	
Lease of Public Building		11,840.00	11,840.00	
Tax Abatement in Lieu of Billing	4,981.25	1,488,109.75	1,493,091.00	
Cable TV Fees		269,944.43	269,944.43	
Consolidated Municipal Property Tax Relief Aid		283,320.00	283,320.00	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)		4,823,139.00	4,823,139.00	
Uniform Construction Code Fees		683,743.70	683,743.70	
Payment of Bond Principal - Due from Black Horse				
Pike Regional High School District		93,000.00	93,000.00	
Interest on Bonds - Due from Black Horse				
Pike Regional High School District		28,352.50	28,352.50	
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		260,000.00	260,000.00	
	<u>\$ 34,043.48</u>	<u>\$ 10,575,239.83</u>	<u>\$ 10,572,922.83</u>	<u>\$ 36,360.48</u>
Cash Receipts			\$ 10,356,722.96	
Receipts Collected by Trust Other Fund			199,150.77	
Interest Earnings Due from:				
Trust Other Fund			10,190.68	
General Capital Fund			6,858.42	
			<u>\$ 10,572,922.83</u>	

TOWNSHIP OF GLOUCESTER
CURRENT FUND
Statement of Accounts Payable
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 6,994.05
Increased by:	
Transferred from Appropriation Reserves	<u>280,987.59</u>
Balance December 31, 2018	<u><u>\$ 287,981.64</u></u>

Exhibit SA-9

CURRENT FUND
Statement of Special (Fire) District Taxes Payable
For the Year Ended December 31, 2018

Increased by:	
2018 Levy	\$ 7,074,130.00
Decreased by:	
Disbursements	<u><u>\$ 7,074,130.00</u></u>

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

Balance December 31, 2017					
	<u>Reserved</u>	<u>Encumbered</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Lapsed to Fund Balance</u>
<u>OPERATIONS -- WITHIN "CAPS"</u>					
<u>Administrative and Executive:</u>					
Office of Township Administrator:					
Salaries and Wages	\$ 80.30		\$ 80.30		\$ 80.30
Other Expenses	159.93		159.93		159.93
Office of Administrative Support:					
Salaries and Wages	421.52		421.52		421.52
Other Expenses	3,512.80		3,512.80	\$ 9.95	3,502.85
Office of Grants Administration:					
Other Expenses	86.23		86.23		86.23
Office of Human Resources:					
Salaries and Wages	2,884.16		2,884.16		2,884.16
Other Expenses	5,319.89	\$ 4,264.49	9,584.38	8,549.09	1,035.29
Office of Mayor:					
Salaries and Wages	18.72		18.72		18.72
Other Expenses	56.69	338.00	894.69	750.69	144.00
Office of Twp. Council:					
Other Expenses	512.51	99.45	611.96	99.45	512.51
Office of Public Information:					
Other Expenses	17,323.32		17,323.32	4,400.45	12,922.87
Office of Twp. Clerk:					
Salaries and Wages	2,233.66		2,233.66		2,233.66
Other Expenses	2,452.95	2,574.30	5,027.25	3083.02	1,944.23
Office of Treasury:					
Salaries and Wages	3.50		3.50		3.50
Other Expenses	2,797.07		2,797.07		2,797.07
Office of Data Processing:					
Salaries and Wages	7.56		7.56		7.56
Other Expenses	9,923.49		9,923.49	234.95	9,688.54
Office of Tax Collector:					
Salaries and Wages	1,098.41		1,098.41		1,098.41
Other Expenses	15,875.68	738.28	16,613.96	6,432.96	10,181.00
Tax Assessment Administration:					
Salaries and Wages	2,224.11		2,224.11		2,224.11
Other Expenses	7,224.49		7,224.49	1,435.00	5,789.49
Legal Services:					
Salaries and Wages	30.90		30.90		30.90
Other Expenses	3,114.64	10,667.23	13,781.87	3,318.74	10,463.13
Engineering Services:					
Other Expenses	3,564.25		3,564.25	1,959.75	1,604.50
Rent Stabilization Board:					
Other Expenses	100.00		100.00		100.00
Office of Community Development:					
Salaries and Wages	181.98		181.98		181.98
Other Expenses	13,678.86		13,678.86		13,678.86
Const. Code Enforcement Agency:					
Salaries and Wages	647.98		647.98		647.98
Other Expenses	18,627.07	120.00	18,747.07	124.99	18,622.08
<u>Health and Welfare:</u>					
Director of Community Services:					
Salaries and Wages	815.74		815.74		815.74
Other Expenses	725.00		725.00		725.00
Office of Senior Citizens:					
Salaries and Wages	25.59		25.59		25.59
Other Expenses	49.77		49.77		49.77
Board of Health:					
Salaries and Wages	0.82		0.82		0.82
Other Expenses	399.20		399.20	136.93	262.27
<u>Land Use Administration:</u>					
Planning Board:					
Salaries and Wages	417.76	416.67	834.43	416.67	417.76
Other Expenses	7,994.13	5,205.09	13,199.22	8,458.89	4,740.33
Zoning Board of Adjustment:					
Salaries and Wages	9.06	1,664.00	1,673.06	1,664.00	9.06
Other Expenses	12,323.11	425.00	12,748.11	1,229.64	11,518.47
Office of Zoning:					
Salaries and Wages	843.18		843.18		843.18

(Continued)

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

Balance December 31, 2017					
	<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	\$ 21,940.57	\$ 13,126.30	\$ 35,066.87	\$ 13,126.30	\$ 21,940.57
Workers Compensation	135,895.34		27,895.34		27,895.34
Employee Group Health	243,203.14	3,128.17	104,931.31	104,359.38	571.93
Health Benefit Waiver	13,920.57	268.00	14,188.57	1,730.60	12,457.97
Unemployment insurance	20,000.00		20,000.00		20,000.00
Public Safety:					
Police Department:					
Salaries and Wages	133,818.16		333,818.16	278,457.72	55,360.44
Other Expenses	78,079.00	26,708.38	104,787.38	27,635.35	77,152.03
Police Communications:					
Salaries and Wages	30.76		30.76		30.76
Other Expenses	10,819.39	4,180.64	15,000.03	4,776.64	10,223.39
Office of Prosecutor:					
Other Expenses	3,939.24		3,939.24		3,939.24
Office of Emergency Management:					
Salaries and Wages	4,070.58		4,070.58		4,070.58
Other Expenses	4,785.56	216.00	5,001.56	216.00	4,785.56
Aid to Ambulance:					
Other Expenses	16,400.00		16,400.00		16,400.00
Municipal Court:					
Salaries and Wages	21.76		21.76		21.76
Other Expenses	2,664.61	5,111.25	10,275.86	9,551.25	724.61
Public Works:					
Office of Director:					
Salaries and Wages	5,144.61		5,144.61		5,144.61
Other Expenses	7,030.21	2,265.01	9,295.22	4,591.91	4,703.31
Street and Road Maintenance:					
Salaries and Wages	460.17		9,360.17	9,280.00	80.17
Other Expenses	31,587.12	78,193.88	109,781.00	79,650.88	30,130.12
Sanitation:					
Contractual	1,429.65		7,929.65	7,871.34	58.31
Public Buildings and Grounds:					
Salaries and Wages	28.09		28.09		28.09
Other Expenses	8,229.80	6,261.48	14,491.28	14,441.81	49.47
Vehicle Maintenance:					
Salaries and Wages	36.47		36.47		36.47
Other Expenses	2,769.91	17,957.15	20,727.06	17,192.17	3,534.89
Parks and Recreation:					
Recreation:					
Salaries and Wages	593.27		593.27		593.27
Other Expenses	3,575.06		26,075.06	25,110.50	964.56
Office of Community Activities:					
Other Expenses	4,465.39		4,465.39	1,670.27	2,795.12
Municipal Pool:					
Salaries and Wages	2.26		2.26		2.26
Other Expenses	1,985.30		1,985.30	931.75	1,053.55
Maintenance of Parks and Play Grounds:					
Salaries and Wages	366.41		366.41		366.41
Other Expenses	38,814.87	6,050.14	44,865.01	17,293.07	27,571.94
Tax Appeals:					
Other Expenses	29,550.00		29,550.00		29,550.00
Utility Expenses and Bulk Purchases:					
Electric	16,133.06		16,133.06	(2,989.44)	19,122.50
Street Lights	85.46		85.46		85.46
Telephone	1,450.63	7,349.41	10,800.04	8,979.57	1,820.47
Water	11,059.54		11,059.54		11,059.54
Heating	29,820.15	1,239.35	31,059.50	1,239.35	29,820.15
Sewer	32.87		32.87		32.87
Gasoline	3,733.33	20,273.37	30,506.70	29,990.97	515.73
Landfill Disposal Costs:					
Other Expenses	2,962.33		2,962.33		2,962.33
Unclassified:					
Absences Leave - Retirees	359.12		359.12		359.12
Compensated Absences Leave	152.76		152.76		152.76
Total Operations Including Contingent - Within "CAPS"	1,029,212.55	218,841.04	1,248,053.59	697,412.56	550,641.03

(Continued)

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

	Balance December 31, 2017				
	<u>Reserved</u>	<u>Encumbered</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Lapsed to Fund Balance</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"					
<u>Statutory Expenditures</u>					
Contribute To:					
PERS	\$ 0.51		\$ 0.51		\$ 0.51
Social Security System(O.A.S.I)	13,267.37		13,267.37	\$ (32.97)	13,300.34
DCRP	8,996.56		8,996.56	1,640.55	7,356.01
PFRS	0.76		0.76		0.76
Total Deferred Charges and Statutory Expenditures- Municipal Within "CAPS"	<u>22,265.20</u>	<u>-</u>	<u>22,265.20</u>	<u>1,607.58</u>	<u>20,657.62</u>
<u>Operations Excluded from "CAPS"</u>					
Streets and Road Maintenance:					
Stormwater Permits	1,750.00		1,750.00		1,750.00
Transferred to Board of Education for use of Local Schools (NJSA 40:48-17.1 & 17.3)		\$ 187,387.50	187,387.50	187,387.50	
Total Operations - Excluded From "CAPS"	<u>1,750.00</u>	<u>187,387.50</u>	<u>189,137.50</u>	<u>187,387.50</u>	<u>1,750.00</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>1,750.00</u>		<u>189,137.50</u>	<u>187,387.50</u>	<u>1,750.00</u>
Total General Appropriations	<u>\$ 1,053,227.75</u>	<u>\$ 406,228.54</u>	<u>\$ 1,459,456.29</u>	<u>\$ 886,407.64</u>	<u>\$ 573,048.65</u>
Cash Disbursed				\$ 611,302.29	
Transfer to Accounts Payable				280,987.59	
Reimbursements				(5,882.24)	
				<u>\$ 886,407.64</u>	

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

Balance December 31, 2017 (2018 Taxes)		\$ 4,200,304.66
Increased by:		
Receipts (2019 Taxes)	\$ 1,204,594.35	
Overpayments Applied	<u>240,666.09</u>	
		<u>1,445,260.44</u>
		5,645,565.10
Decreased by:		
Application to 2018 Taxes	4,200,304.66	
2019 Overpayments Created	<u>19,655.98</u>	
		<u>4,219,960.64</u>
Balance December 31, 2018 (2019 Taxes)		<u><u>\$ 1,425,604.46</u></u>

Exhibit SA-12

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

Balance December 31, 2017		\$ 2,234.59
Increased by:		
Created - 2018 Taxes	\$ 326,454.71	
Created - 2019 Taxes	19,655.98	
Miscellaneous Added Tax Overpayments	<u>2,169.27</u>	
		<u>348,279.96</u>
		350,514.55
Decreased by:		
Disbursements	93,459.30	
Overpayments Applied - 2017 Taxes	1,083.28	
Overpayments Applied - 2018 Taxes	14,875.88	
Overpayments Applied - Prepaid Taxes	<u>240,666.09</u>	
		<u>350,084.55</u>
Balance December 31, 2018		<u><u>\$ 430.00</u></u>

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

2018 Levy:		
County Tax	\$ 36,143,070.98	
County Library Tax	2,286,928.15	
County Open Space Preservation	<u>881,810.42</u>	
		\$ 39,311,809.55
Decreased by:		
Disbursements		<u>\$ 39,311,809.55</u>

Exhibit SA-14

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

Balance December 31, 2017		\$ 64,335.46
Increased by:		
2017 Omitted Assessments	\$ 950.83	
2018 Added Assessments	<u>58,549.02</u>	
		<u>59,499.85</u>
		123,835.31
Decreased by:		
Disbursements		<u>64,335.46</u>
Balance December 31, 2018		<u>\$ 59,499.85</u>

TOWNSHIP OF GLOUCESTER
CURRENT FUND
 Statement of Regional High School Tax Payable (Prepaid)
 For the Year Ended December 31, 2018

Balance December 31, 2017 - Payable	\$	1.05
Increased by:		
Levy -- Calendar Year		28,028,623.00
		28,028,624.05
Decreased by:		
Disbursements		28,028,627.48
Balance December 31, 2018 - (Prepaid)	\$	(3.43)

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

Balance December 31, 2017	\$	364.52
Increased by:		
Levy -- Calendar Year		50,416,295.00
		50,416,659.52
Decreased by:		
Disbursements		50,416,659.00
Balance December 31, 2018	\$	0.52

TOWNSHIP OF GLOUCESTER
CURRENT FUND
Statement of Municipal Open Space Tax
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 1,481.75
Increased by:		
2018 Levy	\$ 878,760.86	
Added and Omitted Taxes	1,327.40	
		880,088.26
Decreased by:		
Disbursements		878,760.86
Balance December 31, 2018		\$ 2,809.15

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

Balance December 31, 2017		\$ 1,645,700.00
Decreased by:		
Property Sold in Prior Year - Assessed Valuation		158,100.00
Balance December 31, 2018		\$ 1,487,600.00

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

Balance December 31, 2017		
Current Fund Appropriations		\$ 406,228.54
Federal and State Grant Fund		<u>18,071.65</u>
		424,300.19
Increased by:		
Current Year Encumbrances:		
Current Fund Appropriations	\$ 871,179.02	
Federal and State Grant Fund	<u>231,949.85</u>	
		<u>1,103,128.87</u>
		1,527,429.06
Decreased by:		
Prior Year Encumbrances Reclassified:		
Current Fund Appropriations	406,228.54	
Federal and State Grant Fund	<u>18,071.65</u>	
		<u>424,300.19</u>
Balance December 31, 2018		<u><u>\$ 1,103,128.87</u></u>

TOWNSHIP OF GLOUCESTER
CURRENT FUND
Statement of Changes in (Assets), Liabilities and Reserves
For the Year Ended December 31, 2018

<u>Description</u>	Balance <u>Dec. 31, 2017</u>	<u>Increased by</u> <u>Receipts</u>	<u>Decreased by</u> <u>Disbursements</u>	Balance <u>Dec. 31, 2018</u>
Police Outside Service Receivable	\$ (8,396.91)	\$ 2,881.49		\$ (5,515.42)
Due to State of New Jersey:				
Marriage License Fees	2,300.00	8,450.00	\$ 8,950.00	1,800.00
State Training Fees	14,481.00	49,380.00	50,622.00	13,239.00
Due Camden County Municipal Utilities Authority	818,468.91	745,605.18	818,468.91	745,605.18
Due Gloucester Township Municipal Utilities Authority	382,558.85	344,056.79	382,558.85	344,056.79
Reserve For:				
Cost of Revaluation	8,771.60			8,771.60
	<u>\$ 1,218,183.45</u>	<u>\$ 1,150,373.46</u>	<u>\$ 1,260,599.76</u>	<u>\$ 1,107,957.15</u>

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

Balance December 31, 2017		\$ 167,252.53
Increased by:		
Disbursements Made By Current Fund on Behalf of Federal and State Grant Fund		547,059.73
		714,312.26
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	663,415.16	
Unappropriated Grants	31,560.00	
		710,705.16
Balance December 31, 2018		\$ 3,607.10

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

	Balance <u>Dec. 31, 2017</u>	Anticipated <u>Revenue</u>	<u>Received</u>	Balance <u>Dec. 31, 2018</u>
Federal Grants:				
Edward Byrne Memorial Justice Assistance Grant	\$ 15,806.00			\$ 15,806.00
Bulletproof Vest Partnership Grant	24,685.46	\$ 26,354.97		51,040.43
Drive Sober Get Pulled Over		11,000.00	\$ 11,000.00	
DVRPC:				
Gloucester Township Bike Path	217,000.00			217,000.00
Cops in Shops		2,400.00	2,400.00	
Emergency Management Grant	9,400.00	5,000.00	14,400.00	
	<u>266,891.46</u>	<u>44,754.97</u>	<u>27,800.00</u>	<u>283,846.43</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
Stone Bridge Drive		226,595.00		226,595.00
Bike Path	81,875.57	284,042.00	327,738.05	38,179.52
NJ DEP - Clean Communities Program		116,589.85	116,589.85	
Municipal Alliance Grant	44,387.79	39,826.26	34,687.26	49,526.79
Hazardous Materials Preparedness Grant		10,900.00		10,900.00
National Crime Statistics Exchange		34,029.00		34,029.00
Drunk Driving Enforcement Fund		7,685.92	7,685.92	
Safe and Secure Communities Program		90,000.00	90,000.00	
Community Policing Grant	10,000.00		10,000.00	
Body Armor Grant		10,784.17	10,784.17	
	<u>234,737.63</u>	<u>820,452.20</u>	<u>597,485.25</u>	<u>457,704.58</u>
Local Grants:				
Camden County Open Space Grant	85,000.00	50,000.00	75,000.00	60,000.00
	<u>85,000.00</u>	<u>50,000.00</u>	<u>75,000.00</u>	<u>60,000.00</u>
	<u>\$ 586,629.09</u>	<u>\$ 915,207.17</u>	<u>\$ 700,285.25</u>	<u>\$ 801,551.01</u>
Original Budget				
Appropriation by N.J.S.A. 40A:4-87 (Chapter 159's)		\$ 166,696.35		
Transferred from Unappropriated Grants		748,510.82		
Received by Current Fund			\$ 36,870.09	
			<u>663,415.16</u>	
		<u>\$ 915,207.17</u>	<u>\$ 700,285.25</u>	

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

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Grant</u> <u>Received</u>	<u>Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Federal Grants:				
Drive Sober Get Pulled Over	\$ 11,000.00	\$ 5,500.00	\$ 11,000.00	\$ 5,500.00
Over the Limit Under Arrest		6,600.00		6,600.00
Emergency Management Grant	5,000.00	10,000.00	5,000.00	10,000.00
COPS in Shop	2,400.00	3,960.00	2,400.00	3,960.00
	<u>18,400.00</u>	<u>26,060.00</u>	<u>18,400.00</u>	<u>26,060.00</u>
State Grants:				
Drunk Driving Enforcement Fund	7,685.92		7,685.92	
Distracted Driving Crackdown		5,500.00		5,500.00
Body Armor Grant	10,784.17		10,784.17	
	<u>18,470.09</u>	<u>5,500.00</u>	<u>18,470.09</u>	<u>5,500.00</u>
Total Federal and State Unappropriated Grants	<u>\$ 36,870.09</u>	<u>\$ 31,560.00</u>	<u>\$ 36,870.09</u>	<u>\$ 31,560.00</u>

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

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Transferred</u> <u>from 2018</u> <u>Budget</u> <u>Appropriation</u>	<u>Prior Year</u> <u>Encumbrances</u> <u>Reclassified</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Federal Grants:					
Edward Byrne Memorial Justice Assistance Grant	\$ 15,898.84			\$ 15,806.00	\$ 92.84
Emergency Management Grant	17,493.69	\$ 5,000.00		13,011.86	9,481.83
Bulletproof Vest Partnership Grant	1,204.12	26,354.97		11,711.75	15,847.34
Drive Sober Get Pulled Over		11,000.00		11,000.00	
Cops in Shops		2,400.00		2,400.00	
DVRPC:					
Gloucester Township Bike Path	2,230.00			2,219.50	10.50
	<u>36,826.65</u>	<u>44,754.97</u>	<u>-</u>	<u>56,149.11</u>	<u>25,432.51</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
Stone Bridge Drive		226,595.00		206,478.90	20,116.10
Bike Path	28,811.52	284,042.00		175,078.62	137,774.90
NJ DEP - Clean Communities Program	32,130.14	116,589.85	\$ 1,044.02	149,129.34	634.67
Municipal Alliance Grant	35,494.50	55,556.26	9,000.00	55,032.66	45,018.10
Hazardous Discharge Site Remediation		10,900.00		10,900.00	
National Crime Statistics Exchange		34,029.00		19,029.00	15,000.00
Drunk Driving Enforcement Fund	9,175.26	7,685.92	348.19	10,654.89	6,554.48
Safe and Secure Communities Program		90,000.00		90,000.00	
Community Policing Grant	2,609.25		975.58	3,500.98	83.85
Body Armor Grant	19,366.10	10,784.17		13,000.00	17,150.27
Hepatitis B Grant	130.00				130.00
	<u>203,276.95</u>	<u>836,182.20</u>	<u>11,367.79</u>	<u>732,804.39</u>	<u>318,022.55</u>
Local Grants:					
Camden County Open Space Grant	62,381.22	50,000.00	6,703.86	59,085.08	60,000.00
	<u>62,381.22</u>	<u>50,000.00</u>	<u>6,703.86</u>	<u>59,085.08</u>	<u>60,000.00</u>
	<u>\$ 302,484.82</u>	<u>\$ 930,937.17</u>	<u>\$ 18,071.65</u>	<u>\$ 848,038.58</u>	<u>\$ 403,455.06</u>
Original Budget					
Appropriation by N.J.S.A. 40A:4-87 (Chapter 159's)		\$ 182,426.35			
Disbursed by Current Fund		748,510.82		\$ 547,059.73	
Disbursed by General Capital Fund				69,029.00	
Encumbered				<u>231,949.85</u>	
		<u>\$ 930,937.17</u>		<u>\$ 848,038.58</u>	

TOWNSHIP OF GLOUCESTER
CURRENT FUND
Statement of Maintenance Liens Receivable
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 47,109.12
Increased by:		
Disbursements	\$ 44,861.82	
Administrative Fees Billed	<u>99,111.63</u>	
		<u>143,973.45</u>
		191,082.57
Decreased by:		
Receipts - Miscellaneous Revenue not Anticipated:		
Liens Collected	47,771.26	
Administrative Fees Collected	<u>93,150.27</u>	
		<u>140,921.53</u>
Balance December 31, 2018		<u><u>\$ 50,161.04</u></u>

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF GLOUCESTER
TRUST FUND
Statement of Trust Cash - Treasurer
For the Year Ended December 31, 2018

	<u>Animal Control</u>	<u>Municipal Open Space Trust</u>	<u>Other</u>	
Balance December 31, 2017	\$ 772.62	\$ 309,361.51		\$ 6,073,760.81
Increased by Receipts:				
Animal License Fees	\$ 45,358.20			
Due to State of New Jersey	3,022.80			
Due Current Fund:				
Interfund Receipts		\$ 878,760.86	\$ 2,123,048.39	
Interest Earnings			10,190.68	
Due Open Space Fund			277,121.26	
Collections on Behalf of Current Fund			218,569.53	
Interest Earnings		5,228.54		
Budget Appropriations	95,000.00			
Budget Refunds		4,727.00		
Receipts on Receivable			154,320.72	
Contra		278,640.76		
Reserve for Trust Other Funds:				
Other Receipts			35,949,385.36	
	143,381.00	1,167,357.16	35,949,385.36	38,732,635.94
	144,153.62	1,476,718.67		44,806,396.75
Decreased by Disbursements:				
Reserve for Animal Fund Expenditures	132,927.25			
Due to State of New Jersey	3,018.00			
Due Current Fund:				
Interfunds Returned			2,763,177.38	
Disbursed by Trust Other Fund on Behalf of:				
Open Space Fund			598,262.79	
Current Fund			41,957.13	
General Capital Fund			16,740.76	
Due General Capital Fund		19,422.83	121,787.00	
Due Trust Other Fund:				
Interfunds Returned		277,121.26		
Budget Appropriations		116,034.44		
Contra		278,640.76		
Disbursed on Receivable			1,009.78	
Reserve for Trust Other Funds			37,459,177.92	
	135,945.25	691,219.29	37,459,177.92	41,002,112.76
Balance December 31, 2018	\$ 8,208.37	\$ 785,499.38		\$ 3,804,283.99

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

Balance December 31, 2017		\$ 4.80
Increased by:		
Receipts		3,022.80
		3,027.60
Decreased by:		
Disbursements		3,018.00
Balance December 31, 2018		\$ 9.60

Exhibit SB-3

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

Balance December 31, 2017		\$ 767.82
Increased by:		
Receipts - Animal License Fees	\$ 45,358.20	
Budget Appropriation	95,000.00	
		140,358.20
		141,126.02
Decreased by:		
Expenditures Under R.S.4:19.11		132,927.25
Balance December 31, 2018		\$ 8,198.77
 <u>License Fees Collected</u>		
<u>Year</u>		<u>Amount</u>
2016		\$ 52,930.80
2017		55,398.60
		\$ 108,329.40

TOWNSHIP OF GLOUCESTER
MUNICIPAL OPEN SPACE TRUST FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 226,118.25
Increased by:		
Receipts:		
2018 Levy	\$ 878,760.86	
Disbursed by Current Fund on Behalf of Open Space Fund	<u>223,900.00</u>	
		<u>1,102,660.86</u>
Decreased by:		1,328,779.11
2018 Levy	878,760.86	
Added and Omitted Levy	<u>1,327.40</u>	
		<u>880,088.26</u>
Balance December 31, 2018		<u>\$ 448,690.85</u>

Exhibit SB-5

MUNICIPAL OPEN SPACE TRUST FUND
Statement of Reserve for Future Use
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 129,461.41
Increased by:		
2018 Levy	\$ 878,760.86	
Added and Omitted Levy	1,327.40	
Interest Earnings on Deposits	<u>5,228.54</u>	
		<u>885,316.80</u>
		1,014,778.21
Decreased by:		
Budget Appropriations	878,760.86	
Other Open Space Disbursements	<u>61,463.82</u>	
		<u>940,224.68</u>
Balance December 31, 2018		<u>\$ 74,553.53</u>

TOWNSHIP OF GLOUCESTER
TRUST - OTHER FUNDS
Statement of Due from Current Fund
For the Year Ended December 31, 2018

Balance December 31, 2017		\$	1,227,451.72
Increased by:			
Receipts Collected by Current Fund on Behalf of:			
Police Outside Employment	\$ 652,018.96		
Tax Title Lien Redemptions	5,296.70		
Tax Title Lien Premiums	851,796.29		
Disposal of Forfeited Property	34,884.19		
Disbursed by Trust Other Fund for Current Fund	41,957.13		
Disbursements:			
Interfunds Disbursed to Current Fund	<u>2,763,177.38</u>		
			<u>4,349,130.65</u>
			5,576,582.37
Decreased by:			
Police Outside Employment Disbursements Made by Current Fund	765,633.63		
Disbursed by Current Fund on Behalf of Trust Fund	22,165.47		
Receipts:			
Collected by Trust Other Fund on Behalf of Current Fund:			
Revenue Accounts Receivable	199,150.77		
Refunds of Appropriations	19,418.76		
Interest Earnings	10,190.68		
Interfunds Returned	<u>2,123,048.39</u>		
			<u>3,139,607.70</u>
Balance December 31, 2018		\$	<u><u>2,436,974.67</u></u>
 <u>Analysis of Balance Due From/(Due To)</u>			
Disposal of Forfeited Property		\$	58,852.12
Disability			(6,000.00)
Trust Other			(26,060.83)
Payroll			(163,113.95)
Redemption of Privately Held Liens			845,687.57
Developer's Escrow			972,609.76
Affordable Housing			750,000.00
Workman's Compensation			<u>5,000.00</u>
		\$	<u><u>2,436,974.67</u></u>

TOWNSHIP OF GLOUCESTER
TRUST - OTHER FUNDS
Statement of Changes in Miscellaneous Trust Other Receivables
For the Year Ended December 31, 2018

	Balance <u>Dec. 31, 2017</u>	Increased By		Decreased by	Balance <u>Dec. 31, 2018</u>
		<u>Awarded</u>	<u>Disbursements</u>	<u>Receipts</u>	
Housing and Community Development Act					
Metro Cities Grant	\$ 179,333.25	\$ 289,364.00		\$ 154,320.72	\$ 314,376.53
CC Home Consortium Program FY07	46,638.00				46,638.00
School Bus GPS System	48,527.85		\$ 1,009.78		49,537.63
Workman's Compensation - MUA	12,064.30				12,064.30
Rehabilitation Mortgages Receivable	905,471.46				905,471.46
	<u>\$ 1,192,034.86</u>	<u>\$ 289,364.00</u>	<u>\$ 1,009.78</u>	<u>\$ 154,320.72</u>	<u>\$ 1,328,087.92</u>

TOWNSHIP OF GLOUCESTER
TRUST - OTHER FUNDS
Statement of Changes in Miscellaneous Trust Other Reserves
For the Year Ended December 31, 2018

	Balance Dec. 31, 2017	Increased by		Decreased by		Balance Dec. 31, 2018	
		Receipts	Due Current Fund	Current Year Awards	Disbursements		Due Current Fund
Reserve for:							
Seasonal Cleanup Escrows	\$ 1,031.00					\$ 1,031.00	
Accumulated Absences	54,817.61					54,817.61	
Engineering Escrows	495,998.16	\$ 603,472.25			\$ 306,532.75	770,772.19	
Cash Performance Guarantees	881,170.40	215,401.11			3,135.00	1,093,436.51	
Grading Escrows	236,465.66	1,112.50			1,133.24	236,444.92	
Developers Interest on Escrows	2,272.86					2,272.86	
Police Outside Employment	191,693.97		\$ 652,018.96			78,079.30	
Recycling Funds	206,059.28				55,716.24	150,343.04	
Miscellaneous Grant Escrows	11,091.28					11,091.28	
Public Defender	7,660.44	15,021.00			22,681.44		
POAA	3,472.00	88.00				3,560.00	
Municipal Alliance Funds	23,646.09					23,646.09	
Housing and Community Development Act:							
Metro Cities Grant	55,665.33			\$ 289,364.00	233,646.41	111,382.92	
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	61,728.77	41,590.81	34,884.19		70,065.67	68,138.10	
Redemption of Privately Held Liens	445,768.30	3,914,427.26	5,296.70		3,952,067.17	413,425.09	
Tax Sale Premium	3,078,600.00	605,903.71	851,796.29		2,034,900.00	2,501,400.00	
Tax Sale Bid Holding Account	287,235.08				287,235.08		
Workman's Compensation	657.85	666,991.84			665,464.76	2,184.93	
Workman's Compensation - Salaries and Wages	9,690.11					9,690.11	
Workman's Compensation - MUA	6,282.92					6,282.92	
Disability Claims	129.81	33,596.97			7,658.82	26,067.96	
Unemployment Compensation Insurance	63,325.99	55,462.62			12,408.33	106,380.28	
Special Recreation Trust	3,980.96					3,980.96	
Affordable Housing Trust	712,879.40	251,029.65			103,481.25	860,427.80	
Rehabilitation Mortgages Receivable	905,471.46					905,471.46	
Encroachment Escrows	16,219.89	3,579.00			2,294.00	17,504.89	
Multiple Dwelling Escrows	38,425.61					38,425.61	
Sloan's Legacy	2,993.09	27.26				3,020.35	
Revolving Loan Fund	32,297.12	103,668.00			59,295.00	76,670.12	
Payroll Fund	448,720.32	29,316,313.30			29,538,477.46	226,556.16	
Flexible Spending	49,327.79	121,700.08			102,985.30	68,042.57	
	<u>\$ 8,349,623.86</u>	<u>\$ 35,949,385.36</u>	<u>\$ 1,543,996.14</u>	<u>\$ 289,364.00</u>	<u>\$ 37,459,177.92</u>	<u>\$ 787,799.10</u>	<u>\$ 7,885,392.34</u>

TOWNSHIP OF GLOUCESTER
TRUST OTHER FUND
Statement of Due From Federal and State Grant Fund
For the Year Ended December 31, 2018

Balance December 31, 2017 and December 31, 2018 - Due From	<u>\$ 11,950.00</u>
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Exhibit SB-10

TRUST OTHER FUND
Statement of Due From (To) Municipal Open Space Fund
For the Year Ended December 31, 2018

Balance December 31, 2017 - Due From	\$ 33,886.53
Increased by:	
Interfunds Received	<u>277,121.26</u>
	311,007.79
Decreased by:	
Disbursements Made By Trust Other Fund on Behalf of Municipal Open Space Fund:	
Budget Appropriations	\$ 536,798.97
Direct Charges to Reserve	<u>61,463.82</u>
	<u>598,262.79</u>
Balance December 31, 2018 - (Due To)	<u><u>\$ (287,255.00)</u></u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

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

Balance December 31, 2017		\$	1,197,544.39
Increased by Receipts:			
Due Current Fund:			
Interest Earnings	\$ 6,858.42		
Interfunds Liquidated	4,516,364.87		
Premium on Sale of Notes	302,972.29		
NJEIT Receivable	1,805,172.00		
Bond Anticipation Notes	49,023,461.00		
Refunds of Improvement Authorizations	2,343.60		
Due Open Space Fund	19,422.83		
Due Trust Other Fund	121,787.00		
Capital Improvement Fund	300,000.00		
			56,098,382.01
			57,295,926.40
Decreased by Disbursements:			
Improvement Authorizations	6,123,248.84		
Bond Anticipation Notes	43,120,296.00		
Disbursements Made on Behalf of:			
Current Fund	337,024.00		
Federal and State Grant Fund	69,029.00		
Municipal Open Space Trust Fund	6,754.45		
Due Current Fund:			
Interfunds Liquidated	4,500,000.00		
			54,156,352.29
Balance December 31, 2018		\$	3,139,574.11

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

	Balance or (Deficit) Dec. 31, 2017	Receipts			Disbursements		Transfers		Balance or (Deficit) Dec. 31, 2018	
		Miscellaneous	Improvement Authorizations	Notes Issued	Improvement Authorizations	Miscellaneous	From	To		
Due to/(from) Current Fund	\$ 27,664.13	\$ 4,523,223.29			\$ 4,837,024.00	\$ 51,559.84			\$ (337,696.42)	
Due from Federal and State Grant Fund	(25,000.00)				69,029.00				(94,029.00)	
Due from Municipal Open Space Trust Fund	(12,668.38)	19,422.83			6,754.45		\$ 16,740.76		16,740.76	
Due from Trust Fund Other	(121,787.00)	121,787.00								
Due from New Jersey Environmental Infrastructure Trust Fund	(1,949,445.00)	1,805,172.00						43,603.00	(100,670.00)	
Capital Improvement Fund	335.69	300,000.00					295,158.00		5,177.69	
Encumbrances	1,172,080.66						1,172,080.66	1,821,881.15	1,821,881.15	
Reserve for Payment of Debt	91,960.15								91,960.15	
Fund Balance	26,725.72	302,972.29						31,723.84	361,421.85	
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)	
12-12	Building Improvements	90,515.57							90,515.57	
12-28	Drainage Improvements	(129,970.00)							(129,970.00)	
13-03	Various Capital Improvements	(245,466.62)							(245,466.62)	
14-01	Various Capital Improvements	110,578.52							110,578.52	
14-02	Various Capital Improvements - NJEIT	(39,066.88)			\$ 9,275.25	44,473.08	18,625.58		(74,189.63)	
14-15	Landfill Closure/ Dam Repairs	120,502.01							120,502.01	
14-19/15-16	Various Capital Improvements - NJEIT	82,326.90			13,076.80		13,076.80		82,326.90	
15-01	Various Capital Improvements	533,085.84			59,363.54		40,335.66		514,057.96	
15-11	Improvements to Wash Bay	25,724.19			5,885.00				19,839.19	
16-01	Various Capital Improvements	363,103.39			191,144.54	4,078.22	208,107.50		375,988.13	
16-02	Various Capital Improvements - NJEIT	(203,162.23)			349,660.77	517,091.88			(1,069,914.88)	
16-03	Synthetic Fields					20,749.40	20,749.40			
16-05	Install Guide Rails Lakeview	115,448.25							115,448.25	
17-02	Various Capital Improvements	2,416,723.05	\$ 2,343.60		2,378,892.01	278,017.22	871,185.72		633,343.14	
17-16	Drainage Improvements - NJEIT	(40,860.50)			2,987.51	16,740.76			(60,588.77)	
18-01	Various Capital Improvements			\$ 5,903,165.00	3,078,537.16	981,238.35	295,158.00		2,138,547.49	
18-02	Drainage Improvements - NJEIT				34,426.26				(34,426.26)	
		<u>\$ 1,197,544.39</u>	<u>\$ 7,072,577.41</u>	<u>\$ 2,343.60</u>	<u>\$ 5,903,165.00</u>	<u>\$ 6,123,248.84</u>	<u>\$ 4,912,807.45</u>	<u>\$ 3,381,187.41</u>	<u>\$ 3,381,187.41</u>	<u>\$ 3,139,574.11</u>

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

Balance December 31, 2017		\$ 37,848,707.29
Decreased by:		
NJEIT Loans De-Obligated	\$ 23,767.00	
Budget Appropriation:		
Serial Bonds	5,155,000.00	
NJEIT Loans Payable	244,128.17	
Green Acres Loans Payable	130,216.32	
		5,553,111.49
Balance December 31, 2018		\$ 32,295,595.80

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2017	Increased by		Decreased by		Analysis of Balance December 31, 2018		
			2018 Authorizations	NJEIT Loan De-Obligated	Notes paid by Budget Appropriation	Balance Dec. 31, 2018	Financed by Bond Anticipation Notes	Unexpended Improvement Authorizations	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		\$ 23,767.00		1,082,448.00		74,189.63	1,008,258.37
14-15	Landfill Closure/ Dam Repairs	1,609,629.00			\$ 55,505.00	1,554,124.00	\$ 1,554,124.00		
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			81,519.00	5,371,364.00	5,371,364.00		
15-11	Improvement to Wash Bay	200,000.00			200,000.00				
15-15	Severe Storm Emergency	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		1,069,914.88	480,085.12
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		60,588.77	689,411.23
18-01	Various Capital Improvements		\$ 5,903,165.00			5,903,165.00	5,903,165.00		
18-02	Various Capital Improvements - NJEIT		1,400,000.00			1,400,000.00		34,426.26	1,365,573.74
		<u>\$ 27,347,411.34</u>	<u>\$ 7,303,165.00</u>	<u>\$ 23,767.00</u>	<u>\$ 603,684.00</u>	<u>\$ 34,070,659.34</u>	<u>\$ 27,294,801.00</u>	<u>\$ 2,826,359.23</u>	<u>\$ 3,949,499.11</u>
									Improvement Authorizations - Unfunded
									Less - Unexpended Proceeds of Bond Anticipation Notes Issued:
									\$ 7,847,386.09
									<u>3,897,886.98</u>
									<u>\$ 3,949,499.11</u>

Ordinance Number	
14-15	\$ 120,502.01
15-01	514,057.96
16-01	375,988.13
16-05	115,448.25
17-02	633,343.14
18-01	<u>2,138,547.49</u>

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

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2017		2018 Authorizations	Prior Year Encumbrances/ Contracts Payable Reclassified	Paid or Charged	Balance Dec. 31, 2018		
				Funded	Unfunded				Funded	Unfunded	
12-12	Building Improvements	11/28/11	\$ 920,000.00	\$ 90,515.57					\$ 90,515.57		
13-03	Various Capital Improvements	01/28/13	550,000.00		\$ 27,058.65					\$ 27,058.65	
14-01	Various Capital Improvements	01/13/15	6,491,472.00	110,578.52					110,578.52		
14-02	Various Capital Improvements - NJEIT	01/13/15	1,750,000.00		1,019,614.12		\$ 18,625.58	\$ 29,981.33		1,008,258.37	
14-15	Landfill Closure/ Dam Repairs	08/25/15	1,609,629.00		120,502.01					120,502.01	
14-19/15-16	Various Capital Improvements - NJEIT	11/10/15	1,600,000.00	82,326.90	379,112.00		13,076.80	13,076.80	82,326.90	379,112.00	
15-01	Various Capital Improvements	01/26/15	5,950,403.00		533,085.84		40,335.66	59,363.54		514,057.96	
15-11	Improvements to Wash Bay	06/08/15	200,000.00		25,724.19			5,885.00	19,839.19		
16-01	Various Capital Improvements	01/25/16	6,282,404.00		363,103.39		208,107.50	195,222.76		375,988.13	
16-02	Various Capital Improvements - NJEIT	01/25/16	1,550,000.00		1,346,837.77			866,752.65		480,085.12	
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		115,448.25					115,448.25	
17-02	Various Capital Improvements	01/23/17	6,632,363.00		2,416,723.05		871,185.72	2,654,565.63		633,343.14	
17-16	Drainage Improvements - NJEIT	04/24/17	750,000.00		709,139.50			19,728.27		689,411.23	
18-01	Various Capital Improvements	01/22/18	6,198,223.00			\$ 6,198,323.00		4,059,775.51		2,138,547.49	
18-02	Various Capital Improvements - NJEIT	01/22/18	1,400,000.00			1,400,000.00		34,426.26		1,365,573.74	
				<u>\$ 283,420.99</u>	<u>\$ 7,056,348.77</u>	<u>\$ 7,598,323.00</u>	<u>\$ 1,172,080.66</u>	<u>\$ 7,959,527.15</u>	<u>\$ 303,260.18</u>	<u>\$ 7,847,386.09</u>	
Capital Improvement Fund						\$ 295,158.00					
Deferred Charges to Future Taxation - Unfunded						7,303,165.00					
Disbursed by:											
General Capital											
Disbursed by Current Fund on Behalf of General Capital Fund											
Open Space Fund on Behalf of General Capital Fund											
Refund of Improvement Authorizations											
Reserve for Encumbrances											
						<u>\$ 7,598,323.00</u>	<u>\$ 7,959,527.15</u>				

TOWNSHIP OF GLOUCESTER
GENERAL CAPITAL FUND
Statement of Due To (From) Current Fund
For the Year Ended December 31, 2018

Balance December 31, 2017 - Due To		\$	27,664.13
Increased by:			
Receipts:			
Interest Earnings	\$	6,858.42	
Interfund Receipts		<u>4,516,364.87</u>	
			<u>4,523,223.29</u>
			4,550,887.42
Decreased by:			
Collected by Current Fund on Behalf of General Capital Fund:			
NJFIT Project Credits	\$	19,836.00	
Bond Anticipation Note Premiums Received by Current Fund		<u>31,723.84</u>	
		51,559.84	
Disbursements Made by General Capital Fund on Behalf of			
Current Fund - Payment of Bond Anticipation Note Principal		337,024.00	
Interfunds Disbursed		<u>4,500,000.00</u>	
			<u>4,888,583.84</u>
Balance December 31, 2018 - (Due From)		\$	<u><u>(337,696.42)</u></u>

Exhibit SC-7

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

Balance December 31, 2017		\$	335.69
Increased by:			
Budget Appropriation - Receipts			<u>300,000.00</u>
			300,335.69
Decreased by:			
Appropriation to Finance Improvement Authorizations			<u>295,158.00</u>
Balance December 31, 2018		\$	<u><u>5,177.69</u></u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Decreased By</u>	
			<u>Outstanding Date</u>	<u>December 31, 2018 Amount</u>			<u>Paid By Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>
General Bonds 2007	12/01/07	\$ 6,154,000.00	12/01/19-20	\$ 600,000.00	3.80%	\$ 1,750,000.00	\$ 550,000.00	\$ 1,200,000.00
General Bonds 2011	02/01/11	10,000,000.00	02/01/19	1,075,000.00	3.00%			
			02/01/20	1,100,000.00	3.00%			
			02/01/21	1,100,000.00	3.13%			
			02/01/22	1,100,000.00	4.00%	5,425,000.00	1,050,000.00	4,375,000.00
Refunding Revenue Bonds CCIA Lease of 2011	04/01/11	3,440,000.00	04/01/19	330,000.00	5.00%			
			04/01/20	345,000.00	5.00%			
			04/01/21	365,000.00	5.00%			
			04/01/22	385,000.00	5.00%	1,740,000.00	315,000.00	1,425,000.00
Refunding Bonds 2012	02/01/12	5,540,000.00				1,300,000.00	1,300,000.00	
General Bonds 2012	11/15/12	1,985,000.00	11/15/19	135,000.00	2.00%			
			11/15/20	140,000.00	2.00%			
			11/15/21	150,000.00	2.00%			
			11/15/22	155,000.00	2.75%			
			11/15/23	165,000.00	3.00%			
			11/15/24	175,000.00	3.00%			
			11/15/25	185,000.00	3.25%			
			11/15/26	195,000.00	3.25%	1,425,000.00	125,000.00	1,300,000.00
General Bonds 2015	04/02/15	21,154,000.00	02/15/19	2,270,000.00	2.00%			
			02/15/20	2,295,000.00	2.00%			
			02/15/21	2,300,000.00	2.00%			
			02/15/22	2,310,000.00	2.50%			
			02/15/23	2,315,000.00	3.00%			
			02/15/24	2,325,000.00	3.00%			
			02/15/25	2,330,000.00	3.00%	17,405,000.00	1,260,000.00	16,145,000.00
Refunding Bonds 2015	10/01/15	4,770,000.00	08/01/19	550,000.00	4.00%			
			08/01/20	575,000.00	4.00%			
			08/01/21	620,000.00	4.00%			
			08/01/22	670,000.00	4.00%			
			08/01/23	695,000.00	4.00%			
						<u>3,665,000.00</u>	<u>555,000.00</u>	<u>3,110,000.00</u>
						<u>\$ 32,710,000.00</u>	<u>\$ 5,155,000.00</u>	<u>\$ 27,555,000.00</u>
							\$ 4,970,000.00	
							185,000.00	
							<u>\$ 5,155,000.00</u>	

TOWNSHIP OF GLOUCESTER
GENERAL CAPITAL FUND
Statement of Green Acres Trust Fund Loan Payable
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 993,640.17
Decreased by:	
Paid by Budget Appropriation	130,216.32
Balance December 31, 2018	\$ 863,423.85

Schedule of Loan Payable December 31, 2018

<u>Year</u>	<u>Interest</u>	<u>Principal</u>
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
	\$ 65,888.94	\$ 863,423.85

TOWNSHIP OF GLOUCESTER
GENERAL CAPITAL FUND
Statement of New Jersey Environmental Trust Fund Loan Payable
For the Year Ended December 31, 2018

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2017	Decreased By		Balance Dec. 31, 2018
			Outstanding Date	December 31, 2018 Amount			Paid By Budget Appropriation	Loan De-Obligated	
N.J. Environmental Infrastructure Trust Loan	09/01/12	\$ 375,000.00	09/01/19-20	\$ 15,000.00	5.00%	\$ 300,000.00	\$ 15,000.00	\$ 285,000.00	
			09/1/21-25	20,000.00	5.00%				
			09/1/26	25,000.00	5.00%				
			09/1/27-28	25,000.00	3.00%				
			09/1/29	25,000.00	3.13%				
			09/1/30	25,000.00	3.20%				
			09/1/31	30,000.00	3.25%				
N.J. Environmental Infrastructure Fund Loan	09/01/12	1,185,938.00 (1)	2019 - 2030	62,417.77	NIL	873,849.12	62,417.77	811,431.35	
		(1)	2031	62,418.11	NIL				
N.J. Environmental Infrastructure Trust Loan	05/21/14	385,000.00	08/01/19-20	15,000.00	5.00%	340,000.00	15,000.00	325,000.00	
			08/01/21-24	20,000.00	5.00%				
			08/01/25-26	20,000.00	3.00%				
			08/01/27-31	25,000.00	3.00%				
			08/01/32	25,000.00	3.13%				
			08/01/33	25,000.00	3.25%				
N.J. Environmental Infrastructure Fund Loan	05/21/15	1,173,256.00 (1)	2019 - 2030	61,480.65	NIL	858,844.05	61,480.65	797,363.40	
		(1)	2031	59,595.60	NIL				
N.J. Environmental Infrastructure Trust Loan		165,000.00	8/1/2019-21	5,000.00	5.00%	155,000.00	5,000.00	150,000.00	
			8/1/2022-26	10,000.00	5.00%				
			8/1/2027-33	10,000.00	4.00%				
			08/01/34	15,000.00	4.00%				
N.J. Environmental Infrastructure Fund Loan	05/28/15	526,319.00 (1)	2019 - 2033	26,761.98	NIL	454,953.72	26,761.98	404,424.74	
		(1)	2034	2,995.04	NIL				
N.J. Environmental Infrastructure Trust Loan	09/01/16	300,000.00	9/1/2019-20	10,000.00	5.00%	290,000.00	10,000.00	280,000.00	
			9/1/2021-23	15,000.00	5.00%				
			9/1/2024-27	15,000.00	4.00%				
			9/1/2028	15,000.00	2.00%				
			9/1/2029-30	20,000.00	2.00%				
			9/1/2031	20,000.00	2.13%				
			9/1/2032-35	20,000.00	3.00%				
N.J. Environmental Infrastructure Fund Loan	09/01/16	920,888.00 (1)	2019 - 2034	48,467.77	NIL	872,420.23	48,467.77	823,952.46	
		(1)	2035	48,468.14	NIL				
						<u>\$ 4,145,067.12</u>	<u>\$ 244,128.17</u>	<u>\$ 23,767.00</u>	<u>\$ 3,877,171.95</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, 2018

Balance December 31, 2017	\$ 1,172,080.66
Increased by:	
Encumbered Against:	
Improvement Authorizations	<u>1,821,881.15</u>
	2,993,961.81
Decreased by:	
Encumbrances Reclassified:	
Improvement Authorizations	<u>1,172,080.66</u>
Balance December 31, 2018	<u><u>\$ 1,821,881.15</u></u>

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

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2017	Issued	Redeemed	Balance Dec. 31, 2018
14-15	Various Capital Improvements	03/20/15	03/17/17	03/16/18	1.10%	\$ 1,609,629.00		\$ 1,609,629.00	
14-15	Various Capital Improvements	03/20/15	03/13/18	06/22/18	2.00%		\$ 1,609,629.00	1,609,629.00	
14-15	Various Capital Improvements	03/20/15	06/21/18	06/20/19	3.00%		1,554,124.00		\$ 1,554,124.00
15-01	Various Capital Improvements	03/20/15	03/17/17	03/16/18	1.10%	5,452,883.00		5,452,883.00	
15-01	Various Capital Improvements	03/20/15	03/13/18	06/22/18	2.00%		5,452,883.00	5,452,883.00	
15-01	Various Capital Improvements	03/20/15	06/21/18	06/20/19	3.00%		5,371,364.00		5,371,364.00
15-11	Improvement to Wash Bay	03/20/15	03/17/17	03/16/18	1.10%	200,000.00		200,000.00	
15-11	Improvement to Wash Bay	03/20/15	03/13/18	06/22/18	2.00%		200,000.00	200,000.00	
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	03/15/17	03/14/18	1.10%	5,983,240.00		5,983,240.00	
16-01	Various Capital Improvements	03/17/16	03/13/18	06/22/18	2.00%		5,983,240.00	5,983,240.00	
16-01	Various Capital Improvements	03/17/16	06/21/18	06/20/19	3.00%		5,983,240.00		5,983,240.00
16-03	Synthetic Fields	03/17/16	03/15/17	03/14/18	1.10%	2,009,523.00		2,009,523.00	
16-03	Synthetic Fields	03/17/16	03/13/18	06/22/18	2.00%		2,009,523.00	2,009,523.00	
16-03	Synthetic Fields	03/17/16	06/21/18	06/20/19	3.00%		2,009,523.00		2,009,523.00
16-05	Install Guide Rails Lakeview	03/17/16	03/15/17	03/14/18	1.10%	156,750.00		156,750.00	
16-05	Install Guide Rails Lakeview	03/17/16	03/13/18	06/22/18	2.00%		156,750.00	156,750.00	
16-05	Install Guide Rails Lakeview	03/17/16	06/21/18	06/20/19	3.00%		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	
17-02	Various Capital Improvements	03/15/17	03/13/18	06/22/18	2.00%		6,316,635.00	6,316,635.00	
17-02	Various Capital Improvements	03/15/17	06/21/18	06/20/19	3.00%		6,316,635.00		6,316,635.00
18-01	Various Capital Improvements	06/21/18	06/21/18	06/20/19	3.00%		5,903,165.00		5,903,165.00
						\$ 21,995,320.00	\$ 49,023,461.00	\$ 43,723,980.00	\$ 27,294,801.00
							Issued for Cash	\$ 5,903,165.00	
							Paid By Budget Appropriation - Current Fund		\$ 603,684.00
							Renewal	43,120,296.00	43,120,296.00
						\$ 49,023,461.00	\$ 43,723,980.00		

TOWNSHIP OF GLOUCESTER
GENERAL CAPITAL FUND
Statement of Due from State of New Jersey
Environmental Infrastructure Trust Receivable
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 1,949,445.00
Decreased by:		
De-obligated Loan Re-payment	\$ 23,767.00	
Project Credits	19,836.00	
Receipts:		
Trust Loan (Non-Federal or State Funded)	451,292.00	
Fund Loan (Federally Funded)	<u>1,353,880.00</u>	
		<u>1,848,775.00</u>
Balance December 31, 2018		<u><u>\$ 100,670.00</u></u>

TOWNSHIP OF GLOUCESTER
GENERAL CAPITAL FUND
Statement of Due From Open Space Fund
For the Year Ended December 31, 2018

Balance December 31, 2017 - Due From	\$ 12,668.38
Disbursements Made by General Capital Fund on Behalf of Open Space Fund	<u>6,754.45</u>
	19,422.83
Decreased by:	
Interfunds Liquidated	<u>19,422.83</u>
Balance December 31, 2018	<u><u>\$ -</u></u>

Exhibit SC-15

GENERAL CAPITAL FUND
Statement of Due From (To) Trust Other Fund
For the Year Ended December 31, 2018

Balance December 31, 2017 - Due From	\$ 121,787.00
Decreased by:	
Receipts	<u>121,787.00</u>
	-
Increased by:	
Disbursements Made by Trust Other Fund on Behalf of General Capital Fund	<u>16,740.76</u>
Balance December 31, 2018 - (Due To)	<u><u>\$ (16,740.76)</u></u>

Exhibit SC-16

GENERAL CAPITAL FUND
Statement of Due From Federal and State Grant Fund
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 25,000.00
Increased by:	
Disbursements Made by General Capital Fund on Behalf of Federal and State Grant Fund	<u>69,029.00</u>
Balance December 31, 2018	<u><u>\$ 94,029.00</u></u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2017	Increased by		Decreased by	Balance Dec. 31, 2018
			2018 Authorizations	NJEIT Loan De-Obligated	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		\$ 23,767.00		1,082,448.00
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
17-16	Drainage Improvements - NJEIT	750,000.00				750,000.00
18-01	Various Capital Improvements		\$ 5,903,165.00		\$ 5,903,165.00	
18-02	Drainage Improvements - NJEIT		1,400,000.00			1,400,000.00
		<u>\$ 5,352,091.34</u>	<u>\$ 7,303,165.00</u>	<u>\$ 23,767.00</u>	<u>\$ 5,903,165.00</u>	<u>\$ 6,775,858.34</u>

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

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Gloucester
Gloucester Township, New Jersey 08012

Report on Compliance for the Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

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

Report on Internal Control over Compliance

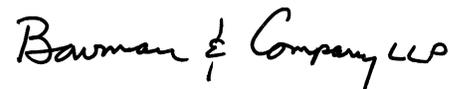
Management of the Township of Gloucester, in the County of Camden, State of New Jersey, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered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

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

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

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

Voorhees, New Jersey
September 24, 2019

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

Federal Grantor/ Pass-Through Grantor/ Program title	Federal CFDA Number	Pass Through Entity Identifying Number	Program or Award Amount	<u>Grant Period</u> From To	
<u>U.S. DEPARTMENT OF JUSTICE</u>					
Bulletproof Vest Partnership Program:					
Bulletproof Vest Partnership Grant (Direct Funding)	16.607	n/a	\$ 16,075.00	01/01/16	12/31/16
Bulletproof Vest Partnership Grant (Direct Funding)	16.607	n/a	26,354.97	01/01/18	12/31/18
Edward Byrne Memorial Justice Assistance Grant Program:					
Justice Assistance Grant (Direct Funding)	16.738	n/a	19,440.00	01/01/16	12/31/16
Justice Assistance Grant (Direct Funding)	16.738	n/a	15,806.00	01/01/17	12/31/17
Total U.S. Department of Justice					
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>					
Community Development Block Grants / Entitlement Grants:					
Metro Cities Grant 2015/2016 (Direct Funding)	14.218	n/a	258,446.00	07/01/17	06/30/18
Metro Cities Grant 2017/2018 (Direct Funding)	14.218	n/a	289,364.00	07/01/18	06/30/19
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>					
Highway Planning and Construction:					
Pass Through Delaware Valley Regional Planning Commission:					
Gloucester Township Bike Path	20.205	Unknown	217,000.00	06/23/16	Completion
National Priority Safety Programs:					
Pass Through N.J. Department of Law and Public Safety:					
Drive Sober or Get Pulled Over	20.616	100-066-1160-157	11,000.00	01/01/18	12/31/18
Drive Sober or Get Pulled Over (Unappropriated Grant)	20.616	100-066-1160-157	5,500.00	01/01/18	12/31/18
Total Drive Sober or Get Pulled Over					
Pass Through N.J. Department of Law and Public Safety:					
Over the Limit Under Arrest (Unappropriated Grant)	20.616	100-066-1160-158	6,600.00	01/01/19	12/31/19
Pass Through N.J. Department of Law and Public Safety:					
COPS in Shops Grant	20.616	100-066-1400-027	2,400.00	01/01/18	12/31/18
COPS in Shops Grant (Unappropriated Grant)	20.616	100-066-1400-027	3,960.00	01/01/19	12/31/19
Total COPS in Shops Grant					
Total National Priority Safety Programs					
Total U.S. Department of Transportation					
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>					
Emergency Management Performance Grants:					
Pass Through N.J. Department of Law and Public Safety:					
Emergency Management Performance Grants	97.042	100-066-1200-726	5,000.00	01/01/14	12/31/14
Emergency Management Performance Grants	97.042	100-066-1200-726	7,000.00	01/01/15	12/31/15
Emergency Management Performance Grants	97.042	100-066-1200-726	9,400.00	01/01/16	12/31/16
Emergency Management Performance Grants	97.042	100-066-1200-726	5,000.00	01/01/18	12/31/18
Emergency Management Grants (Unappropriated Grant)	97.042	100-066-1200-726	10,000.00	01/01/19	12/31/19
Total Emergency Management Performance Grants					
<u>U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>					
Capitalization Grants for Clean Water State Revolving Funds:					
Pass Through N.J. Department of Environmental Protection:					
Environmental Infrastructure Trust Loan	66.458	711-042-4860-009	1,353,880.00	1/1/2016	Completion
Total Federal Awards					
Trust Other Fund General Capital Fund Federal and State Grant Fund					

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

Balance Jan. 1, 2018	Receipts or Revenues Recognized	Disbursements/ Expenditures	Encumbrance	Balance Dec. 31, 2018	Passed through to Subrecipients	(Memo Only)	
						Cash Receipts	Accumulated Expenditures
\$ 1,204.12		\$ 1,204.12		\$ 15,847.34			\$ 16,075.00
	\$ 26,354.97	10,507.63					10,507.63
<u>1,204.12</u>	<u>26,354.97</u>	<u>11,711.75</u>	<u>-</u>	<u>15,847.34</u>	<u>-</u>	<u>-</u>	<u>26,582.63</u>
92.84		92.84		92.84			19,440.00
15,806.00		15,713.16					15,713.16
<u>15,898.84</u>	<u>-</u>	<u>15,806.00</u>	<u>-</u>	<u>92.84</u>	<u>-</u>	<u>-</u>	<u>35,153.16</u>
<u>17,102.96</u>	<u>26,354.97</u>	<u>27,517.75</u>	<u>-</u>	<u>15,940.18</u>	<u>-</u>	<u>-</u>	<u>61,735.79</u>
55,665.33		55,665.33				\$ 154,320.72	258,446.00
	289,364.00	177,981.08		111,382.92			177,981.08
<u>55,665.33</u>	<u>289,364.00</u>	<u>233,646.41</u>	<u>-</u>	<u>111,382.92</u>	<u>-</u>	<u>154,320.72</u>	<u>436,427.08</u>
<u>2,230.00</u>		<u>2,219.50</u>		<u>10.50</u>			<u>216,989.50</u>
	11,000.00	11,000.00				5,500.00	11,000.00
<u>-</u>	<u>11,000.00</u>	<u>11,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,500.00</u>	<u>11,000.00</u>
						6,600.00	
	2,400.00	2,400.00				3,960.00	2,400.00
<u>-</u>	<u>2,400.00</u>	<u>2,400.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,960.00</u>	<u>2,400.00</u>
<u>-</u>	<u>13,400.00</u>	<u>13,400.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,060.00</u>	<u>13,400.00</u>
<u>2,230.00</u>	<u>13,400.00</u>	<u>15,619.50</u>	<u>-</u>	<u>10.50</u>	<u>-</u>	<u>16,060.00</u>	<u>230,389.50</u>
1,093.69		1,093.69					5,000.00
7,000.00		7,000.00		4,481.83		9,400.00	7,000.00
9,400.00		1,418.17	\$ 3,500.00	5,000.00			1,418.17
	5,000.00					10,000.00	
<u>17,493.69</u>	<u>5,000.00</u>	<u>9,511.86</u>	<u>3,500.00</u>	<u>9,481.83</u>	<u>-</u>	<u>19,400.00</u>	<u>13,418.17</u>
	1,353,880.00	1,353,880.00				1,353,880.00	1,353,880.00
<u>\$ 92,491.98</u>	<u>\$ 1,687,998.97</u>	<u>\$ 1,640,175.52</u>	<u>\$ 3,500.00</u>	<u>\$ 136,815.43</u>	<u>\$ -</u>	<u>\$ 1,543,660.72</u>	<u>\$ 2,095,850.54</u>
\$ 55,665.33	\$ 289,364.00	\$ 233,646.41		\$ 111,382.92		\$ 154,320.72	\$ 436,427.08
	1,353,880.00	1,353,880.00				1,353,880.00	1,353,880.00
<u>36,826.65</u>	<u>44,754.97</u>	<u>52,649.11</u>	<u>\$ 3,500.00</u>	<u>25,432.51</u>		<u>35,460.00</u>	<u>305,543.46</u>
<u>\$ 92,491.98</u>	<u>\$ 1,687,998.97</u>	<u>\$ 1,640,175.52</u>	<u>\$ 3,500.00</u>	<u>\$ 136,815.43</u>	<u>\$ -</u>	<u>\$ 1,543,660.72</u>	<u>\$ 2,095,850.54</u>

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

Note 1: BASIS OF PRESENTATION

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Note 3: INDIRECT COST RATE

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

Note 4: RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

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

Note 5: MAJOR PROGRAM

The major programs is identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

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

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

Section 1- Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

	Capitalization Grants for Clean Water State Revolving Funds:
66.458	Environmental Infrastructure Trust Loan

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

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

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

State Financial Assistance **(This section is not applicable)**

Internal control over major programs:

Material weakness(es) identified? _____ yes _____ no

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

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

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

Identification of major programs:

GMIS Number(s)

Name of State Program

Dollar threshold used to determine Type A programs _____ \$

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

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

Section 2 - Schedule of Financial Statement Findings

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

There are no current year findings.

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

Section 3 - Schedule of Federal Award Findings and Questioned Costs

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

There are no current year findings.

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

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

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

This section is not applicable as there is not a State Single Audit in the Current Year.

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

This section identifies the status of prior year findings related to the financial statements 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

This section is not applicable. There were no prior year findings.

FEDERAL AWARDS

This section is not applicable. There was no prior year Single Audit.

STATE FINANCIAL ASSISTANCE PROGRAMS

This section is not applicable. There was no Prior Year Single Audit.

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 (01/01/18 – 01/31/18)	\$100,000	A
Nancy Power	Township Clerk (2/01/18 – 12/31/18)	\$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 (01/01/18- 02/26/18)	\$100,000	A
N. Ryan Trasbosh	Magistrate (02/27/18- 12/31/18)	\$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

A handwritten signature in black ink, appearing to read "R.P. Z". The letters are cursive and fluid.

Certified Public Accountant
Registered Municipal Accountant

