

# **TOWNSHIP OF CARNEYS POINT**

**COUNTY OF SALEM**

**REPORT OF AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2018**



**TOWNSHIP OF CARNEYS POINT**  
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**TOWNSHIP OF CARNEYS POINT**  
**PART 1**  
**REPORT OF AUDIT OF FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Committee  
Township of Carneys Point  
Carneys Point, New Jersey 08069

### **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 Carneys Point, in the County of Salem, 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.

## **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 Carneys Point, in the County of Salem, 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 Carneys Point, in the County of Salem, 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 18). 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 supplemental statements and schedules presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental statements and schedules described in the previous paragraph are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2019 on our consideration of the Township of Carneys Point, in the County of Salem, 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 Carneys Point'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 Carneys Point's internal control over financial reporting and compliance.

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Fred S. Caltabiano*

Fred S. Caltabiano  
Certified Public Accountant  
Registered Municipal Accountant

Woodbury, New Jersey  
October 15, 2019



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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Committee  
Township of Carneys Point  
Carneys Point, New Jersey 08069

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 Carneys Point, in the County of Salem, 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 October 15, 2019. That report indicated that the Township of Carneys Point's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Internal Control over Financial Reporting**

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

**Purpose of this Report**

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

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Fred S. Caltabiano*

Fred S. Caltabiano  
Certified Public Accountant  
Registered Municipal Accountant

Woodbury, New Jersey  
October 15, 2019

## TOWNSHIP OF CARNEYS POINT

## CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis

As of December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<b><u>ASSETS:</u></b>			
Regular Fund:			
Cash - Chief Financial Officer	SA-1	\$ 4,844,358.45	\$ 3,932,253.64
Cash - Tax Collector	SA-1	3,368.36	438,512.89
Cash - Change Funds	SA-2	775.00	775.00
		<u>4,848,501.81</u>	<u>4,371,541.53</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	831,144.16	614,704.41
Tax Title Liens Receivable	SA-4	822,200.80	1,328,567.34
Property Acquired for Taxes	SA-17	1,618,200.00	
Revenue Accounts Receivable	SA-5	6,086.16	7,331.91
Solid Waste Fee Liens	A	1,426.70	1,426.70
Due from Federal and State Grant Fund	A	38,124.00	
Due from Trust Other Fund	SB-7	1,120.12	
		<u>3,318,301.94</u>	<u>1,952,030.36</u>
Deferred Charges:			
Special Emergency - Revaluation	A-3	525,000.00	-
Total Regular Fund		<u>8,691,803.75</u>	<u>6,323,571.89</u>
Federal and State Grant Fund:			
Cash	SA-1	170,209.02	157,598.23
Grants Receivable	SA-13	35,635.76	32,773.57
Total Federal and State Grant Fund		<u>205,844.78</u>	<u>190,371.80</u>
		<u>\$ 8,897,648.53</u>	<u>\$ 6,513,943.69</u>

(Continued)

**TOWNSHIP OF CARNEYS POINT**  
**CURRENT FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
As of December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>LIABILITIES, RESERVES, AND FUND BALANCE:</u>			
Regular Fund:			
Appropriation Reserves	A-3, SA-6	\$ 767,559.19	\$ 748,227.63
Reserve for Encumbrances	A-3, SA-6	75,039.18	62,774.57
Tax Overpayments	SA-7	11,247.71	10,146.55
Prepaid Taxes	SA-9	170,024.12	264,559.50
County Taxes Payable	SA-10	94,528.07	32,686.68
Due to Trust - Other Funds	SB-7		8,482.79
Due to Trust -- Municipal Open Space	SB-8		7,108.83
Due State of New Jersey:			
Senior Citizens and Veterans Deductions	SA-8	16,800.97	23,248.91
DCA Training Fees	SA-12	2,351.00	2,500.00
Reserve for:			
Revaluation	SA-16	292,380.00	
Property Registration Fee	A	1,000.00	1,000.00
Fire Fighting Equipment and Training	SA-1, A-1	3,700.00	1,200.00
		<u>1,434,630.24</u>	<u>1,161,935.46</u>
Reserves for Receivables and Other Assets	A	3,318,301.94	1,952,030.36
Fund Balance	A-1	<u>3,938,871.57</u>	<u>3,209,606.07</u>
Total Regular Fund		<u>8,691,803.75</u>	<u>6,323,571.89</u>
Federal and State Grant Fund:			
Due Current Fund	A	38,124.00	
Reserve for Encumbrances	SA-14	3,152.51	3,986.65
Reserve for Grants - Appropriated	SA-14	164,568.27	173,478.30
Reserve for Grants - Unappropriated	SA-15		12,906.85
Total Federal and State Grant Fund		<u>205,844.78</u>	<u>190,371.80</u>
		<u>\$ 8,897,648.53</u>	<u>\$ 6,513,943.69</u>

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

## TOWNSHIP OF CARNEYS POINT

## CURRENT FUND

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

	<u>2018</u>	<u>2017</u>
<b>REVENUE AND OTHER INCOME REALIZED:</b>		
Fund Balance Utilized	\$ 925,000.00	\$ 901,595.00
Miscellaneous Revenues Anticipated	5,386,476.54	5,253,102.31
Receipts from Delinquent Taxes and Tax Title Liens	609,501.90	576,039.01
Receipts from Current Taxes	19,548,084.11	18,910,587.34
Non-Budget Revenue	145,380.44	2,119,665.51
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	656,256.88	475,479.00
Canceled/Adjustment Grants		5,000.00
Interfunds Liquidated		274.04
	<hr/>	<hr/>
Total Income	<u>27,270,699.87</u>	<u>28,241,742.21</u>
<b>EXPENDITURES:</b>		
Budget Appropriations:		
Within "CAPS":		
Operations:		
Salaries and Wages	3,083,267.00	3,026,003.00
Other Expenses	3,946,560.00	3,554,394.00
Deferred Charges and Statutory Expenditures	709,102.00	675,704.00
Excluded from "CAPS":		
Operations:		
Salaries and Wages	250,380.00	241,761.00
Other Expenses	595,383.25	690,584.16
Capital Improvements	90,000.00	90,000.00
Debt Service	570,457.70	718,443.80
Deferred Charges	15,625.64	246,333.38
County Taxes	7,113,584.43	6,362,237.30
Regional School Tax	9,715,590.00	9,726,636.00
Municipal Open Space Tax	6,444.63	6,712.17
Other Debits to Income:		
Prior Year Senior Citizen/Veteran Deductions Disallowed		1,866.94
Refund of Prior Year Taxes - Tax Overpayments		108,619.05
Refund of Prior Year Revenue	5,694.87	
Reserve for Fire Fighting Equipment and Training	750.00	
Creation of Interfunds	38,594.85	
	<hr/>	<hr/>
Total Expenditures	<u>26,141,434.37</u>	<u>25,449,294.80</u>
Excess Revenue and Other Income Realized Over Expenditures	1,129,265.50	2,792,447.41
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute Deferred		
Charges to Budget of Succeeding Year	525,000.00	-
	<hr/>	<hr/>
Statutory Excess to Fund Balance	1,654,265.50	2,792,447.41
<b>FUND BALANCE:</b>		
Balance January 1	<u>3,209,606.07</u>	<u>1,318,753.66</u>
	4,863,871.57	4,111,201.07
Decreased by:		
Utilized as Revenue	<u>925,000.00</u>	<u>901,595.00</u>
Balance December 31	<u><u>\$ 3,938,871.57</u></u>	<u><u>\$ 3,209,606.07</u></u>

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

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

	Anticipated			Excess or
	Budget	Special N.J.S. 40A: 4-87	Realized	(Deficit)
Fund Balance Anticipated	\$ 925,000.00		\$ 925,000.00	
Miscellaneous Revenues:				
Local Revenues:				
Alcoholic Beverages	8,000.00		8,322.00	\$ 322.00
Fees and Permits - Other	40,000.00		53,077.50	13,077.50
Fines and Costs - Municipal Court	110,000.00		109,360.85	(639.15)
Interest and Costs on Taxes	90,000.00		132,319.36	42,319.36
Interest on Investments and Deposits	1,000.00		23,196.74	22,196.74
Payments in Lieu Of Taxes Pursuant to N.J.S.A. 54:4-3.95				
Chambers Co-Generation Limited Partnership	2,200,000.00		2,781,260.00	581,260.00
Senior Housing	90,000.00		91,304.48	1,304.48
Cable Television Fees	30,487.00		30,487.28	0.28
Contribution from Carneys Point Twp. Sewerage Authority - Health Insurance Premiums	21,000.00		22,576.58	1,576.58
Hotel/Motel Tax	119,000.00		124,855.39	5,855.39
Police Outside Employment Trust	35,000.00		35,000.00	-
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax Relief Aid	42,427.00		42,427.00	-
Energy Receipts Tax	764,947.00		764,947.00	-
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S.40A:4-36 and N.J.A.C.5:23-4.17):				
Uniform Construction Code Fees	200,000.00		290,017.55	90,017.55
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of Local Government Services - Interlocal Municipal Service Agreements Offset with Appropriations:				
Borough of Penns Grove - Interlocal Services Agreement - Tax Collector	65,610.00		65,609.66	(0.34)
Borough of Penns Grove - Interlocal Services Agreement - Public Works	598,457.00		598,007.40	(449.60)
Township of Pilesgrove - Interlocal Services Agreement - Tax Collector		\$ 10,637.00	10,636.00	(1.00)

(Continued)

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

	<u>Anticipated</u>			
	<u>Budget</u>	<u>Special N.J.S.</u> <u>40A: 4-87</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of Local Government Services - Public and Private Revenues Offset with Appropriations				
Clean Communities Program		\$ 18,678.38	\$ 18,678.38	\$ -
Municipal Alliance on Alcoholism & Drug Abuse	\$ 15,464.50	17,184.00	32,648.50	-
Recycling Tonnage Grant	12,906.85		12,906.85	-
Drunk Driving Enforcement Grant		2,678.02	2,678.02	-
Distracted Driving Crackdown Grant		6,600.00	6,600.00	-
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of Local Government Services - Other Special Items				
Reserve for Payment of Debt	48,548.16		49,560.00	1,011.84
Contribution from Carneys Point Twp. Sewerage Authority - Surplus Anticipated	80,000.00		80,000.00	-
	<u>4,572,847.51</u>	<u>55,777.40</u>	<u>5,386,476.54</u>	<u>757,851.63</u>
Receipts from Delinquent Taxes	560,000.00		609,501.90	49,501.90
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	3,546,689.13		3,635,806.20	89,117.07
Budget Totals	9,604,536.64	55,777.40	10,556,784.64	896,470.60
Non-Budget Revenues			145,380.44	145,380.44
	<u>\$ 9,604,536.64</u>	<u>\$ 55,777.40</u>	<u>\$ 10,702,165.08</u>	<u>\$ 1,041,851.04</u>

(Continued)

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

Analysis of Realized Revenue

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 19,548,084.11
Allocated to:	
County, School and Open Space Taxes	<u>16,835,619.06</u>
Amount for Support of Municipal Budget Appropriations	2,712,465.05
Add: Appropriation "Reserve for Uncollected Taxes"	<u>923,341.15</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 3,635,806.20</u></u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 593,293.28
Tax Title Lien Collections	<u>16,208.62</u>
	<u><u>\$ 609,501.90</u></u>
Fees and Permits - Other	
Trailer Fees	\$ 750.00
Bingo Raffle	5,170.00
Planning and Zoning Board	1,750.00
Street Opening Permits	8,000.00
Grading Plan Application Fee	560.00
White Oaks Monthly Pad Fees	14,722.50
Westwood Villa Pad Fees	14,700.00
Garden Homes Montly Pad Fees	<u>7,425.00</u>
	<u><u>\$ 53,077.50</u></u>

Analysis for Non-Budget Revenue

Miscellaneous Revenue not Anticipated:	
Chief Financial Officer:	
Recycling Receipts	\$ 1,062.24
Sewerage Authority Rent	1,100.00
JIF Safety Award	2,925.00
Payment in Lieu of Taxes - MMTM	6,920.87
Verizon Lease	10,500.00
Senior and Veterans Administration Fees	1,548.54
Recreation/Park Fees & Permits	10,229.34
CP Bulk Trash Tag	8,173.00
Election Workers	8,650.00
Bulk Trash Stickers - PG	4,066.00
Carneys Point Sewerage Authority - Fuel Usage	6,391.49
Registrar	1,258.00
Miscellaneous - Other	30,486.44
Sale of Assets	<u>16,813.60</u>
Total Chief Financial Officer -- Cash Collections	110,124.52

(Continued)



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

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Analysis for Non-Budget Revenue (Cont'd)

Tax Collector:	
Grass Cut Liens	\$ 7,883.80
Advertising Fee / Tax Sale Costs	26,807.12
Recording Fee	60.00
Duplicate Bill / Redemption Request Fee	425.00
Misc	80.00
	<hr/>
Total Tax Collector -- Cash Collections	35,255.92
	<hr/>
	\$ 145,380.44
	<hr/>

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

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

	Appropriations		Expended			Unexpended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS -- WITHIN "CAPS"						
GENERAL GOVERNMENT FUNCTIONS						
Mayor and Council						
Salaries and Wages	\$ 30,350.00	\$ 30,350.00	\$ 30,349.80		\$ 0.20	
Other Expenses	2,100.00	2,200.00	2,189.99		10.01	
Municipal Clerk						
Salaries and Wages	69,600.00	69,600.00	68,755.72		844.28	
Other Expenses	20,750.00	20,750.00	16,292.21	\$ 13.35	4,444.44	
Computer Consultant Other Expenses	8,300.00	8,300.00	7,066.25		1,233.75	
Financial Administration						
Salaries and Wages	152,400.00	152,400.00	150,366.31		2,033.69	
Other Expenses	16,250.00	16,250.00	13,004.74	1,452.66	1,792.60	
Audit Services Other Expenses	50,000.00	50,000.00	48,000.00		2,000.00	
Grants Consultant Other Expenses	1,000.00	1,000.00			1,000.00	
Assessment of Taxes						
Salaries and Wages	41,350.00	44,850.00	43,964.30		885.70	
Other Expenses	36,250.00	560,250.00	542,338.90		17,911.10	
Collection of Taxes						
Salaries and Wages	13,500.00	13,500.00	13,137.50		362.50	
Other Expenses	26,700.00	26,700.00	19,493.10	123.42	7,083.48	
Foreclosure of TTL	10,000.00	8,000.00	6,855.35		1,144.65	
Legal Services Other Expenses	435,000.00	428,600.00	402,519.55		26,080.45	
Engineering Services Other Expenses	30,000.00	30,000.00	13,472.06	100.00	16,427.94	
Industrial Commission Other Expenses	8,850.00	8,850.00	8,850.00			
Planning Board						
Salaries and Wages	8,700.00	8,700.00	7,074.16		1,625.84	
Other Expenses	31,125.00	31,125.00	20,186.25	375.25	10,563.50	
Insurance						
Salaries and Wages - Insurance Administration	10,200.00	10,200.00	9,936.00		264.00	
General Liability	89,800.00	92,383.00	89,768.47		2,614.53	
Workers Compensation	154,450.00	154,450.00	154,445.53		4.47	
Employee Group Health	1,380,000.00	1,276,417.00	993,608.76		282,808.24	
New Jersey Disability	8,600.00	9,800.00	8,298.67		1,501.33	
JIF - Other Expenses	6,450.00	6,450.00	5,712.65	734.40	2.95	
Unemployment Compensation	2,000.00	2,000.00	2,000.00			

(Continued)

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

	Appropriations		Expended			Unexpended Balance Cancelled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
PUBLIC SAFETY						
Volunteer Fire Co.						
Fire Hydrant Service	\$ 78,000.00	\$ 79,500.00	\$ 72,007.55		\$ 7,492.45	
Miscellaneous Other Expenses	43,300.00	43,300.00	30,884.44	\$ 7,369.49	5,046.07	
Police						
Salaries and Wages	1,850,000.00	1,850,000.00	1,786,559.33		63,440.67	
Miscellaneous Other Expenses	78,425.00	78,425.00	66,328.50	3,246.92	8,849.58	
First Aid Organization						
Other Expenses - Rescue	34,400.00	34,400.00	19,557.11	4,022.76	10,820.13	
Ambulance Services	100,000.00	76,300.00	76,054.48		245.52	
Emergency Management Services						
Other Expenses	2,475.00	2,475.00	1,104.02		1,370.98	
Fire Business Other Expenses	2,900.00	2,900.00	1,539.92	873.53	486.55	
Municipal Prosecutor Other Expenses	12,500.00	12,500.00	12,499.92		0.08	
Municipal Court						
Salaries and Wages	146,250.00	146,250.00	133,743.96		12,506.04	
Other Expenses	19,025.00	19,025.00	13,590.20	680.00	4,754.80	
Public Defender Other Expenses	7,500.00	7,500.00	5,249.97		2,250.03	
PUBLIC WORKS FUNCTIONS						
Garbage and Trash Removal						
Salaries and Wages	140,500.00	150,000.00	149,866.05		133.95	
Other Expenses	9,600.00	9,600.00	6,473.41		3,126.59	
Sanitary Landfill Other Expenses	180,000.00	185,000.00	168,642.01		16,357.99	
Streets and Roads Maintenance						
Salaries and Wages	169,500.00	183,000.00	181,736.21		1,263.79	
Other Expenses	25,975.00	25,975.00	23,963.80	219.16	1,792.04	
Snow Removal	2,000.00	2,000.00	2,000.00			
Recycling						
Salaries and Wages	190,500.00	199,500.00	199,474.04		25.96	
Other Expenses	10,300.00	10,300.00	10,017.98		282.02	
Public Buildings and Grounds						
Salaries and Wages	10,000.00	10,000.00	8,178.77		1,821.23	
Other Expenses	66,950.00	66,950.00	46,103.26	2,468.50	18,378.24	

(Continued)

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

	Appropriations		Expended			Unexpended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
HEALTH AND HUMAN SERVICES FUNCTIONS						
Board of Health						
Salaries and Wages	\$ 3,680.00	\$ 4,080.00	\$ 3,482.76		\$ 597.24	
Other Expenses	6,100.00	6,100.00	321.94		5,778.06	
Registrar of Vital Statistics						
Salaries and Wages	5,450.00	5,450.00	5,294.64		155.36	
Other Expenses	575.00	575.00	419.21		155.79	
Dog Regulation						
Salaries and Wages	3,625.00	3,625.00	3,085.19		539.81	
Other Expenses	35,000.00	35,000.00	27,763.09	\$ 266.00	6,970.91	
PARK AND RECREATION FUNCTIONS						
Maintenance of Parks Other Expenses	6,900.00	6,900.00	5,016.95	322.75	1,560.30	
Recreation Services and Programs						
Salaries and Wages	2,412.00	2,412.00	2,364.00		48.00	
Other Expenses	6,350.00	6,350.00	1,909.28	115.84	4,324.88	
UTILITY EXPENSES AND BULK PURCHASES						
Electricity	100,000.00	170,000.00	152,389.92		17,610.08	
Street Lighting	160,000.00	152,000.00	135,723.81	2,831.64	13,444.55	
Telephone	41,000.00	41,000.00	34,923.98	574.55	5,501.47	
Sewerage Processing and Disposal	1,760.00	1,760.00	1,760.00			
Gas (Natural or Propane)	19,000.00	19,000.00	14,793.72	652.29	3,553.99	
Gasoline & Diesel	62,000.00	62,000.00	61,936.67		63.33	
UNIFORM CONSTRUCTION CODE						
Code Enforcement and Administrator						
Salaries and Wages	150,000.00	150,000.00	124,432.27		25,567.73	
Other Expenses	32,700.00	32,700.00	28,089.56	217.78	4,392.66	
Other Code Enforcement Functions						
Housing						
Salaries and Wages	13,280.00	16,880.00	15,280.89		1,599.11	
Other Expenses	2,950.00	2,950.00	1,878.06		1,071.94	
COAH						
Salaries and Wages	1,570.00	2,170.00	1,586.83		583.17	
Other Expenses	5,000.00	20,000.00	11,770.00	7,559.00	671.00	
Zoning						
Salaries and Wages	10,300.00	10,300.00	9,550.69		749.31	
Other Expenses	550.00	550.00			550.00	

(Continued)

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

	Appropriations		Expended			Unexpended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
UNCLASSIFIED						
Salary Adjustment	\$ 4,000.00					
Compensated Absences						
Salaries and Wages	20,000.00	\$ 20,000.00	\$ 20,000.00			
Total Operations -- Within "CAPS"	6,518,027.00	7,029,827.00	6,357,034.66	\$ 34,219.29	\$ 638,573.05	
Detail:						
Salaries and Wages	3,047,167.00	3,083,267.00	2,968,219.42		115,047.58	
Other Expenses	3,470,860.00	3,946,560.00	3,388,815.24	34,219.29	523,525.47	
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Statutory Expenditures						
Contribution to:						
Public Employees Retirement System	152,582.00	152,582.00	152,581.71		0.29	
Social Security System (O.A.S.I.)	132,000.00	144,200.00	128,675.45		15,524.55	
Police & Fireman's Retirement System	407,320.00	407,320.00	407,320.00			
Defined Contribution Retirement Plan	4,000.00	5,000.00	4,720.81		279.19	
Total Deferred Charges and Statutory Expenditures -- Within "CAPS"	695,902.00	709,102.00	693,297.97		15,804.03	
Total General Appropriations for Municipal Purposes Within -- "CAPS"	7,213,929.00	7,738,929.00	7,050,332.63	34,219.29	654,377.08	-
OPERATIONS -- EXCLUDED FROM "CAPS"						
Solid Waste Recycling Tax	9,829.00	9,829.00	5,500.32		4,328.68	
LOSAP	21,000.00	21,000.00	16,100.00		4,900.00	
Total Other Operations -- Excluded from "CAPS"	30,829.00	30,829.00	21,600.32		9,228.68	
SHARED SERVICE AGREEMENTS						
Tax Collector						
Salary and Wages	65,610.00	65,610.00	63,223.55		2,386.45	
Township of Pilesgrove Interlocal Service Agreement		10,637.00	10,389.35		247.65	
Police Dispatching						
Other Expenses	105,000.00	105,000.00	105,000.00			
Public Works						
Salary and Wages	184,770.00	184,770.00	183,232.12		1,537.88	
Other Expenses	373,687.00	373,687.00	233,085.66	40,819.89	99,781.45	
Total Shared Service Agreements -- Excluded from "CAPS"	729,067.00	739,704.00	594,930.68	40,819.89	103,953.43	

(Continued)

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

	Appropriations		Expended			Unexpended Balance Cancelled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
Clean Communities Program (NJSA 40A:4-87 \$18,678.38)		\$ 18,678.38	\$ 18,678.38			
Municipal Alliance on Alcoholism & Drug Abuse (NJSA 40A:4-87 \$17,184.00)	\$ 17,183.00	34,367.00	34,367.00			
Recycling Tonnage Grant	12,906.85	12,906.85	12,906.85			
Drunk Driving Enforcement Grant (NJSA 40A:4-87 \$2,678.02)		2,678.02	2,678.02			
Distracted Driving Crackdown Grant (NJSA 40A:4-87 \$6,600.00)		6,600.00	6,600.00			
Total Public and Private Programs Offset by Revenues -- Excluded from "CAPS"	30,089.85	75,230.25	75,230.25			
Total Operations -- Excluded from "CAPS"	789,985.85	845,763.25	691,761.25	\$ 40,819.89	\$ 113,182.11	
Detail:						
Salaries and Wages	250,380.00	250,380.00	246,455.67		3,924.33	
Other Expenses	539,605.85	595,383.25	445,305.58	40,819.89	109,257.78	
CAPITAL IMPROVEMENT FUND -- EXCLUDED FROM "CAPS"						
Capital Improvement Fund	50,000.00	50,000.00	50,000.00			
Capital Improvement Fund - Penns Grove Interlocal	40,000.00	40,000.00	40,000.00			
Total Capital Improvements -- Excluded from "CAPS"	90,000.00	90,000.00	90,000.00			
MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"						
Payment of Bond Principal	325,000.00	325,000.00	325,000.00			
Interest on Bonds	204,405.00	204,405.00	204,403.05			\$ 1.95
Green Trust Loan Program	14,000.00	14,000.00	13,912.10			87.90
NJEIT Loans						
Loan Payment	25,200.00	25,200.00	24,225.64			974.36
Interest on Loan	3,050.00	3,050.00	2,916.91			133.09
Total Municipal Debt Service -- Excluded from "CAPS"	571,655.00	571,655.00	570,457.70			1,197.30

(Continued)

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

	Appropriations		Expended			Unexpended Balance Cancelled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
DEFERRED CHARGES -- EXCLUDED FROM "CAPS"						
Deferred Charges to Future Taxation - Unfunded Ordinance 894	\$ 15,625.64	\$ 15,625.64	\$ 15,625.64			
Total Deferred Charges -- Excluded from "CAPS"	15,625.64	15,625.64	15,625.64			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,467,266.49	1,523,043.89	1,367,844.59	\$ 40,819.89	\$ 113,182.11	\$ 1,197.30
Subtotal General Appropriations	8,681,195.49	9,261,972.89	8,418,177.22	75,039.18	767,559.19	1,197.30
Reserve for Uncollected Taxes	923,341.15	923,341.15	923,341.15			
Total General Appropriations	<u>\$ 9,604,536.64</u>	<u>\$ 10,185,314.04</u>	<u>\$ 9,341,518.37</u>	<u>\$ 75,039.18</u>	<u>\$ 767,559.19</u>	<u>\$ 1,197.30</u>
Adopted Budget		\$ 9,604,536.64				
Appropriation by 40A:4-87		55,777.40				
Appropriation by 40A:4-53		525,000.00				
Reserve for Revaluation			\$ 525,000.00			
Reserve for Federal and State Grant Funds Appropriated			75,230.25			
Reserve for Uncollected Taxes			923,341.15			
Disbursed			7,817,946.97			
		<u>\$ 10,185,314.04</u>	<u>\$ 9,341,518.37</u>			

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

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

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>ASSETS:</u>			
Animal Control Fund:			
Cash	SB-1	\$ 2,586.32	\$ 226.14
		<u>2,586.32</u>	<u>226.14</u>
Other Funds:			
Cash - CFO	SB-1	1,269,212.78	784,983.40
Cash - Tax Collector	SB-1	260,458.83	388,409.16
Due from Current Fund	SB-7		8,482.79
Investments - Length of Service Awards Program	SB-2	554,299.41	597,323.88
		<u>2,083,971.02</u>	<u>1,779,199.23</u>
Municipal Open Space Fund:			
Cash	SB-1	323,382.00	308,766.77
Due from Current Fund	SB-8		7,108.83
		<u>323,382.00</u>	<u>315,875.60</u>
Total Trust Funds		<u>\$ 2,409,939.34</u>	<u>\$ 2,095,300.97</u>

(Continued)



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

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>LIABILITIES, RESERVES, AND FUND BALANCE:</u>			
Animal Control Fund:			
Reserve for Animal Control Expenditures	SB-3	\$ 2,585.12	\$ 226.14
Due State of New Jersey - Department of Health	SB-4	1.20	
		<u>2,586.32</u>	<u>226.14</u>
Trust Other Funds:			
Due to Current Fund	SB-7	1,120.12	
Reserve for:			
Developers Escrow	SB-5	639,411.33	377,597.28
Accumulated Absences	SB-6	11,402.53	1,749.14
Payroll Deductions Payable	SB-6	22,795.88	15,487.86
Street Opening Deposits Escrow	SB-6	77,575.68	72,215.68
Recreation	SB-6	65,275.13	58,473.24
Unemployment	SB-6	42,893.61	45,368.80
Public Defender	SB-6	705.08	155.07
Municipal Alliance	SB-6	1,196.09	1,010.84
Police Outside Employment	SB-6	15,516.63	52,761.13
Forfeiture Trust	SB-6	103.80	103.49
House Revitalization Loan Account	SB-6	38,045.91	36,918.39
COAH	SB-6	311,872.52	96,064.78
Tax Title Liens Redemption	SB-6	24,431.97	37,501.88
Tax Title Liens Premiums	SB-6	235,900.00	350,900.00
Confiscated Funds	SB-6	7,350.21	7,325.43
Snow Removal	SB-6	22,854.00	17,343.31
Fire/Rescue	SB-6	3,484.29	3,472.53
Recreation Facility Improvement	SB-6	6,704.32	6,643.48
POAA	SB-6	1,032.51	783.02
Length of Service Awards Program	SB-6	554,299.41	597,323.88
		<u>2,083,971.02</u>	<u>1,779,199.23</u>
Municipal Open Space Fund:			
Reserve for Future Use	SB-9	323,382.00	315,875.60
		<u>323,382.00</u>	<u>315,875.60</u>
Total Trust Funds		<u>\$ 2,409,939.34</u>	<u>\$ 2,095,300.97</u>

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

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

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	Anticipated <u>Budget</u>	<u>Realized</u>	Excess (Deficit)
Amount to be Raised by Taxation	\$ 6,444.63	\$ 6,444.63	\$ -
Miscellaneous	<u>-</u>	<u>1,061.77</u>	<u>1,061.77</u>
Total Open Space Revenues	<u>\$ 6,444.63</u>	<u>\$ 7,506.40</u>	<u>\$ 1,061.77</u>

Analysis of Realized Revenues

Amount to be Raised by Taxation:

Receipts:

Municipal Open Space Tax Levy \$ 6,444.63

Miscellaneous:

Receipts:

Interest Earned on Deposits \$ 1,061.77

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

**TOWNSHIP OF CARNEYS POINT**  
**TRUST FUND - MUNICIPAL OPEN SPACE**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Cancelled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances Payable</u>	<u>Reserved</u>	
Reserve for Future Use	\$ 6,444.63	\$ 6,444.63	\$ 6,444.63			
Total Open Space Appropriations	<u>\$ 6,444.63</u>	<u>\$ 6,444.63</u>	<u>\$ 6,444.63</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**TOWNSHIP OF CARNEYS POINT****GENERAL CAPITAL FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis

As of December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<b><u>ASSETS:</u></b>			
Cash	SC-1	\$ 2,676,001.12	\$ 3,392,832.90
Grants Receivable	SC-5	201,778.55	113,932.84
Deferred Charges to Future Taxation:			
Funded	SC-3	5,064,690.01	5,427,133.62
Unfunded	SC-6	98,119.00	113,744.64
		<u>\$ 8,040,588.68</u>	<u>\$ 9,047,644.00</u>
<b><u>LIABILITIES, RESERVES, AND FUND BALANCE:</u></b>			
Bonds Payable	SC-8	\$ 4,825,000.00	\$ 5,150,000.00
Green Acres Trust Loan Payable	SC-9	72,117.79	84,402.95
NJEIT Loan Payable	SC-10	167,572.22	192,730.67
Improvement Authorizations:			
Funded	SC-7	2,567,565.63	2,819,803.29
Unfunded	SC-7	28,119.00	28,119.00
Contract / Encumbrances Payable	SC-7	188,463.78	596,794.81
Reserves for:			
Improvements to Recreation Sites	C	61,374.60	61,374.60
Payment of Debt	SC-1	48,998.06	48,548.16
Capital Improvement Fund	SC-4	24,241.39	14,241.39
Fund Balance	C-1	57,136.21	51,629.13
		<u>\$ 8,040,588.68</u>	<u>\$ 9,047,644.00</u>

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

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

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Balance December 31, 2017	\$ 51,629.13
Increased by:	
Canceled Improvement Authorization - Funded	<u>41,507.08</u>
	93,136.21
Decreased by:	
Appropriation to Finance Improvement Authorization	<u>36,000.00</u>
Balance December 31, 2018	<u><u>\$ 57,136.21</u></u>

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

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

ASSETS:	Balance Dec. 31, 2017	Additions	Deletions	Balance Dec. 31, 2018
Land	\$ 1,331,000.00			\$ 1,331,000.00
Buildings & Improvements	5,125,852.80	\$ 44,390.00	\$ 137,540.00	5,032,702.80
Machinery and Equipment	1,068,307.31	660,140.95		1,728,448.26
Vehicles	2,810,909.58	86,283.18		2,897,192.76
	<u>\$ 10,336,069.69</u>	<u>\$ 790,814.13</u>	<u>\$ 137,540.00</u>	<u>\$ 10,989,343.82</u>
FUND BALANCE:				
Investment in General Fixed Assets	<u>\$ 10,336,069.69</u>	<u>\$ 790,814.13</u>	<u>\$ 137,540.00</u>	<u>\$ 10,989,343.82</u>

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

**TOWNSHIP OF CARNEYS POINT**  
**INDUSTRIAL COMMISSION**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
ASSETS:			
Cash	SF-1	\$ 5,658.79	\$ 1,302.27
Land	F	<u>318,650.00</u>	<u>318,650.00</u>
		<u>\$ 324,308.79</u>	<u>\$ 319,952.27</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Fund Balance	F-1	<u>\$ 324,308.79</u>	<u>\$ 319,952.27</u>

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

**TOWNSHIP OF CARNEYS POINT**  
**INDUSTRIAL COMMISSION**  
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>		
Current Fund Budget Appropriations	\$ 12,850.00	\$ -
Interest Earned on Deposits	<u>15.34</u>	<u>7.63</u>
Total Income	<u>12,865.34</u>	<u>7.63</u>
<b>EXPENDITURES</b>		
Administration	<u>8,508.82</u>	<u>5,679.00</u>
Excess (Loss) Revenue	4,356.52	(5,671.37)
<b>FUND BALANCE</b>		
Balance January 1	<u>319,952.27</u>	<u>325,623.64</u>
Balance December 31	<u><u>\$ 324,308.79</u></u>	<u><u>\$ 319,952.27</u></u>

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



**TOWNSHIP OF CARNEYS POINT**  
**INDUSTRIAL COMMISSION**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2018

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	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Administration	<u>\$ 10,150.00</u>	<u>\$ 8,508.82</u>	<u>\$ 1,641.18</u>
Total	<u><u>\$ 10,150.00</u></u>	<u><u>\$ 8,508.82</u></u>	<u><u>\$ 1,641.18</u></u>

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

**TOWNSHIP OF CARNEYS POINT**  
Notes to Financial Statements  
For the Year Ended December 31, 2018

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Financial Reporting Entity** - The Township of Carneys Point (hereafter referred to as the "Township") was originally incorporated as Upper Penns Neck Township on February 21, 1798. The voters approved a referendum on November 8, 1976 and on November 10, 1976 the Township Committee changed the name. The Township is located in Salem County, New Jersey approximately twenty-three miles southeast of the City of Philadelphia. The population according to the 2010 census is 8,049.

There are five Committee Members each elected to three-year terms on a staggered basis, with one or two seats coming up for election each year. Annually the Committee elects one of themselves to serve as Mayor. Executive and administrative responsibilities rest with the Mayor, who is assisted by the Township Administrator.

**Component Units** - The financial statements of the component unit 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 unit would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Carneys Point Township Sewerage Authority  
303 Harding Highway  
Carneys Point, New Jersey 08069

Annual financial reports may be inspected directly at the office of this component unit during regular business hours.

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

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

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

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

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

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

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

**Industrial Commission** - Provides assistance to new businesses and helps existing business expand. The seven-member board is appointed by the mayor under authority of New Jersey State law and Township ordinance.

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

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

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

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded. Investments recorded in the trust fund for the Township's length of service awards program, however, are stated at fair value.

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.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Cash, Cash Equivalents and Investments (Cont'd)**

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

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

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

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

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

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.

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

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

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

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

**Fund Balance** - Fund 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 Salem and the Penns Grove Carneys Point Regional School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

**School Taxes** - The Township is responsible for levying, collecting and remitting school taxes for the Penns Grove Carneys Point Regional School District. Operations is charged for the full amount required to be raised from taxation to operate the regional school district 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 Salem. 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.

**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 payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is 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.

**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 \$9,658,936.08 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 8,967,705.19
Uninsured and Uncollateralized	<u>691,230.89</u>
Total	<u>\$ 9,658,936.08</u>

**Note 3: PROPERTY TAXES**

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

**Comparative Schedule of Tax Rates**

	<u>Year Ended</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate	<u>\$ 3.149</u>	<u>\$ 2.936</u>	<u>\$ 2.829</u>	<u>\$ 2.697</u>	<u>\$ 2.553</u>
Apportionment of Tax Rate:					
Municipal	.550	.529	.484	.435	.412
Municipal Open Space	.001	.001	.001	.001	.001
County	1.071	.932	.915	.941	.888
County Open Space	.019	.017	.018	.020	.019
Regional School	1.508	1.457	1.411	1.300	1.233

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2018	\$ 644,463,200.00
2017	667,761,420.00
2016	698,621,900.00
2015	731,705,372.00
2014	728,341,231.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2018	\$ 20,566,104.06	\$ 19,548,084.11	95.05%
2017	19,701,533.54	18,910,587.34	95.99%
2016	19,851,554.53	18,871,198.24	95.06%
2015	19,759,620.39	18,829,346.37	95.29%
2014	18,681,239.95	17,952,281.54	96.10%

**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	\$ 822,200.80	\$ 831,144.16	\$ 1,653,344.96	8.04%
2017	1,328,567.34	614,704.41	1,943,271.75	9.86%
2016	1,185,218.29	568,388.43	1,753,606.72	8.83%
2015	1,048,922.44	564,284.43	1,613,206.87	8.16%
2014	1,140,040.61	459,175.31	1,599,215.92	8.56%

**Note 3: PROPERTY TAXES (CONT'D)**

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	72
2017	89
2016	106
2015	178
2014	155

**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	\$ 1,618,200.00
2017	None
2016	None
2015	None
2014	None

**Note 5: FUND BALANCES APPROPRIATED**

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

<u>Current Fund</u>		<u>Utilized in</u>	<u>Percentage</u>
<u>Year</u>	<u>Balance</u>	<u>Budget of</u>	<u>of Fund</u>
	<u>December 31,</u>	<u>Succeeding Year</u>	<u>Balance Used</u>
2018	\$ 3,938,871.57	\$ 1,163,500.00	29.54%
2017	3,209,606.07	925,000.00	28.82%
2016	1,318,753.66	901,595.00	68.37%
2015	1,595,093.77	835,000.00	52.35%
2014	1,238,671.38	825,000.00	66.60%



**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	\$ 39,244.12	
Federal and State Grant		\$ 38,124.00
Trust - Other		1,120.12
	<u>\$ 39,244.12</u>	<u>\$ 39,244.12</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. This Plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plan's fiduciary net position which can be obtained by writing to or at the following website:

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

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

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

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

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

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

**Vesting and Benefit Provisions**

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

The following represents the membership tiers for PERS:

**Tier Definition**

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

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

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

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

The following represents the membership tiers for PFRS:

**Tier Definition**

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

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

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

**Contributions**

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

The Township's contractually required contribution rate for the year ended December 31, 2018 was 14.72% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

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

**Public Employees' Retirement System (Cont'd)** - Based on the most recent PERS measurement date of June 30, 2018, the Township's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$155,276.00, 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 \$150,224.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$79,621.16.

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

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

The Township's contractually required contribution rate for the year ended December 31, 2018 was 29.91% 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 \$474,328.00, 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 \$407,320.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$158,563.70.

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 3.33% of the Township's covered payroll.

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

**Police and Firemen's Retirement System (Cont'd)** - Based on the most recent PFRS measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2018 is \$52,814.00, 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 \$39,795.00, 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 \$6,414.56, and the Township's contributions were \$5,309.02. There were no forfeitures during the year.

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

**Public Employees' Retirement System** - At December 31, 2018, the Township's proportionate share of the PERS net pension liability was \$3,073,668.00. 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 .0156106970%, which was a decrease of .0006053115% 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 \$64,164.00. 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 \$150,224.00, 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	\$ 6,565,189.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	891,772.00
	<u>\$ 7,456,961.00</u>

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

**Police and Firemen's Retirement System (Cont'd)** - The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2018 measurement date, the Township's proportion was .0485172908%, which was an increase of .0024933919% 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 .0485172908%, which was an increase of .0024933919% 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 \$598,822.00. 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 \$407,320.00, 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 \$105,629.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

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

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 58,615.00	\$ 66,792.00	\$ 125,407.00	\$ 15,849.00	\$ 27,168.00	\$ 43,017.00
Changes of Assumptions	506,490.00	563,533.00	1,070,023.00	982,796.00	1,682,545.00	2,665,341.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	28,831.00	35,918.00	64,749.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	66,183.00	684,285.00	750,468.00	395,598.00	277,428.00	673,026.00
Township Contributions Subsequent to the Measurement Date	77,638.00	237,164.00	314,802.00	-	-	-
	<u>\$ 708,926.00</u>	<u>\$ 1,551,774.00</u>	<u>\$ 2,260,700.00</u>	<u>\$ 1,423,074.00</u>	<u>\$ 2,023,059.00</u>	<u>\$ 3,446,133.00</u>

\$77,638.00 and \$237,164.00 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:

	<b>PERS</b>		<b>PFRS</b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
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:

<b><u>Year Ending Dec 31,</u></b>	<b><u>PERS</u></b>	<b><u>PFRS</u></b>	<b><u>Total</u></b>
2019	\$ (84,892.00)	\$ 146,086.00	\$ 61,194.00
2020	(112,826.00)	(92,652.00)	(205,478.00)
2021	(282,719.00)	(420,078.00)	(702,797.00)
2022	(237,286.00)	(284,702.00)	(521,988.00)
2023	(74,063.00)	(57,103.00)	(131,166.00)
	<u>\$ (791,786.00)</u>	<u>\$ (708,449.00)</u>	<u>\$ (1,500,235.00)</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:

	<b><u>PERS</u></b>	<b><u>PFRS</u></b>
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)**

<b><u>Asset Class</u></b>	<b><u>Target Allocation</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
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:

	<b>PERS</b>		
	<b>1% Decrease (4.66%)</b>	<b>Current Discount Rate (5.66%)</b>	<b>1% Increase (6.66%)</b>
Township's Proportionate Share of the Net Pension Liability	\$ 3,864,784.00	\$ 3,073,668.00	\$ 2,409,973.00

**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:

	<b>PFRS</b>		
	<b>1% Decrease (5.51%)</b>	<b>Current Discount Rate (6.51%)</b>	<b>1% Increase (7.51%)</b>
Township's Proportionate Share of the Net Pension Liability	\$ 8,786,691.00	\$ 6,565,189.00	\$ 4,732,855.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	1,193,526.16	891,772.00	642,879.78
	<u>\$ 9,980,217.16</u>	<u>\$ 7,456,961.00</u>	<u>\$ 5,375,734.78</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)***

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Proportion of the Net Pension Liability	0.0156106970%	0.0162160085%	0.0177581648%
Township's Proportionate Share of the Net Pension Liability	\$ 3,073,668.00	\$ 3,774,828.00	\$ 5,259,459.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,066,196.00	\$ 1,099,540.00	\$ 1,221,648.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	288.28%	343.31%	430.52%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%
	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0170360105%	0.0173577758%	0.0185555129%
Township's Proportionate Share of the Net Pension Liability	\$ 3,824,243.00	\$ 3,249,850.00	\$ 3,546,327.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,099,852.00	\$ 1,242,164.00	\$ 1,207,172.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	347.71%	261.63%	293.77%
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	\$ 155,276.00	\$ 150,224.00	\$ 157,761.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(155,276.00)</u>	<u>(150,224.00)</u>	<u>(157,761.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,054,863.00	\$ 1,059,398.00	\$ 1,099,629.00
Township's Contributions as a Percentage of Covered Payroll	14.72%	14.18%	14.35%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 146,464.00	\$ 143,095.00	\$ 139,812.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(146,464.00)</u>	<u>(143,095.00)</u>	<u>(139,812.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,153,054.00	\$ 1,149,959.00	\$ 1,215,299.00
Township's Contributions as a Percentage of Covered Payroll	12.70%	12.44%	11.50%

**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)***

	<b>Measurement Date Ended June 30,</b>		
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Township's Proportion of the Net Pension Liability	0.0485172908%	0.0460238989%	0.0467365422%
Township's Proportionate Share of the Net Pension Liability	\$ 6,565,189.00	\$ 7,105,200.00	\$ 8,927,875.00
State's Proportionate Share of the Net Pension Liability associated with the Township	891,772.00	795,842.00	749,720.00
Total	<u>\$ 7,456,961.00</u>	<u>\$ 7,901,042.00</u>	<u>\$ 9,677,595.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 1,609,584.00	\$ 1,523,164.00	\$ 1,493,812.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	407.88%	466.48%	597.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.48%	58.60%	52.01%
	<b>Measurement Date Ended June 30,</b>		
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Township's Proportion of the Net Pension Liability	0.0423944937%	0.0479997198%	0.0448829480%
Township's Proportionate Share of the Net Pension Liability	\$ 7,061,445.00	\$ 6,037,920.00	\$ 5,966,783.00
State's Proportionate Share of the Net Pension Liability associated with the Township	619,265.00	650,182.00	556,177.00
Total	<u>\$ 7,680,710.00</u>	<u>\$ 6,688,102.00</u>	<u>\$ 6,522,960.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 1,408,004.00	\$ 1,516,064.00	\$ 1,520,764.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	501.52%	398.26%	392.35%
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	\$ 474,328.00	\$ 407,320.00	\$ 381,062.00
Township's Contribution in Relation to the Contractually Required Contribution	(474,328.00)	(407,320.00)	(381,062.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,585,637.00	\$ 1,586,919.00	\$ 1,500,230.00
Township's Contributions as a Percentage of Covered Payroll	29.91%	25.67%	25.40%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 344,604.00	\$ 368,671.00	\$ 327,456.00
Township's Contribution in Relation to the Contractually Required Contribution	(344,604.00)	(368,671.00)	(327,456.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,536,779.00	\$ 1,403,738.00	\$ 1,522,824.00
Township's Contributions as a Percentage of Covered Payroll	22.42%	26.26%	21.50%

**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 30<sup>th</sup> 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 30<sup>th</sup> 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: LENGTH OF SERVICE AWARDS PROGRAM**

**Plan Description** – The Township's length of service awards program (the "Plan"), which is a defined contribution plan reported in the Township's trust fund, was created by a Township Ordinance adopted on August 30, 1999 pursuant to Section 457 (e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The accumulated assets of the Plan are not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*.

The voters of the Township approved the adoption of the Plan at the general election held on November 2, 1999, and the first year of eligibility for entrance into the Plan by qualified volunteers was calendar year 2000. The Plan provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel, and is administered by Lincoln National Life Insurance Company ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The Township's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

The tax deferred income benefits for emergency service volunteers of the volunteer fire department and the first aid organization come from contributions made solely by the governing body of the Township, on behalf of those volunteers who meet the criteria of a plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**Plan Amendments** - The Township may make minor amendments to the provisions of the Plan at any time, provided, however, that no amendment affects the rights of participants or their beneficiaries regarding vested accumulated deferrals at the time of the amendment. The Plan can only be amended by resolution of the governing body of the Township, and the following procedures must be followed: (a) any amendment to the Plan shall be submitted for review and approval by the Director of Local Government Services, State of New Jersey (the "Director") prior to implementation by the Township's governing body, provided, however, that any amendment required by the IRS, may be adopted by the Township's governing body without the advance approval of the Director (although such amendment shall be filed with the Director); (b) the documentation submitted to the Director shall identify the regulatory authority for the amendment and the specific language of the change; and (c) the Township shall adopt the amendment by resolution of the governing body, and a certified copy of the resolution shall be forwarded to the Director. The Township may amend the Plan agreement to accommodate changes in the Internal Revenue Code, Federal statutes, state laws or rules or operational experience. In cases of all amendments to the Plan, the Township shall notify all participants in writing prior to making any amendment to the Plan.

**Contributions** - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100.00 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually.

The Township elected to contribute \$1,150.00 for the year ended December 31, 2018, per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The Township has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator.

For the year ended December 31, 2018, the Township's total expenditure, net of forfeitures of \$0.00, to the Plan was \$16,100.00.

**Note 8: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)**

**Participant Accounts** - Each participant's account is credited with the Township's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Township has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the Plan participants and their beneficiaries. The contributions from the Township to the Plan, and the related earnings, are not irrevocable, and such funds are not legally protected from the creditors of the Township. These funds, however, are not available for funding the operations of the Township.

**Vesting** - The Township, in accordance with N.J.S.A. 40A:14-188 and N.J.A.C. 5:30-11.63 may make a yearly contribution to the length of service awards program account in the deferred income program for an active volunteer who has satisfied the requirements for receipt of an award, but the volunteer shall not be able to receive a distribution of the funds until the completion of a five year vesting period or be in accordance with changes to vesting conveyed through the issuance of a Local Finance Notice and/or publication of a public notice in the New Jersey Register, with payment of that benefit only being as otherwise permitted by the Plan.

**Payment of Benefits** - Upon separation from volunteer service, retirement or disability, termination of the Plan, participants may select various payout options of vested accumulated deferrals, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate.

In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals.

**Forfeited Accounts** - For the year ended December 31, 2018, no accounts were forfeited.

**Investments** - The investments of the length of service awards program reported in the trust - other funds on the statements of assets, liabilities, reserves, and fund balance - regulatory basis are recorded at fair value.

**Plan Information** - Additional information about the Township's length of service awards program can be obtained by contacting the Plan Administrator.

**Note 9: COMPENSATED ABSENCES**

Non-contractual full-time Township employees are entitled to paid vacation days based upon their length of service. Upon approval by the Township Committee, up to ten unused vacation days may be accumulated and carried forward to the next succeeding year. Vacation days carried forward must be used in the next succeeding year or be forfeited. Employees are compensated for unused vacation days upon retirement or resignation with Committee approval.

Full-time employees are entitled to 96 hours of paid sick leave each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Employees are not compensated for unused sick days upon retirement or resignation with Committee approval.

The Township has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2018 the balance of the fund was \$11,402.53. It is estimated that, at December 31, 2018, accrued benefits for compensated absences are valued at \$110,618.57.

**Note 10: CAPITAL DEBT****General Improvement Bonds**

On April 17, 2017, the Township issued \$5,150,000.00 of general obligation bonds, with interest rates 2.00%-3.00%. The bonds were issued for the purpose of funding various capital projects in the Township. The final maturity of the bonds is April 15, 2029.

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	\$ 400,000.00	\$ 128,450.00	\$ 528,450.00
2020	410,000.00	120,350.00	530,350.00
2021	420,000.00	112,050.00	532,050.00
2022	400,000.00	101,850.00	501,850.00
2023	410,000.00	89,700.00	499,700.00
2024-2028	2,285,000.00	250,275.00	2,535,275.00
2029	500,000.00	7,500.00	507,500.00
	<u>\$ 4,825,000.00</u>	<u>\$ 810,175.00</u>	<u>\$ 5,635,175.00</u>

**General Debt - New Jersey Environmental Infrastructure Loans**

On February 19, 2010, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$373,316.00, at no interest, from the fund loan, and \$124,439.00 at interest rates ranging from 0.61% to 3.92% from the trust loan. The proceeds were used to fund improvements to the Plant Road Pump Station. Semiannual debt payments are due February 1st and August 1st through 2026. On November 14, 2011 the loan was decreased to the final allowable costs of the project. The final loan agreement provided \$280,033.00, at no interest, from the fund loan, and \$93,344.00 from the trust loan.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 25,329.53	\$ 1,813.02	\$ 27,142.55
2020	25,518.05	1,624.50	27,142.55
2021	25,724.59	1,417.96	27,142.55
2022	25,946.41	1,196.14	27,142.55
2023	26,188.77	953.78	27,142.55
2024-2026	38,864.87	1,227.24	40,092.11
	<u>\$ 167,572.22</u>	<u>\$ 8,232.64</u>	<u>\$ 175,804.86</u>

**Note 10: CAPITAL DEBT (CONT'D)****General Debt - New Jersey Green Acres Loans**

On October 13, 2006, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$199,657.29, at an interest rate of 2.0%. The proceeds were used to fund the improvements of the Township's sports facility. Semiannual debt payments are due January 13th and July 13th through 2024.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 12,532.10	\$ 1,380.01	\$ 13,912.11
2020	12,784.00	1,128.11	13,912.11
2021	13,040.96	871.16	13,912.12
2022	13,303.08	609.03	13,912.11
2023	13,570.47	341.64	13,912.11
2024	6,887.18	68.87	6,956.05
	<u>\$ 72,117.79</u>	<u>\$ 4,398.82</u>	<u>\$ 76,516.61</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b><u>Issued</u></b>			
General:			
Bonds, Loans and Notes	\$ 5,064,690.01	\$ 5,427,133.62	\$ 2,881,579.24
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds, Loans and Notes	<u>98,119.00</u>	<u>113,744.64</u>	<u>906,859.02</u>
Total Issued and Authorized but not Issued	<u>5,162,809.01</u>	<u>5,540,878.26</u>	<u>3,788,438.26</u>
<b><u>Deductions</u></b>			
General:			
Reserve for Payment of Debt	<u>48,998.06</u>	<u>48,548.16</u>	<u>-</u>
<b>Net Debt</b>	<u>\$ 5,113,810.95</u>	<u>\$ 5,492,330.10</u>	<u>\$ 3,788,438.26</u>

**Note 10: CAPITAL DEBT (CONT'D)****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 0.849%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 5,870,210.62	\$ 5,870,210.62	
General	5,162,809.01	48,998.06	\$ 5,113,810.95
	<u>\$ 11,033,019.63</u>	<u>\$ 5,919,208.68</u>	<u>\$ 5,113,810.95</u>

Net debt \$5,113,810.95 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$602,225,610.67, equals 0.849%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 21,077,896.37
Less: Net Debt	<u>5,113,810.95</u>
Remaining Borrowing Power	<u>\$ 15,964,085.42</u>

**Note 11: 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.

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

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

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	\$ 2,000.00	\$ -	\$ 113.85	\$ 4,589.04	\$ 42,893.61
2017	-	-	56.40	5,035.00	45,368.80
2016	-	-	65.08	11,828.09	50,347.40

**Note 11: RISK MANAGEMENT (CONT'D)**

**Joint Insurance Pool** - The Township is a member of the Gloucester, Salem and Cumberland Counties Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability  
General Liability other than motor vehicles  
Property Damage other than motor vehicles  
Automobile Liability and Damage  
Public Employees Blanket Bond

Contributions to the Fund, including a reserve for contingencies, are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

Coverage in excess of the Fund's self-insured retention limits is provided through the Fund's membership in the Municipal Excess Liability Joint Insurance Fund.

The Fund publishes its own financial report for the year ended December 31, 2018, which can be obtained from:

Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund  
P.O. Box 490  
Marlton, New Jersey 08053

**Self-Insurance Plan** - The Township has adopted a plan of self-insurance for medical, dental and prescription insurance. The UHY Advisors of Insurance Design Administrators act as administrator of the plan. The Township purchases commercial insurance for claims in excess of \$40,000.00.

The following is a summary of the claims liability of the Township's for the current and previous year:

	<b><u>2018</u></b>	<b><u>2017</u></b>
Claims Liability Balance, January 1	\$ 31,837.79	\$ 34,659.57
Incurred Claims	895,670.52	831,414.63
Payment of Claims	(853,290.42)	(806,151.93)
Other - Administrative Fees	(27,644.55)	(28,084.48)
	<u>                    </u>	<u>                    </u>
Claims Liability Balance, December 31	<u>\$ 46,573.34</u>	<u>\$ 31,837.79</u>

At December 31, 2018, the Township had a budget appropriation reserve of \$264,808.24. At December 31, 2017, the Township had a budget appropriation reserve of \$166,694.78.

**Note 12: DEFERRED COMPENSATION SALARY ACCOUNT**

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

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

**Note 13: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST**

On November 7, 2006 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 a Township Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2007, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. The Township proposed to levy 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 Open Space, Recreation and Farmland Preservation Trust Fund.

**Note 14: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

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

<u>Description</u>	<u>Balance December 31, 2018</u>	<u>2019 Budget Appropriation</u>
Current Fund:		
Special Emergency - Revaluation	\$ 525,000.00	\$ 105,000.00

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

**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: CARNEYS POINT TOWNSHIP SEWERAGE AUTHORITY**

Under Section 403 of a service agreement between Carneys Point Township Sewerage Authority and Township, the Township is required to pay a sum of money equal to the excess (if any) of:

(1) Operating expenses, interest on bonds, principal or redemption premium on bonds, any deficits of the Authority resulting from failure to receive sums payable to the Authority by the Township, to maintain such reserves or sinking funds to provide for expenses of operations and maintenance of the system or for any interest on or principal on redemption premium of bonds or for any such deficits as may be required by the terms of any contract of the Authority or agreement with or for the benefit of holders of bonds or be deemed necessary or desirable by the Authority, over

(2) The sum of such parts (if any) of the several amounts of service charges collected, the proceeds of bond received by or for account of the authority, the proceeds of insurance received, interest received on investments of funds held for benefit or security of the Authority, contributions received by or for the account of the Authority and not repayable by the Authority, reserves on hand and available, therefore, at the beginning of such fiscal year.

The computation for the Sewerage Authority's Fiscal Year November 30, 2018 showed no amount due under this agreement.

**Note 17: CONTINGENCIES**

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

**Litigation** - The Township is a defendant in 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.

**Tax Appeals** - As of December 31, 2018, several tax appeals were on file against the Township. Based upon information provided by the tax assessor, if such appeals are not settled in favor of the Township, the estimated impact of the tax refunds could be significant.



**Note 18: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

**Plan Description and Benefits Provided** - The Township provides postretirement benefits through a plan for retirees, which includes medical, dental, vision and prescription drug benefits. The Township provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree populations: certain police officers and non-contractual active employees who are age sixty (60) or older and who retire from the Township with at least twenty-five (25) years of full-time service with the Township and who are already covered by health insurance through the Township to receive fully paid health and prescription benefits. This entitlement requires that police officers retire from service with the Township, be covered by any collective bargaining agreement between the Township and the Fraternal Order of Police, Labor Council Lodge No. 6 and have served at least twenty-five years. The continuation of benefits to the members of the employee's family will be, as the family exists as of the date of retirement and only to those family members who exist as of the date of retirement. The plan is administered by the Township; therefore, premium payments are made directly to the insurance carriers.

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

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	16
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	2
Active Employees	40
	<u>58</u>

**Total OPEB Liability**

The Township's total OPEB liability of \$9,842,107.00 was measured as of December 31, 2018 and was determined by an actuarial valuation as of this same date.

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

Mortality	RP 2000 Combined Healthy Male Mortality Rates Set Forward Three Years
Turnover	NJ State Pension Ultimate Withdrawal Rates - prior to benefits eligibility
Full Attribution Period	Service to Assumed Retirement Age
Annual Discount Rate	4.10% Based on Bond Buyer 20 Index Dec. 31, 2018
CPI Increase	2.50%
Rate of Salary Increase	2.50%
Medical Trend	Medical: 5.80% in 2018, reducing by 0.1% per annum, leveling at 5.00% per annum in 2026 Drug: 10.00% in 2018, reducing by 0.5% per annum to 2022 and 1.00% per annum thereafter, leveling at 5.00% per annum in 2026 Dental and Vision: 3.50% per annum
Medical Cost Aging Factor	NJ SHBP Medical Morbidity Rates

**Note 18: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**Actuarial Assumptions and Other Inputs (Cont'd)** - An experience study was not performed on the actuarial assumptions used in the December 31, 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 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 Total OPEB Liability**

Balance at December 31, 2017		\$ 9,536,174.00
Changes for the Year:		
Service Cost	\$ 191,382.00	
Interest Cost	393,119.00	
Benefit Payments	(278,568.00)	
Changes in Assumptions	-	
Difference Between Expected and Actual Experience	-	
Net Changes		<u>305,933.00</u>
Balance at December 31, 2018		<u>\$ 9,842,107.00</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 4.50% at December 31, 2017 to 4.10% at December 31, 2018.

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

	<b><u>1.00% Decrease (3.10%)</u></b>	<b><u>Current Discount Rate (4.10%)</u></b>	<b><u>1.00% Increase (5.10%)</u></b>
Total OPEB Liability	<u>\$ 10,786,092.00</u>	<u>\$ 9,842,107.00</u>	<u>\$ 9,051,072.00</u>

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

	<b><u>1.00% Decrease</u></b>	<b><u>Healthcare Cost Trend Rate</u></b>	<b><u>1.00% Increase</u></b>
Total OPEB Liability	<u>\$ 9,165,716.00</u>	<u>\$ 9,842,107.00</u>	<u>\$ 10,651,343.00</u>

**Note 18: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - For the year ended December 31, 2018, the Township recognized OPEB expense of \$584,501.00. As of December 31, 2018, the Township reported no deferred outflows of resources and deferred inflows of resources related to OPEB.

**Supplementary OPEB Information**

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

***Schedule of the State's Proportionate Share of the net OPEB Liability Associated with the Township***

<b>Total OPEB Liability</b>	<b>2018</b>
Service Cost	\$ 191,382.00
Interest Cost	393,119.00
Benefit Payments	(278,568.00)
Changes in Assumptions	-
Difference Between Expected and Actual Experience	-
Net Change in Total OPEB Liability	305,933.00
Total OPEB Liability - Beginning of Year	9,536,174.00
Total OPEB Liability - End of Year	<u>\$ 9,842,107.00</u>
Covered-Employee Payroll	\$ 3,345,973.79
Total OPEB Liability as a Percentage of Covered-Employee Payroll	294.15%

**Other Notes to Supplementary OPEB Information****Changes in Benefit Terms**

None

**Changes in Assumptions**

The discount rate changed from 4.50% as of December 31, 2017 measurement date to 4.10% as of the December 31, 2018 measurement date.

**Note 19: SUBSEQUENT EVENTS**

**Authorization of Debt** – Subsequent to December 31, the Township authorized additional bond or notes as follows:

<b><u>Purpose</u></b>	<b><u>Adoption</u></b>	<b><u>Authorization</u></b>
<b>General Improvements</b>		
Various Capital Improvements	5/1/2019	\$ 475,000.00

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

**TOWNSHIP OF CARNEYS POINT**  
**CURRENT FUND**  
**Statement of Cash**  
**For the Year Ended December 31, 2018**

	Regular Fund		Federal and State Grant Fund
	Chief Financial Officer	Tax Collector	
Balance December 31, 2017	\$ 3,932,253.64	\$ 438,512.89	\$ 157,598.23
Increased by Receipts:			
Received from Tax Collector	\$ 20,380,749.48		
Taxes Receivable	207,319.64	\$ 19,576,976.70	
Tax Title Liens		16,208.62	
Tax Overpayments		11,247.71	
Prepaid Taxes		170,024.12	
Miscellaneous Revenue Anticipated	5,177,072.91	135,891.88	
Miscellaneous Revenue Not Anticipated	110,124.52	35,255.92	
Due State of New Jersey - State Training Fees	17,635.00		
Due State of New Jersey - Senior Cit & Vet Deductions	75,927.06		
Reserve for Fire Fighting Equipment and Training	1,750.00		
Due Current Fund			\$ 39,842.50
Federal and State Grants Receivable			40,558.71
	<u>25,970,578.61</u>	<u>19,945,604.95</u>	<u>80,401.21</u>
	29,902,832.25	20,384,117.84	237,999.44
Decreased by Disbursements:			
Disbursed to Chief Financial Officer		20,380,749.48	
Appropriations	7,817,946.97		
Appropriation Reserves	154,745.32		
Regional School District Taxes Payable	9,715,590.00		
County Taxes Payable	7,051,743.04		
Due State of New Jersey - State Training Fees	17,784.00		
Due Federal and State Grant Fund	39,842.50		
Due Trust - Municipal Open Space - Disbursed to	13,553.46		
Due Trust -- Other Funds - Disbursed to	8,953.64		
Refund of Prior Year Revenue	5,694.87		
Reserve for Revaluation	232,620.00		
Reserve for Federal & State Grants - Appropriated			67,790.42
	<u>25,058,473.80</u>	<u>20,380,749.48</u>	<u>67,790.42</u>
Balance December 31, 2018	<u>\$ 4,844,358.45</u>	<u>\$ 3,368.36</u>	<u>\$ 170,209.02</u>

**TOWNSHIP OF CARNEYS POINT**  
CURRENT FUND  
Schedule of Change Funds  
As of December 31, 2018

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<u>Office</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Tax Collector	\$ 225.00
Clerk of Municipal Court	350.00
Dog Registrar	25.00
Municipal Clerk	75.00
Construction Code Office	<u>100.00</u>
	<u>\$ 775.00</u>

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

	Balance Dec. 31, 2017	Levy	Added Taxes	<u>Collected</u> <u>2017</u>	<u>2018</u>	Due from State of New Jersey	Overpayments Applied	Transferred to Tax Title Liens	Adjustments/ Canceled	Balance Dec. 31, 2018
Prior	\$ 2,810.60								\$ (2,562.92)	\$ 5,373.52
2016	6,481.57				\$ 1,045.72				5,435.85	
2017	605,412.24				592,247.56	\$ -		\$ 8,708.98	(717.68)	5,173.38
	614,704.41	-	-	-	593,293.28	-	-	8,708.98	2,155.25	10,546.90
2018		\$ 20,287,780.13	\$ 278,323.93	\$ 264,559.50	19,191,003.06	82,375.00	\$ 10,146.55	155,917.21	41,505.48	820,597.26
	\$ 614,704.41	\$ 20,287,780.13	\$ 278,323.93	\$ 264,559.50	\$ 19,784,296.34	\$ 82,375.00	\$ 10,146.55	\$ 164,626.19	\$ 43,660.73	\$ 831,144.16

Analysis of Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 20,287,780.13	
Added and Omitted Tax (54:4-63 et. seq.)	278,323.93	
	<u>\$ 20,566,104.06</u>	

Tax Levy:

Regional School Tax (Abstract)	\$ 9,715,590.00	
County Taxes:		
County Tax (Abstract)	\$ 6,899,688.62	
County Open Space Tax (Abstract)	119,367.75	
Due County for Added and Omitted Taxes (54:4-63.1 et.seq.):		
County Tax	92,845.22	
County Open Space	<u>1,682.84</u>	
Total County Tax	7,113,584.43	
Municipal Open Space Tax (Abstract)	6,444.63	
Local Tax For Municipal Purposes Levied (Abstract)	3,546,689.13	
Added and Omitted Tax	<u>183,795.87</u>	
Total Local Tax for Municipal Purposes Levied	3,730,485.00	
	<u>\$ 20,566,104.06</u>	



**TOWNSHIP OF CARNEYS POINT**  
**CURRENT FUND**  
Statement of Tax Title Liens Receivable  
For the Year Ended December 31, 2018

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Balance December 31, 2017			\$ 1,328,567.34
Increased by:			
Transfers from Taxes Receivable	\$	164,626.19	
Interest & Costs		<u>1,397.64</u>	
			<u>166,023.83</u>
			1,494,591.17
Decreased by:			
Transfers to Property Acquired for Taxes		656,181.75	
Collections		<u>16,208.62</u>	
			<u>672,390.37</u>
Balance December 31, 2018			<u><u>\$ 822,200.80</u></u>

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

	Balance Dec. 31, 2017	Accrued	Realized	Balance Dec. 31, 2018
Miscellaneous Revenues:				
Local Revenues:				
Alcoholic Beverages		\$ 8,322.00	\$ 8,322.00	
Fees and Permits - Other		53,077.50	53,077.50	
Fines and Costs - Municipal Court	\$ 7,331.91	108,115.10	109,360.85	\$ 6,086.16
Interest and Costs on Taxes		132,319.36	132,319.36	
Interest on Investments and Deposits		23,196.74	23,196.74	
Payments in Lieu Of Taxes Pursuant to N.J.S.A. 54:4-3.95				
Chambers Co-Generation Limited Partnership		2,781,260.00	2,781,260.00	
Senior Housing		91,304.48	91,304.48	
Cable Television Fees		30,487.28	30,487.28	
Contribution from Carneys Point Twp. Sewerage Authority - Health Insurance Premiums		22,576.58	22,576.58	
Contribution from Carneys Point Twp. Sewerage Authority - Surplus Anticipated		80,000.00	80,000.00	
Reserve for the Payment of Debt		49,560.00	49,560.00	
Hotel/Motel Tax		124,855.39	124,855.39	
Police Outside Employment Trust		35,000.00	35,000.00	
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax Relief Aid		42,427.00	42,427.00	
Energy Receipts Tax		764,947.00	764,947.00	
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S.40A:4-36 and N.J.A.C.5:23-4.17)				
Uniform Construction Code Fees		290,017.55	290,017.55	
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of Local Government Services - Public and Private Revenues Offset with Appropriations		73,511.75	73,511.75	
Special Items of General Revenue Anticipated with Prior Written Consent Government Services - Interlocal Municipal Service Agreements				
Borough of Penns Grove - Interlocal Services Agreement Tax Collector		65,609.66	65,609.66	
Borough of Penns Grove - Interlocal Services Agreement Public Works		598,007.40	598,007.40	
Township of Pilesgrove - Interlocal Services Agreement Tax Collector		10,636.00	10,636.00	
<b>Total</b>	<b>\$ 7,331.91</b>	<b>\$ 5,385,230.79</b>	<b>\$ 5,386,476.54</b>	<b>\$ 6,086.16</b>
Applied		\$ 73,511.75	\$ 73,511.75	
Cash Receipts				
Tax Collector		135,891.88	135,891.88	
Treasurer		5,175,827.16	5,177,072.91	
		<u>\$ 5,385,230.79</u>	<u>\$ 5,386,476.54</u>	

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

	<u>Balance December 31, 2017</u>		<u>Balance After</u>	<u>Paid or</u>	<u>Lapsed to</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>Modification</u>	<u>Charged</u>	<u>Fund Balance</u>
Administrative and Executive					
Salaries and Wages					
Governing Body		\$ 297.52	\$ 297.52		\$ 297.52
Municipal Clerk's Office		1,208.54	1,208.54		1,208.54
Other Expenses					
Computer Consultant	\$ 130.00	2,008.75	2,138.75	\$ 780.00	1,358.75
Miscellaneous	38.31	1,997.01	2,035.32	1,538.31	497.01
Governing Body	31.00	1,329.10	1,360.10	31.00	1,329.10
Financial Administration					
Salaries and Wages		4,329.97	4,329.97		4,329.97
Other Expenses					
Audit		3,100.00	3,100.00		3,100.00
Fixed Asset Account		50.00	50.00		50.00
Miscellaneous	1,078.50	3,426.97	4,505.47	1,481.69	3,023.78
Grants Consultant					
Other Expenses		1,000.00	1,000.00		1,000.00
Registrar of Vital Statistics					
Salaries and Wages		97.28	97.28		97.28
Other Expenses		757.52	757.52		757.52
Assessment of Taxes					
Salaries and Wages		298.80	298.80		298.80
Other Expenses	3,762.18	34,022.05	39,784.23	34,583.94	5,200.29
Collection of Taxes					
Salaries and Wages		1,384.88	1,384.88		1,384.88
Other Expenses		11,985.40	11,985.40		11,985.40
Foreclosure of TTL		5,500.00	5,500.00	5,477.28	22.72
Legal Services and Costs					
Other Expenses		125,060.83	125,060.83	9,609.50	115,451.33
Engineering Services and Costs					
Other Expenses	286.00	7,235.00	7,521.00	6,962.50	558.50
Land Use Administration		4,000.00	4,000.00	4,000.00	
Municipal Land Use Law (NJSA 40:55D-1 et seq.)					
Planning Board					
Salaries & Wages		176.78	176.78		176.78
Other Expenses		3,517.54	3,517.54	951.25	2,566.29
Insurance					
Salaries and Wages		534.50	534.50		534.50
General Liability		391.98	391.98		391.98
Workers Compensation		2,402.02	2,402.02		2,402.02
Employee Group Health		166,994.78	166,994.78	(888.82)	167,883.60
New Jersey Disability		1,848.10	1,848.10		1,848.10
JIF - Other Expenses	672.00	0.54	672.54	672.00	0.54
Unemployment		2,000.00	2,000.00		2,000.00
Volunteer Fire Co.					
Fire Hydrant Service		12,894.32	12,894.32	12,345.54	548.78
Miscellaneous Other Expenses	25,887.61	8,140.65	34,028.26	25,021.24	9,007.02
Police					
Salaries and Wages		57,628.45	57,628.45		57,628.45
Miscellaneous Other Expenses	1,370.42	5,301.15	6,671.57	1,326.42	5,345.15
Purchase Police Car		35.12	35.12		35.12
First Aid Organization					
Other Expenses - Rescue	6,566.55	819.85	7,386.40	4,548.09	2,838.31
Ambulance Service		40.94	40.94		40.94
Emergency Management Services					
Salaries and Wages		800.00	800.00		800.00
Other Expenses	784.87	1,014.05	1,798.92		1,798.92

(Continued)

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

	<u>Balance December 31, 2017</u>		<u>Balance After</u>	<u>Paid or</u>	<u>Lapsed to</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>Modification</u>	<u>Charged</u>	<u>Fund Balance</u>
Fire Business		\$ 1,053.26	\$ 1,053.26		\$ 1,053.26
Municipal Prosecutor					
Other Expenses		0.08	0.08		0.08
Municipal Court					
Salaries and Wages		1,593.09	1,593.09		1,593.09
Other Expenses	\$ 125.00	3,386.02	3,511.02	\$ 125.00	3,386.02
Public Defender					
Other Expenses		3,416.69	3,416.69		3,416.69
Sanitation					
Garbage and Trash Removal					
Salaries and Wages		12,784.97	12,784.97		12,784.97
Other Expenses	110.00	323.68	433.68	110.00	323.68
Sanitary Landfill					
Other Expenses		3,759.81	3,759.81		3,759.81
Streets and Roads Maintenance					
Salaries and Wages		6,431.79	6,431.79		6,431.79
Other Expenses					
Miscellaneous	1,808.00	1,344.26	3,152.26	1,808.00	1,344.26
Snow Removal		1,251.84	1,251.84		1,251.84
Recycling					
Salaries and Wages		28,194.62	28,194.62		28,194.62
Other Expenses	75.00	3,669.91	3,744.91	237.50	3,507.41
Public Buildings and Grounds					
Salaries and Wages		1,879.73	1,879.73		1,879.73
Other Expenses	2,403.25	5,065.99	7,469.24	2,488.25	4,980.99
Board of Health					
Salaries and Wages		456.19	456.19		456.19
Other Expenses	26.51	874.38	900.89	26.51	874.38
Dog Regulation					
Salaries and Wages		337.00	337.00		337.00
Other Expenses		7,902.67	7,902.67	290.00	7,612.67
Maintenance of Parks					
Other Expenses	600.41	126.20	726.61	600.41	126.20
Recreation Services and Programs					
Salaries and Wages		96.00	96.00		96.00
Other Expenses	213.85	1,761.57	1,975.42	463.85	1,511.57
Electricity		12,695.99	10,695.99	5,932.31	4,763.68
Street Lighting		24,519.14	24,519.14	12,507.57	12,011.57
Telephone	2,247.54	5,090.66	7,338.20	3,782.30	3,555.90
Sewerage Processing and Disposal	440.00		440.00	440.00	
Gas (Natural or Propane)		8,078.68	8,078.68	3,753.63	4,325.05
Gasoline & Diesel	1,042.25	2,649.30	3,691.55	1,042.25	2,649.30
Code Enforcement and Administrator					
Salaries and Wages		11,798.97	11,798.97		11,798.97
Other Expenses	1,293.44	2,297.44	3,590.88	1,493.44	2,097.44
Other Code Enforcement Functions					
Housing					
Salaries and Wages		15,392.08	15,392.08		15,392.08
Other Expenses	164.14	1,030.74	1,194.88	164.14	1,030.74
COAH					
Salaries and Wages		1.26	1.26		1.26
Other Expenses		92.81	92.81		92.81

(Continued)

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

	<u>Balance December 31, 2017</u>		<u>Balance After</u>	<u>Paid or</u>	<u>Lapsed to</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>Modification</u>	<u>Charged</u>	<u>Fund Balance</u>
Zoning					
Salaries and Wages		\$ 9.39	\$ 9.39		\$ 9.39
Other Expenses		550.00	550.00		550.00
Salary Adjustment		100.00	100.00		100.00
Statutory Expenditures					
Contribution to:					
Social Security System (O.A.S.I.)		6,959.13	6,959.13		6,959.13
Defined Contribution Retirement Plan		588.21	588.21	\$ 97.55	490.66
PERS Retroactive Contributions-1st & 2nd Qtr 2009		0.42	0.42		0.42
Solid Waste Recycling Tax		331.41	331.41		331.41
Length of Services Awards Program		300.00	300.00		300.00
Reserve for Tax Appeals		609.70	609.70		609.70
Shared Services Agreements:					
Tax Collector		6,829.54	6,829.54		6,829.54
Police Dispatching					
Public Works					
Salaries and Wages		293.34	293.34		293.34
Other Expenses	\$ 11,617.74	88,669.28	100,287.02	10,942.67	89,344.35
	<u>\$ 62,774.57</u>	<u>\$ 748,227.63</u>	<u>\$ 811,002.20</u>	<u>\$ 154,745.32</u>	<u>\$ 656,256.88</u>

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

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Balance December 31, 2017	\$ 10,146.55
Increased by:	
Overpayments Received in 2018	<u>11,247.71</u>
	21,394.26
Decreased by:	
Applied	<u>10,146.55</u>
Balance December 31, 2018	<u><u>\$ 11,247.71</u></u>

**TOWNSHIP OF CARNEYS POINT**  
**CURRENT FUND**

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

Balance December 31, 2017			\$ 23,248.91
Increased by:			
Received from State of New Jersey			<u>75,927.06</u>
			99,175.97
Decreased by:			
Deductions per Tax Billings:			
Senior Citizens	\$ 17,000.00		
Veterans	<u>62,000.00</u>		
		\$ 79,000.00	
Deduction Allowed by Tax Collector:			
2018 Taxes		<u>3,375.00</u>	
		82,375.00	
Less Deductions Disallowed by Tax Collector:			
2017 Taxes		<u>-</u>	
Total State Share Applied to Taxes Receivable			<u>82,375.00</u>
Balance December 31, 2018			<u><u>\$ 16,800.97</u></u>

## Exhibit SA-9

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

Balance December 31, 2017		\$ 264,559.50
Increased by:		
Collections - 2019 Taxes		<u>170,024.12</u>
		434,583.62
Decreased by:		
Applied to 2018 Taxes Receivable		<u>264,559.50</u>
Balance December 31, 2018		<u><u>\$ 170,024.12</u></u>

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

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Balance December 31, 2017		\$ 32,686.68
Increased by:		
General County Tax	\$ 6,899,688.62	
Open Space Tax	119,367.75	
General County Added and Omitted Taxes	92,845.22	
Open Space Tax Added and Omitted Taxes	<u>1,682.84</u>	
		<u>7,113,584.43</u>
		7,146,271.11
Decreased by:		
Disbursements		<u>7,051,743.04</u>
Balance December 31, 2018		<u><u>\$ 94,528.07</u></u>

Exhibit SA-11

**CURRENT FUND**  
Statement of Regional School District Taxes Payable  
For the Year Ended December 31, 2018

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Increased by:		
Levy -- Calendar Year 2018		\$ 9,715,590.00
Decreased by:		
Disbursements		<u><u>\$ 9,715,590.00</u></u>



**TOWNSHIP OF CARNEYS POINT**  
**CURRENT FUND**  
Statement of Due State of New Jersey - DCA Training Fees  
For the Year Ended December 31, 2018

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Balance December 31, 2017	\$ 2,500.00
Increased by:	
State Fees Collected	<u>17,635.00</u>
	20,135.00
Decreased by:	
Disbursed to State	<u>17,784.00</u>
Balance December 31, 2018	<u><u>\$ 2,351.00</u></u>

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

	<u>Balance Dec. 31, 2017</u>	<u>Anticipated as Revenue</u>	<u>Transferred from Unappropriated</u>	<u>Cash Receipts</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2018</u>
Federal Grants:						
Bulletproof Vest Partnership Grant	\$ 4,617.44					\$ 4,617.44
Drive Sober or Get Pulled Over	100.00					100.00
Total Federal Grants	4,717.44	-	-	-	-	4,717.44
State Grants:						
Municipal Alliance on Alcoholism and Drug Abuse	20,600.13	\$ 32,648.50		\$ 12,602.31	\$ 17,184.00	23,462.32
Clean Communities Program		18,678.38		18,678.38		
Recycling Tonnage Grant		12,906.85	\$ 12,906.85			
Hazardous Discharge Site Remediation Fund						
Clemente Vacant Land - P12671	7,456.00					7,456.00
Drunk Driving Enforcement Grant		2,678.02		2,678.02		
Distracted Driving Grant		6,600.00		6,600.00		
Total State Grants	28,056.13	73,511.75	12,906.85	40,558.71	17,184.00	30,918.32
Total Grants	\$ 32,773.57	\$ 73,511.75	\$ 12,906.85	\$ 40,558.71	\$ 17,184.00	\$ 35,635.76

**TOWNSHIP OF CARNEYS POINT**  
**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>Prior Year</u> <u>Encumbrances</u>	<u>Transferred</u> <u>from Budget</u> <u>Appropriation</u>	<u>Cash</u> <u>Disbursed</u>	<u>Current Year</u> <u>Encumbrances</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Federal Grants:							
Bulletproof Vest Partnership Grant	\$ 2,437.44			\$ 2,437.44			
Drive Sober or Get Pulled Over	100.00						\$ 100.00
Total Federal Grants	2,537.44	-	-	2,437.44	-	-	100.00
State Grants:							
Clean Communities Program	11,115.18	\$ 1,386.65	\$ 18,678.38	15,187.03	\$ 163.44		15,829.74
Municipal Court Alcohol Education/Rehab. Program	12,301.84						12,301.84
Over the Limit Under Arrest	3,400.00						3,400.00
Drunk Driving Enforcement Fund	3,411.60		2,678.02	3,270.52			2,819.10
Recycling Tonnage Grant	13,073.46		12,906.85	17,006.98	1,846.57		7,126.76
Municipal Alliance on Alcoholism and Drug Abuse	10,743.06	2,600.00	34,367.00	15,411.68		\$ 17,184.00	15,114.38
Hazardous Discharge Site Remediation Fund							
Landfill	10,846.09						10,846.09
Clemente Asphalt Plant - P12671	914.57						914.57
Clemente Vacant Land - P12672	14,450.96						14,450.96
Clemente Vacant Land - P12673	18,337.42						18,337.42
Clemente Vacant Land - P12677	7,885.72						7,885.72
Clemente Vacant Land - P12678	16,886.50						16,886.50
East Hoover & Madison Street - P13017	11,185.57						11,185.57
Ash Street Site - P13019	13,565.02						13,565.02
Clemente Vacant Land - P13658 - Shell Rd.	1,528.00						1,528.00
Body Armor Replacement Program	2,684.37			243.06	1,142.50		1,298.81
Municipal Stormwater Regulation	1,956.39						1,956.39
Distracted Driving Crackdown Grant			6,600.00	6,600.00			
Emergency Management Grant	12,868.11			5,694.96			7,173.15
Total State Grants	167,153.86	3,986.65	75,230.25	63,414.23	3,152.51	17,184.00	162,620.02
Local Grants:							
Municipal Recycling Enhancement Program - SCIA	47.00						47.00
Heritage Land Group - Stormwater Drainage Maintenance	3,740.00			1,938.75			1,801.25
Total Local Grants	3,787.00	-	-	1,938.75	-	-	1,848.25
Total Grants	\$ 173,478.30	\$ 3,986.65	\$ 75,230.25	\$ 67,790.42	\$ 3,152.51	\$ 17,184.00	\$ 164,568.27

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

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	Balance	2018 Budget		Balance
	<u>Dec. 31, 2017</u>	Revenue	<u>Received</u>	<u>Dec. 31, 2018</u>
		<u>Realized</u>		
Federal Grants:				
Recycling Tonnage Grant	\$ 12,906.85	\$ 12,906.85	\$ -	\$ -

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**TOWNSHIP OF CARNEYS POINT**  
**CURRENT FUND**  
Statement of Reserve for Revaluation  
For the Year Ended December 31, 2018

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Increased by:	
Special Emergency - Revaluation	\$ 525,000.00
Decreased by:	
Cash Disbursements	<u>232,620.00</u>
Balance December 31, 2018	<u><u>\$ 292,380.00</u></u>

**TOWNSHIP OF CARNEYS POINT**  
**CURRENT FUND**  
Statement of Property Acquired for Taxes  
For the Year Ended December 31, 2018

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Increased by:

Transfers from Taxes Receivable	\$ 13,875.98		
Transfers from Tax Title Liens	<u>656,181.75</u>	\$ 670,057.73	
Adjustment to Assessed Valuation		<u>948,142.27</u>	\$ 1,618,200.00
Balance December 31, 2018			<u><u>\$ 1,618,200.00</u></u>

**SUPPLEMENTAL EXHIBITS**

**TRUST FUNDS**

**TOWNSHIP OF CARNEYS POINT**  
**TRUST FUNDS**  
Statement of Trust Funds Cash  
For the Year Ended December 31, 2018

	<u>Animal Control</u>	<u>CFO</u>	<u>Trust Other</u> <u>Tax Collector</u>	<u>Municipal Open Space</u>
Balance December 31, 2017	\$ 226.14	\$ 784,983.40	\$ 388,409.16	\$ 308,766.77
Increased by Receipts:				
Animal Control License Fees	\$ 11,624.00			
Interest Earned on Deposits				\$ 1,061.77
Due Current Fund - Interest Earnings		\$ 529.69	\$ 119.58	
Due Current Fund (Received from)		8,953.64		13,553.46
Reserves - Developers Escrow		340,007.97		
Reserves - Miscellaneous		4,007,210.04	488,792.73	
	<u>11,624.00</u>	<u>4,356,701.34</u>	<u>488,912.31</u>	<u>14,615.23</u>
	11,850.14	5,141,684.74	877,321.47	323,382.00
Decreased by Disbursements:				
Expenditures Under R.S. 4:19-15.11	8,306.82			
Disbursed to State of New Jersey	957.00			
Reserves - Developers Escrow		78,193.92		
Reserves - Miscellaneous		3,794,278.04	616,862.64	
	<u>9,263.82</u>	<u>3,872,471.96</u>	<u>616,862.64</u>	<u>-</u>
Balance December 31, 2018	<u>\$ 2,586.32</u>	<u>\$ 1,269,212.78</u>	<u>\$ 260,458.83</u>	<u>\$ 323,382.00</u>



**TOWNSHIP OF CARNEYS POINT**  
**TRUST -- OTHER FUNDS**  
Statement of Investments - Length of Service Awards Program  
For the Year Ended December 31, 2018

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Balance December 31, 2017			\$ 597,323.88
Increased by:			
Township Contributions	\$ 16,100.00		
Unrealized Gain (Loss) on Investments	<u>(14,568.58)</u>		<u>1,531.42</u>
			598,855.30
Decreased by:			
Benefits Paid to Participants	43,555.89		
Administration Expenses	<u>1,000.00</u>		<u>44,555.89</u>
Balance December 31, 2018			<u><u>\$ 554,299.41</u></u>

Schedule of Investments, December 31, 2018

<u>Description</u>	<u>Amount</u>
Mutual Funds	<u><u>\$ 554,299.41</u></u>

**TOWNSHIP OF CARNEYS POINT**  
**TRUST FUND - ANIMAL CONTROL FUND**  
Statement of Reserve for Animal Control Fund Expenditures  
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 226.14
Increased by:		
License Fees Collected		<u>11,624.00</u>
		11,850.14
Decreased by:		
Transferred to Due to State of New Jersey	\$ 958.20	
Expenditures Under R.S. 4:19-15.11	<u>8,306.82</u>	
		<u>9,265.02</u>
Balance December 31, 2018		<u><u>\$ 2,585.12</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2017	\$ 12,051.00
2016	<u>13,695.00</u>
	<u><u>\$ 25,746.00</u></u>

**Exhibit SB-4**

**TRUST FUND - ANIMAL CONTROL FUND**  
Statement of Due State of New Jersey - Department of Health  
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ -
Increased by:	
State Registration Fees Received	<u>958.20</u>
	958.20
Decreased by:	
Disbursements to State of New Jersey	<u>957.00</u>
Balance December 31, 2018	<u><u>\$ 1.20</u></u>

**TOWNSHIP OF CARNEYS POINT**  
**TRUST FUND - OTHER FUNDS**  
Statement of Changes in Reserve for Developers Escrow  
For the Year Ended December 31, 2018

	Balance	Increased by	Decreased by	Balance
	<u>Dec. 31, 2017</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Dec. 31, 2018</u>
Abandoned Property Registration	\$ 202,748.33	\$ 239,968.04	\$ 4,393.54	\$ 438,322.83
Planning Board / Developers Escrow	16,872.14	46,045.96	41,085.64	21,832.46
McLane Escrow	48,225.05	4.19	10,932.50	37,296.74
Heritage Construction Escrow	10,887.12			10,887.12
Schlimme/Bauman Escrow	7,146.19			7,146.19
Point One Investments - Cornerstone Inspection	450.00	6,000.00	2,175.00	4,275.00
Heritage Corpus Christi #2	3,249.77			3,249.77
G&B Highland Avenue Inspections	4,286.27		320.00	3,966.27
Drimones Escrow	173.51			173.51
Affordable Salem Escrow	337.18			337.18
Ranney Station Water Treatment Plant Escrow	2,321.54			2,321.54
Heritage / Layton Lake Maintenance Escrow	25,000.00			25,000.00
Lakeview Woods Basin Maintenance Escrow	42,000.00	28.54		42,028.54
MTM Associates LLC	2,161.50			2,161.50
Laytons Lake Route 48 Properties	10,947.76	15,500.00	12,360.88	14,086.88
US Realty, LLC - Kast Distributors	790.92	2,500.00	1,678.00	1,612.92
Pilot Travel Center		14,837.35	5,248.36	9,588.99
Pilot Other		15,123.89		15,123.89
	<u>\$ 377,597.28</u>	<u>\$ 340,007.97</u>	<u>\$ 78,193.92</u>	<u>\$ 639,411.33</u>

**TOWNSHIP OF CARNEYS POINT**  
**TRUST FUND - OTHER FUNDS**  
Statement of Changes in Reserve for Miscellaneous  
For the Year Ended December 31, 2018

	Balance Dec. 31, 2017	Increased by Receipts	Interest Earnings	Decreased by Disbursements	Balance Dec. 31, 2018
POAA	\$ 783.02	\$ 248.00	\$ 1.49		\$ 1,032.51
Accumulated Absences	1,749.14	20,000.00	58.03	\$ 10,404.64	11,402.53
Payroll Deductions Payable	15,487.86	3,556,858.95		3,549,550.93	22,795.88
Street Opening Deposits Escrow	72,215.68	13,550.00		8,190.00	77,575.68
Recreation	58,473.24	15,576.19		8,774.30	65,275.13
Unemployment	45,368.80	2,000.00	113.85	4,589.04	42,893.61
Public Defender	155.07	2,750.00		2,199.99	705.08
Municipal Alliance	1,010.84	400.00	4.20	218.95	1,196.09
Police Outside Employment	52,761.13	166,318.69		203,563.19	15,516.63
Forfeiture Trust	103.49		0.31		103.80
House Revitalization Loan Account	36,918.39	1,000.00	127.52		38,045.91
COAH	96,064.78	221,934.44	660.30	6,787.00	311,872.52
Tax Title Liens Redemptions	37,501.88	339,292.73		352,362.64	24,431.97
Tax Title Liens Premiums	350,900.00	149,500.00		264,500.00	235,900.00
Confiscated Funds	7,325.43		24.78		7,350.21
Snow Removal	17,343.31	5,441.94	68.75		22,854.00
Fire/Rescue	3,472.53		11.76		3,484.29
Recreation Facility Improvement	6,643.48		60.84		6,704.32
Length of Service Awards Program	597,323.88	1,531.42		44,555.89	554,299.41
	<u>\$ 1,401,601.95</u>	<u>\$ 4,496,402.36</u>	<u>\$ 1,131.83</u>	<u>\$ 4,455,696.57</u>	<u>\$ 1,443,439.57</u>
Cash Receipts:					
Tax Collector			\$ 488,792.73	\$ 616,862.64	
CFO			4,007,210.04	3,794,278.04	
Investments			1,531.42	44,555.89	
			<u>\$ 4,497,534.19</u>	<u>\$ 4,455,696.57</u>	

**TOWNSHIP OF CARNEYS POINT**  
**TRUST FUND - OTHER FUNDS**  
Statement of Due To (From) Current Fund  
For the Year Ended December 31, 2018

		Increased by:		
	Balance Dec. 31, 2017	Interest Due Current Fund	Received from Current Fund	Balance Dec. 31, 2018
POAA	\$ (464.10)			\$ (464.10)
Payroll Deductions Payable	(247.10)			(247.10)
Public Defender	600.00			600.00
Municipal Alliance Trust	13.86			13.86
Police Outside Employment	(8,953.64)		\$ 8,953.64	
Recreation Facility Improvement	38.24	\$ (38.24)		
Tax Title Liens Redemptions	4.23	13.06		17.29
Tax Title Liens Premiums	3.05	106.52		109.57
Developers Escrow:				
McLane Escrow	1.75	102.10		103.85
Heritage Construction Escrow	49.12	37.01		86.13
Schlimme/Bauman Escrow	32.16	24.29		56.45
Point One Investments - Cornerstone Inspection	7.06	10.29		17.35
Heritage Corpus Christi #2	13.38	11.06		24.44
G&B Highland Avenue Inspections	28.97	14.17		43.14
Drimones Escrow	18.54	0.66		19.20
Affordable Salem Escrow	1.92	1.12		3.04
Ranney Station Water Treatment Plant Escrow	44.28	24.40		68.68
Heritage / Layton Lake Maintenance Escrow	115.96	85.01		200.97
Lakeview Woods Basin Maintenance Escrow	194.79	114.27		309.06
MTM Associates LLC	13.55	7.38		20.93
Laytons Lake Route 48 Properties	0.86	57.20		58.06
US4 Realty, LLC - Kast Distributors	0.33	4.44		4.77
Pilot Travel Center		74.53		74.53
	<u>\$ (8,482.79)</u>	<u>\$ 649.27</u>	<u>\$ 8,953.64</u>	<u>\$ 1,120.12</u>
Tax Collector		\$ 119.58		
CFO		<u>529.69</u>		
		<u>\$ 649.27</u>		

**TOWNSHIP OF CARNEYS POINT**  
**TRUST FUND - MUNICIPAL OPEN SPACE**  
Statement of Due from Current Fund  
For the Year Ended December 31, 2018

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Balance December 31, 2017	\$ 7,108.83
Increased by:	
2018 Municipal Open Space Tax Levy	<u>6,444.63</u>
	13,553.46
Decreased by:	
Received From Current Fund	<u>13,553.46</u>
Balance December 31, 2018	<u><u>\$ -</u></u>

## Exhibit SB-9

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

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Balance December 31, 2017	\$ 315,875.60
Increased by:	
2018 Municipal Open Space Tax Levy	\$ 6,444.63
Interest Earned on Deposits	<u>1,061.77</u>
	<u>7,506.40</u>
Balance December 31, 2018	<u><u>\$ 323,382.00</u></u>

**SUPPLEMENTAL EXHIBITS**  
**GENERAL CAPITAL FUND**

**TOWNSHIP OF CARNEYS POINT**  
GENERAL CAPITAL FUND  
Statement of Cash  
For the Year Ended December 31, 2018

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Balance December 31, 2017		\$	3,392,832.90
Increased by Receipts:			
Capital Improvement Fund	\$	90,000.00	
Deferred Charges to Future Taxation - Unfunded		15,625.64	
Grants Receivable		61,154.29	
Reserve for Payment of Debt		449.90	
			<u>167,229.83</u>
			3,560,062.73
Decreased by Disbursements:			
Improvement Authorizations			<u>884,061.61</u>
Balance December 31, 2018		\$	<u><u>2,676,001.12</u></u>



**TOWNSHIP OF CARNEYS POINT**  
**GENERAL CAPITAL FUND**  
 Analysis of General Capital Fund Cash  
 For the Year Ended December 31, 2018

	Balance	Receipts		Disbursements		Transfers		Balance
	<u>Dec. 31, 2017</u>	<u>Budget</u>		<u>Improvement</u>		<u>From</u>	<u>To</u>	<u>Dec. 31, 2018</u>
		<u>Appropriation</u>	<u>Miscellaneous</u>	<u>Authorizations</u>	<u>Miscellaneous</u>			
General Capital Fund Balance	\$ 51,629.13					\$ 36,000.00	\$ 41,507.08	\$ 57,136.21
Capital Improvement Fund	14,241.39	\$ 90,000.00				80,000.00		24,241.39
Reserve for:								
Improvements to Recreation Sites	61,374.60							61,374.60
Payment of Debt	48,548.16		\$ 449.90					48,998.06
Improvement Authorizations:								
Ordinance								
Number:								
780 Certain Capital Improvements	66,875.72					41,507.08		25,368.64
861 Repairs to Boutown Creek & Plant Road								
Stormwater Pump Stations	217,505.19							217,505.19
872 Replacement of Municipal Building Roof	20,903.80							20,903.80
894 Acquisition of Various Capital Equipment	(85,625.64)		15,625.64					(70,000.00)
905 Acquisition of Various Equipment and								
Capital Improvements	541,075.27			\$ 34,261.57				506,813.70
907 Completion of Various Capital Improvements	(10,840.63)		40,176.15	1,798.00				27,537.52
915 Completion of Various Capital Improvements	163,874.38			5,310.17				158,564.21
916 Acquisition of Various Capital Equipment	823.72			485.00				338.72
923 Various General Capital Improvements	2,321,468.45			794,738.52				1,526,729.93
926 Reconstruction of Gary Avenue	(19,020.64)		20,978.14	1,957.50				
935 Various General Capital Improvements				45,510.85			116,000.00	70,489.15
	<u>\$ 3,392,832.90</u>	<u>\$ 90,000.00</u>	<u>\$ 77,229.83</u>	<u>\$ 884,061.61</u>	<u>\$ -</u>	<u>\$ 157,507.08</u>	<u>\$ 157,507.08</u>	<u>\$ 2,676,001.12</u>

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

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Balance December 31, 2017	\$ 5,427,133.62
Decreased by:	
Budget Appropriation:	
Payment of Bonds Payable	\$ 325,000.00
Payment of Green Acres Trust Loan Payable	12,285.16
Payment of NJEIT Loan Payable	<u>25,158.45</u>
	<u>362,443.61</u>
Balance December 31, 2018	<u><u>\$ 5,064,690.01</u></u>

## Exhibit SC-4

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

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Balance December 31, 2017	\$ 14,241.39
Increased by:	
Budget Appropriation	<u>90,000.00</u>
	104,241.39
Decreased by:	
Appropriation to Finance Improvement Authorization	<u>80,000.00</u>
Balance December 31, 2018	<u><u>\$ 24,241.39</u></u>

**TOWNSHIP OF CARNEYS POINT**  
**GENERAL CAPITAL FUND**  
**Statement of Grants Receivable**  
**For the Year Ended December 31, 2018**

Balance December 31, 2017	\$ 113,932.84
Increased by:	
Improvement Authorization	<u>149,000.00</u>
	262,932.84
Decreased by:	
Cash Receipts	<u>61,154.29</u>
Balance December 31, 2018	<u><u>\$ 201,778.55</u></u>
 <u>Analysis of Balance</u>	
Ordinance 926 - Reconstruction of Gary Avenue	\$ 52,778.55
Ordinance 936 - Reconstruction of Walker Avenue & Dupont Road	<u>149,000.00</u>
	<u><u>\$ 201,778.55</u></u>

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

Ordinance Number <u>Improvement Description</u>						Analysis of Balance Dec. 31, 2018		
		<u>Balance Dec. 31, 2017</u>	<u>Authorizations</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>	<u>Financed by Bond Anticipation Notes</u>	<u>Expenditures</u>	<u>Unexpended Improvement Authorization</u>
894	Various Capital Equipment	\$ 85,625.64	\$ -	\$ 15,625.64	\$ 70,000.00	\$ -	\$ 70,000.00	\$ -
915	Acquisition of Various Capital Equipment	28,119.00			28,119.00			28,119.00
		<u>\$ 113,744.64</u>	<u>\$ -</u>	<u>\$ 15,625.64</u>	<u>\$ 98,119.00</u>	<u>\$ -</u>	<u>\$ 70,000.00</u>	<u>\$ 28,119.00</u>

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

Ordinance Number	Improvement Description	Date	Balance Dec. 31, 2017		Increased by:		Decreased by:		Canceled	Balance Dec. 31, 2018	
			Ordinance Amount	Funded Unfunded	Prior Year Encumbrances	Authorizations	Paid or Charged	Current Year Encumbrances		Funded	Unfunded
780/884	Certain Capital Improvements	6/14/06									
		12/4/13	\$ 1,200,000.00	\$ 66,875.72					\$ 41,507.08	\$ 25,368.64	
861	Repairs to Boutown Creek & Plant Road										
	Stormwater Pump Stations	8/17/11	440,000.00	217,505.19				\$ 2,140.00		215,365.19	
872	Replacement of Municipal Building Roof	10/3/12	300,000.00	20,903.80						20,903.80	
905	Acquisition of Various Equipment and Capital Improvements	8/19/15	800,000.00	509,065.74	\$ 32,009.53		\$ 34,261.57			506,813.70	
907	Completion of Various Capital Improvements	11/4/15	665,000.00	27,815.52	1,520.00		1,798.00			27,537.52	
915	Completion of Various Capital Improvements	4/20/16	842,000.00	159,504.21	4,370.17		5,310.17			158,564.21	\$ 28,119.00
916	Acquisition of Various Capital Equipment	5/18/16	201,000.00	823.72			485.00			338.72	
923	Various General Capital Improvements	2/15/17	2,557,613.00	1,770,894.14	550,574.31		794,738.52	134,666.48		1,392,063.45	
926	Reconstruction of Gary Avenue	7/19/17	151,317.00	46,415.25	8,320.80		1,957.50			52,778.55	
935	Various General Capital Improvements	6/20/18	116,000.00			\$ 116,000.00	45,510.85	51,657.30		18,831.85	
936	Reconstruction of Walker Avenue & Dupont Road	7/18/18	149,000.00			149,000.00				149,000.00	
			<u>\$ 2,819,803.29</u>	<u>\$ 28,119.00</u>	<u>\$ 596,794.81</u>	<u>\$ 265,000.00</u>	<u>\$ 884,061.61</u>	<u>\$ 188,463.78</u>	<u>\$ 41,507.08</u>	<u>\$ 2,567,565.63</u>	<u>\$ 28,119.00</u>
Capital Improvement Fund						\$ 80,000.00					
General Capital Fund Surplus						36,000.00			\$ 41,507.08		
Grants Receivable						149,000.00					
Cash Disbursements							\$ 884,061.61				
						<u>\$ 265,000.00</u>	<u>\$ 884,061.61</u>		<u>\$ 41,507.08</u>		

**TOWNSHIP OF CARNEYS POINT**  
**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 Outstanding Dec. 31, 2018</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>
			<u>Date</u>	<u>Amount</u>				
General Obligation Bonds, Series 2017	4/17/2017	\$ 5,150,000.00	2019	\$ 400,000.00	2.00%			
			2020	410,000.00	2.00%			
			2021	420,000.00	2.00%			
			2022	400,000.00	3.00%			
			2023	410,000.00	3.00%			
			2024	430,000.00	3.00%			
			2025	450,000.00	3.00%			
			2026	450,000.00	3.00%			
			2027	470,000.00	3.00%			
			2028	485,000.00	3.00%			
			2029	500,000.00	3.00%			
						<u>\$ 5,150,000.00</u>	<u>\$ 325,000.00</u>	<u>\$ 4,825,000.00</u>

Exhibit SC-9

**GENERAL CAPITAL FUND**  
Statement of Green Acres Trust Loan Payable  
For the Year Ended December 31, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Amount of Original Loan</u>	<u>Maturities of Loan Outstanding Dec. 31, 2018</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>
				<u>Year</u>	<u>Amount</u>				
726	Improvements to the Carneys Point Sports Facility	10/13/06	\$ 199,657.29	2019	\$ 12,532.10	2.00%			
				2020	12,784.00	2.00%			
				2021	13,040.96	2.00%			
				2022	13,303.08	2.00%			
				2023	13,570.47	2.00%			
				2024	6,887.18	2.00%			
							<u>\$ 84,402.95</u>	<u>\$ 12,285.16</u>	<u>\$ 72,117.79</u>

**TOWNSHIP OF CARNEYS POINT**  
**GENERAL CAPITAL FUND**  
Statement of New Jersey Environmental Infrastructure Trust Loan Payable  
For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	Date of Issue	Amount of Original Loan	Maturities of Loans Outstanding Dec. 31, 2018		Interest Rate	Balance Dec. 31, 2017	Paid by Budget Appropriation	Balance Dec. 31, 2018
				Year	Amount				
831	Improvement to Plant Road Pump Station	2/19/2010	\$ 124,439.00	2019	\$ 6,347.38				
				2020	6,535.90				
				2021	6,742.44				
				2022	6,964.26				
				2023	7,206.62				
				2024	7,467.50				
				2025	7,745.29				
				2026	3,041.80	0.61% - 3.92%	\$ 58,227.49	\$ 6,176.30	\$ 52,051.19
831	Improvement to Plant Road Pump Station	2/19/2010	373,316.00	2019	18,982.15				
				2020	18,982.15				
				2021	18,982.15				
				2022	18,982.15				
				2023	18,982.15				
				2024	18,982.15				
				2025	1,628.13	none	134,503.18	18,982.15	115,521.03
							<u>\$ 192,730.67</u>	<u>\$ 25,158.45</u>	<u>\$ 167,572.22</u>

**TOWNSHIP OF CARNEYS POINT**  
**GENERAL CAPITAL FUND**  
Statement of Bonds and Notes Authorized But Not Issued  
For the Year Ended December 31, 2018

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<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2017</u>	<u>Funded by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>
894	Acquisition of Various Capital Equipment	\$ 85,625.64	\$ 15,625.64	\$ 70,000.00
915	Acquisition of Various Capital Equipment	28,119.00		28,119.00
		<hr/>		
		\$ 113,744.64	\$ 15,625.64	\$ 98,119.00
		<hr/>		



**SUPPLEMENTAL EXHIBITS**  
**INDUSTRIAL COMMISSION**

**TOWNSHIP OF CARNEYS POINT**  
INDUSTRIAL COMMISSION  
Statement of Cash  
For the Year Ended December 31, 2018

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Balance December 31, 2017		\$	1,302.27
Increased by:			
Budget Appropriation Reserves	\$	4,000.00	
Budget Appropriation		8,850.00	
Interest Earned on Deposits		<u>15.34</u>	
			<u>12,865.34</u>
			14,167.61
Decreased by:			
Appropriations			<u>8,508.82</u>
Balance December 31, 2018		\$	<u><u>5,658.79</u></u>

**PART 2**

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

**TOWNSHIP OF CARNEYS POINT**  
Schedule of Findings and Recommendations  
For the Year Ended December 31, 2018

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***Schedule of Financial Statement Findings***

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

**None**

**TOWNSHIP OF CARNEYS POINT**  
Summary Schedule of Prior Year Audit Findings  
and Recommendations as Prepared by Management

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

**FINANCIAL STATEMENT FINDINGS**

No prior year audit findings.

**TOWNSHIP OF CARNEYS POINT**  
Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>
Kenneth Brown	Mayor
Kenneth R. Dennis	Committee Member
Marcus Dowe, Jr.	Committee Member
Charles Newton	Committee Member
Wayne D. Pelura	Committee Member
Marie A. Stout	Administrator, Chief Financial Officer
June M. Proffitt	Township Clerk
Jennifer Koeturius	Tax Collector
Kathleen Hill	Tax Assessor
Ann Marie Brown	Court Administrator
Jason D. Witcher	Judge of Municipal Court
Adam Telsey	Solicitor

All employees are covered under a Blanket Surety Bond from the Joint Insurance Fund in the amount of \$1,000,000.

**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 cursive script that reads "Fred S. Caltabiano".

Fred S. Caltabiano  
Certified Public Accountant  
Registered Municipal Accountant