

TOWNSHIP OF CHESTERFIELD

COUNTY OF BURLINGTON

REPORT OF AUDIT

FOR THE YEAR ENDED

DECEMBER 31, 2018



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TOWNSHIP OF CHESTERFIELD

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Chesterfield
Chesterfield, New Jersey 08515

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 Chesterfield, in the County of Burlington, State of New Jersey, as of December 31, 2018, and the related statements of operations and changes in fund balance - regulatory basis for the year 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 Chesterfield, in the County of Burlington, State of New Jersey, as of December 31, 2018, or the results of its operations and changes in fund balance for the year 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 Chesterfield, in the County of Burlington, State of New Jersey, as of December 31, 2018, and the results of its operations and changes in fund balance - regulatory basis of such funds for the year 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.

Prior Period Financial Statements

The financial statements of the Township of Chesterfield, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2017, were audited by other auditors whose report dated June 1, 2018, expressed an adverse opinion under accounting principles generally accepted in the United States of America and an unmodified opinion under the regulatory basis of accounting.

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 9). 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.

Prior Period Restatement

As discussed in note 19 to the financial statements, during the year ended December 31, 2018, the general capital fund and general fixed asset account group financial statements for the year ended December 31, 2017 have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

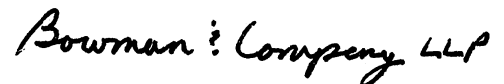
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional 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 July 31, 2019 on our consideration of the Township of Chesterfield's, in the County of Burlington, 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 Chesterfield'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 Chesterfield's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert S. Marrone
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
July 31, 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 Chesterfield
Chesterfield, New Jersey 08515

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 Chesterfield, in the County of Burlington, 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 July 31, 2019. That report indicated that the Township of Chesterfield's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting pronouncement and the restatement of the prior period financial statements resulting from the correction of a misstatement.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Chesterfield'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 Chesterfield's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Chesterfield'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying *Schedule of Findings and Recommendations*, as *Finding No. 2018-001* and *Finding No. 2018-002* that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Chesterfield'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 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, and which are described in the accompanying *Schedule of Findings and Recommendations* as *Finding No. 2018-001* and *Finding No. 2018-002*.


The Township of Chesterfield's Response to Findings

The Township of Chesterfield's response to the findings identified in our audit is described in the accompanying *Schedule of Findings and Recommendations*. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
July 31, 2019

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

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Regular Fund:			
Cash	SA-1	\$ 5,624,769.86	\$ 7,668,989.15
Cash - Change Fund	SA-3	<u>100.00</u>	<u>100.00</u>
		<u>5,624,869.86</u>	<u>7,669,089.15</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	303,591.32	219,529.64
Tax Title Liens Receivable	SA-6	28,439.33	20,421.71
Property Acquired for Taxes - Assesed Valuation	A	53,000.00	53,000.00
Revenue Accounts Receivable	SA-8	75,671.59	81,965.47
Due Federal and State Grant Fund	SA-26	151,273.23	
Due Trust Other Funds	B	<u>16,151.98</u>	<u>3,404.50</u>
		<u>628,127.45</u>	<u>378,321.32</u>
		<u>6,252,997.31</u>	<u>8,047,410.47</u>
Federal, State and Local Grant Fund:			
Federal, State and Local Grant Funds Receivable	SA-23	646,298.24	334,564.83
Due Current Fund	SA-26		93,370.94
Due Trust Other Fund	SA-27	<u>3,026.00</u>	<u>9,078.00</u>
		<u>649,324.24</u>	<u>437,013.77</u>
		<u>\$ 6,902,321.55</u>	<u>\$ 8,484,424.24</u>

(Continued)

TOWNSHIP OF CHESTERFIELD

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:			
Liabilities:			
Appropriation Reserves	A-3;SA-12	\$ 627,340.64	\$ 425,511.58
Reserve for Encumbrances	A-3;SA-12	59,523.49	25,849.72
Accounts Payable	SA-13	5,645.73	5,420.14
Due County for Added/Omitted Taxes	SA-16	58,219.82	45,895.56
Prepaid Taxes	SA-7	168,366.30	1,833,966.55
Tax Overpayments	SA-10	5,140.12	48,135.98
Regional District High School Tax Payable	SA-14	34,707.05	49,883.91
Due State of New Jersey - Marriage License Fees	SA-21	175.00	150.00
Due State of New Jersey - UCC Training Fees	SA-22	2,443.00	3,479.00
Due State of New Jersey - Veterans' and Senior Citizens' Deductions	SA-11	5,326.42	4,326.42
Reserve for Tax Appeals	SA-9	80,732.00	70,732.00
Reserve for Sale of Municipal Assets	A	760,000.00	760,000.00
Reserve for Special Law Enforcement	SA-19		993.00
Reserve for Recreation Building Deposit	SA-20	325.00	85.00
Due Federal and State Grant Fund	SA-26		93,370.94
Due General Capital Fund	C	440,533.71	665,665.67
		<u>2,248,478.28</u>	<u>4,033,465.47</u>
Reserves for Receivables	A	628,127.45	378,321.32
Fund Balance	A-1	<u>3,376,391.58</u>	<u>3,635,623.68</u>
		<u>6,252,997.31</u>	<u>8,047,410.47</u>
Federal, State and Local Grant Fund:			
Due Current Fund	SA-26	151,273.23	
Reserve for Encumbrances	SA-25	199,962.23	184,111.92
Appropriated Reserves	SA-25	298,088.78	249,957.00
Unappropriated Reserves	SA-24		2,944.85
		<u>649,324.24</u>	<u>437,013.77</u>
		<u>\$ 6,902,321.55</u>	<u>\$ 8,484,424.24</u>

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

TOWNSHIP OF CHESTERFIELD

CURRENT FUND

Statements of Operations and Changes in Fund Balance - Regulatory Basis

For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 1,350,000.00	\$ 1,300,000.00
Miscellaneous Revenues Anticipated	1,498,068.33	1,288,674.54
Receipts from Delinquent Taxes and Tax Title Liens	241,419.84	259,060.98
Receipts from Current Taxes	23,212,693.72	22,451,951.47
Non-Budget Revenue	111,898.74	467,966.47
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	299,341.90	292,233.53
Liquidation of Reserves for:		
Due from Grant Fund		71,483.96
Due from Trust Other Fund		2,064.60
Due from Animal Control Fund		180.64
Due from Sewer Operating Fund		3,429.27
Cancellation of Accounts Payable		7,502.22
Grants Appropriated Canceled	821.40	91,169.49
Cancellation of Tax Overpayments		531.97
Overpayment of Fire District No. 1		11,778.00
Canceled Liabilities		2,700.00
	<hr/>	<hr/>
Total Income	26,714,243.93	26,250,727.14
	<hr/>	<hr/>
<u>Expenditures</u>		
Budget Appropriations:		
Within "CAPS":		
Operations:		
Salaries and Wages	1,036,788.00	1,022,929.63
Other Expenses	1,716,088.00	1,576,573.00
Deferred Charges and Statutory Expenditures	390,367.15	386,701.73
Excluded from "CAPS":		
Operations:		
Salaries and Wages	646,212.00	546,680.37
Other Expenses	715,681.87	573,024.47
Capital Improvements--Excluded from "CAPS"	25,000.00	25,000.00
Municipal Debt Service--Excluded from "CAPS"	528,799.26	590,657.70
County Taxes	3,244,921.77	3,171,585.68
Due County for Added and Omitted Taxes	58,219.82	45,895.56
Local District School Tax	11,281,652.50	10,924,747.50
Regional High School Tax	4,981,767.50	4,705,919.00
Fire District Taxes	833,331.00	771,977.00
Cancellation of Grant Receivable	72.37	9,775.36
Reserve for Law Enforcement		864.84
Refund of Prior Year Revenue	554.08	1,987.61
Creation of Reserve for:		
Due from Trust Other Fund	12,747.48	
Due from Federal and State Grant Fund	151,273.23	
	<hr/>	<hr/>
Total Expenditures	25,623,476.03	24,354,319.45
	<hr/>	<hr/>

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TOWNSHIP OF CHESTERFIELD
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>
Statutory Excess to Fund Balance	\$ 1,090,767.90	\$ 1,896,407.69
<u>Fund Balance</u>		
Balance Jan. 1	<u>3,635,623.68</u>	<u>3,039,215.99</u>
Decreased by:	4,726,391.58	4,935,623.68
Utilized as Revenue	<u>1,350,000.00</u>	<u>1,300,000.00</u>
Balance Dec. 31	<u><u>\$ 3,376,391.58</u></u>	<u><u>\$ 3,635,623.68</u></u>

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

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

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess (Deficit)</u>
	<u>Budget</u>	<u>N.J.S.A. 40A:4-87</u>		
Fund Balance Anticipated	\$ 1,350,000.00	-	\$ 1,350,000.00	-
Miscellaneous Revenues:				
Licenses				
Alcoholic Beverages	\$ 5,000.00		5,000.00	
Other	2,000.00		2,149.00	\$ 149.00
Fees and Permits	78,000.00		84,234.81	6,234.81
Municipal Court Fines and Costs	129,000.00		111,700.52	(17,299.48)
Interest and Costs on Taxes	42,000.00		54,841.53	12,841.53
Interest on Investments and Deposits	22,000.00		37,126.60	15,126.60
Energy Receipts Taxes	512,715.00		512,715.00	
Uniform Construction Code Fees	154,000.00		204,019.00	50,019.00
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of the Division of Local Government Services: Public and Private Revenue Off-Set with Appropriations:				
Recycling Tonnage Grant	1,641.40		1,641.40	
Body Armor Replacement Grant	1,303.45		1,303.45	
Comcast Technology Grant		\$ 10,000.00	10,000.00	
Municipal Drug Alliance - Match		3,026.00	3,026.00	
Municipal Drug Alliance Program		12,104.00	12,104.00	
Safe & Secure Communities Grant		25,000.00	25,000.00	
NJDEP - Clean Communities Program		13,657.02	13,657.02	
NJDEP - Green Communities Program		3,000.00	3,000.00	
NJDOT Municipal Aid 2018 - Harker Road Phase 2		240,000.00	240,000.00	
Burlington County Municipal Park Program - 2017		120,950.00	120,950.00	
Other Special Items:				
Reserve for Open Space	40,000.00		40,000.00	
Reserve for the Payment of Debt	15,600.00		15,600.00	
Miscellaneous Revenues	<u>1,003,259.85</u>	<u>427,737.02</u>	<u>1,498,068.33</u>	<u>67,071.46</u>
Receipts from Delinquent Taxes	<u>200,000.00</u>		<u>241,419.84</u>	<u>41,419.84</u>
Amount to be Raised by Taxes for Support of Municipal Budget: Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	<u>2,579,140.15</u>		<u>3,312,801.13</u>	<u>733,660.98</u>
Budget Totals	<u>5,132,400.00</u>	<u>427,737.02</u>	<u>6,402,289.30</u>	<u>842,152.28</u>
Non-Budget Revenue			<u>111,898.74</u>	<u>111,898.74</u>
	<u>\$ 5,132,400.00</u>	<u>\$ 427,737.02</u>	<u>\$ 6,514,188.04</u>	<u>\$ 954,051.02</u>

(Continued)

TOWNSHIP OF CHESTERFIELD
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	\$ 23,212,693.72
Allocated to:	
County, School Taxes, and Special District	20,399,892.59
Amount for Support of Municipal	
Budget Appropriations	2,812,801.13
Add: Appropriation "Reserve for Uncollected Taxes"	500,000.00
 Amount for Support of Municipal Budget Appropriations	 \$ 3,312,801.13
 Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 218,894.95
Tax Title Liens	22,524.89
 Receipts from Delinquent Taxes	 \$ 241,419.84

Analysis of Non-Budget Revenues

Miscellaneous Revenue Not Anticipated:

Cash:		
Septic Permits	\$ 225.00	
Well Permits	75.00	
Solicitor's Permit	2,775.00	
Copies, Postage, Buckets	1,618.98	
Certified Tax List	230.00	
Land Rental	6,301.00	
Miscellaneous	1,159.26	
Duplicate Bills	135.00	
Police Monies	340.00	
Discovery Monies	59.04	
Towing Fees	1,020.00	
Architectural Review Fees	3,240.00	
Outside Police Fees	46,162.50	
Refund of Prior Year Expenditures	787.40	
Homestead Fee Reimbursement	304.80	
Insurance Payments	1,500.00	
Return Check Fees	80.00	
TDR Fees	1,100.00	
Sale of Property	2,500.00	
Misc Bond Credits & Savings	44.86	
Uncashed Refund & Unclaimed Bail	1,174.99	
6% Year End Penalties	3,659.90	
2% Seniors & Veterans Admin Fee	560.59	
Recreation Field Fees	3,685.00	
Recreation Building Fees	10,472.50	
Vacant Property Registration	3,145.83	
		\$ 92,356.65
 Other:		
Due From Trust Other - Miscellaneous		19,542.09
		\$ 111,898.74

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

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

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS--WITHIN "CAPS"						
<u>General Government</u>						
Administrative and Executive						
Salaries and Wages	\$ 80,600.00	\$ 46,600.00	\$ 32,157.80		\$ 14,442.20	
Other Expenses	40,700.00	40,700.00	29,345.81	\$ 4,265.07	7,089.12	
Municipal Clerk						
Salaries and Wages	78,500.00	89,100.00	88,667.65		432.35	
Other Expenses	2,900.00	2,900.00	1,645.98	129.33	1,124.69	
Financial Administration						
Salaries and Wages	60,600.00	60,600.00	60,512.11		87.89	
Other Expenses	16,950.00	16,950.00	12,693.01		4,256.99	
Assessment of Taxes						
Salaries and Wages	22,400.00	22,400.00	22,368.77		31.23	
Other Expenses						
Maintenance of Tax Map	1,500.00	1,500.00	135.00		1,365.00	
Maintenance Other Expenses	16,500.00	16,500.00	5,955.75	1,389.19	9,155.06	
Collection of Taxes						
Salaries and Wages	26,500.00	26,875.00	26,815.20		59.80	
Other Expenses	8,600.00	8,600.00	7,484.42		1,115.58	
Legal Services and Costs						
Other Expenses	260,000.00	260,000.00	168,360.11		91,639.89	
Engineering Services and Costs						
Other Expenses	100,000.00	100,000.00	57,512.60	13,333.75	29,153.65	
Municipal Land Use Law (N.J.S.40:55D-1):						
Planning Board						
Salaries and Wages	7,400.00	7,400.00	7,367.03		32.97	
Other Expenses	36,250.00	36,250.00	11,204.75	341.86	24,703.39	
Reserve for Preparation of Master Plan						
Mayor and Council						
Salaries and Wages	32,500.00	32,500.00	32,500.00			
Other Expenses	1,200.00	1,700.00	1,421.72	140.29	137.99	
Audit Service						
Other Expenses	25,000.00	25,000.00	24,400.00		600.00	
Insurance						
Group Plan for Employees	347,000.00	347,000.00	296,638.15	541.52	49,820.33	
Liability Insurance	44,000.00	44,000.00	43,500.00		500.00	
Workers Compensation Insurance	108,000.00	108,000.00	94,132.00		13,868.00	
Health Benefit Waiver Buy Back	4,000.00	4,000.00	1,500.00		2,500.00	

(Continued)

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

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS--WITHIN "CAPS" (CONT'D)						
<u>Public Safety</u>						
Police						
Salaries and Wages	\$ 310,688.00	\$ 310,688.00	\$ 310,188.00		\$ 500.00	
Other Expenses	47,100.00	47,100.00	22,012.33	\$ 12,335.36	12,752.31	
Acquisition of Police Car	45,000.00	45,000.00	40,132.26	4,019.00	848.74	
First Aid Organization Contribution	6,000.00	6,000.00	3,404.16	111.33	2,484.51	
Emergency Management Services						
Other Expenses	1,000.00	1,000.00		859.92	140.08	
Fire District SFSP Appropriation	1,863.00	1,863.00	1,863.00			
Salaries and Wages						
Animal Control Officer						
Salaries and Wages	500.00	500.00	500.00			
Other Expenses	1,000.00	2,000.00	1,420.53	255.00	324.47	
<u>Streets and Roads</u>						
Road Repairs and Maintenance						
Salaries and Wages	270,000.00	270,000.00	253,136.87		16,863.13	
Other Expenses	64,875.00	64,875.00	42,715.89	4,071.25	18,087.86	
Recycling Program						
Salaries and Wages	500.00	525.00	511.81		13.19	
Other Expenses	6,000.00	6,000.00	493.51		5,506.49	
Public Buildings and Grounds						
Salaries and Wages	3,000.00	3,000.00			3,000.00	
Other Expenses	37,400.00	37,400.00	26,969.06	10,405.54	25.40	
Maintenance of Vehicles						
Other Expenses	37,500.00	37,500.00	32,405.51	2,315.23	2,779.26	
<u>Health and Welfare</u>						
Board of Health						
Salaries and Wages	6,600.00	6,600.00	5,627.25		972.75	
Other Expenses	400.00	400.00	225.00		175.00	
Environmental Commission (NJS 40:56A-1 et seq)						
Salaries and Wages	1,400.00	1,400.00	1,387.89		12.11	
Other Expenses	10,000.00	10,000.00	1,575.72	4,000.00	4,424.28	
Historical Preservation Commission						
Other Expenses	1,000.00	1,000.00	387.40		612.60	

(Continued)

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

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>Recreation and Education</u>						
Parks and Playgrounds						
Salaries and Wages	\$ 3,600.00	\$ 3,600.00	\$ 3,599.97		\$ 0.03	
Other Expenses	98,000.00	98,000.00	81,441.54	\$ 175.00	16,383.46	
Senior Citizen Programs						
Other Expenses	2,000.00	2,000.00	1,000.00		1,000.00	
Celebration of Public Events						
Other Expenses	11,000.00	11,000.00	8,200.00		2,800.00	
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
Unclassified:						
Utilities:						
Electricity	63,000.00	78,000.00	63,602.10		14,397.90	
Street Lighting	104,000.00	109,000.00	98,003.53		10,996.47	
Telephone	15,000.00	15,000.00	9,184.71	636.04	5,179.25	
Natural Gas	8,000.00	8,000.00	5,857.52		2,142.48	
Telecommunications	4,000.00	5,500.00	5,383.76		116.24	
Gasoline	80,000.00	80,000.00	53,222.84		26,777.16	
State Uniform Construction Code:						
Construction Official						
Salaries and Wages	155,000.00	155,000.00	149,807.23		5,192.77	
Other Expenses	6,350.00	6,350.00	3,502.43	198.81	2,648.76	
Property Maintenance Code Enforcement						
Other Expenses	30,000.00	30,000.00			30,000.00	
Total Operations --within "CAPS"	<u>2,752,876.00</u>	<u>2,752,876.00</u>	<u>2,254,079.68</u>	<u>59,523.49</u>	<u>439,272.83</u>	<u>-</u>
Detail:						
Salaries and Wages	1,059,788.00	1,036,788.00	995,147.58	-	41,640.42	-
Other Expenses (Including Contingent)	1,693,088.00	1,716,088.00	1,258,932.10	59,523.49	397,632.41	-
<u>DEFERRED CHARGES AND STATUTORY</u>						
<u>EXPENDITURES --MUNICIPAL--WITHIN "CAPS"</u>						
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	82,782.99	82,782.99	82,782.99			
Social Security System (O.A.S.I.)	136,483.30	136,483.30	118,872.65		17,610.65	
Police and Firemen's Retirement System	160,100.86	160,100.86	160,100.86			
Unemployment Compensation	10,000.00	10,000.00	10,000.00			
Defined Contribution Retirement Program	1,000.00	1,000.00			1,000.00	
Total Statutory Expenditures--Municipal--Within "CAPS"	<u>390,367.15</u>	<u>390,367.15</u>	<u>371,756.50</u>	<u>-</u>	<u>18,610.65</u>	<u>-</u>

(Continued)

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

	Appropriations		Expended		Unexpended Balance Canceled	
	Budget	Budget After Modification	Paid or Charged	Encumbered		Reserved
DEFERRED CHARGES AND STATUTORY EXPENDITURES --MUNICIPAL--WITHIN "CAPS" (CONT'D)						
Total Deferred Charges and Statutory Expenditures--Municipal--Within "CAPS"	\$ 390,367.15	\$ 390,367.15	\$ 371,756.50	-	\$ 18,610.65	-
Total General Appropriations for Municipal Purposes Within--"CAPS"	3,143,243.15	3,143,243.15	2,625,836.18	\$ 59,523.49	457,883.48	-
OPERATIONS-- EXCLUDED FROM "CAPS"						
Aid to Crosswicks Library	25,000.00	25,000.00	25,000.00			
Reserve for Tax Appeal Refunds	10,000.00	10,000.00	10,000.00			
<u>Appropriation "CAP" Waiver (40A:4-45.3ee):</u>						
Public Safety						
Police - Salary and Wages	646,212.00	646,212.00	561,925.05		84,286.95	
Ambulance Service - Contractual	85,000.00	85,000.00	77,916.66		7,083.34	
<u>Shared Service Agreements:</u>						
Municipal Court - North Hanover Township	160,000.00	160,000.00	86,913.13		73,086.87	
<u>Public and Private Programs Off-set by Revenues:</u>						
Matching Funds for Grants	5,000.00	5,000.00			5,000.00	
Municipal Drug Alliance Grant Match (40A:4-87 \$3,026.00)		3,026.00	3,026.00			
Municipal Alliance Program (40A:4-87 \$12,104.00)		12,104.00	12,104.00			
Comcast Technology Grant (40A:4-87 \$10,000.00)		10,000.00	10,000.00			
Safe and Secure Communities Grant (40A:4-87 \$25,000.00)		25,000.00	25,000.00			
NJDEP Clean Communities Program (40A:4-87 \$13,657.02)		13,657.02	13,657.02			
NJDEP Green Communities Program (40A:4-87 \$3,000.00)		3,000.00	3,000.00			
NJDOT Municipal Aid 2018 - Harker Road Phase 2 (40A:4-87 \$240,000.00)		240,000.00	240,000.00			
Burlington County Municipal Park Program - 2017 (40A:4-87 \$120,950.00)		120,950.00	120,950.00			
Body Armor Replacement Grant	1,303.45	1,303.45	1,303.45			
Recycling Tonnage Grant	1,641.40	1,641.40	1,641.40			
Total Operations Excluded from "CAPS"	934,156.85	1,361,893.87	1,192,436.71	-	169,457.16	-
Detail:						
Salaries and Wages	646,212.00	646,212.00	561,925.05	-	84,286.95	-
Other Expenses	287,944.85	715,681.87	630,511.66	-	85,170.21	-

(Continued)

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

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<u>CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00			
Total Capital Improvements	25,000.00	25,000.00	25,000.00	-	-	-
<u>MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	270,000.00	270,000.00	270,000.00			
Interest on Bonds	260,000.00	260,000.00	258,799.26			\$ 1,200.74
Total Municipal Debt Service-- Excluded from "CAPS"	530,000.00	530,000.00	528,799.26	-	-	1,200.74
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,489,156.85	1,916,893.87	1,746,235.97	-	\$ 169,457.16	1,200.74
Subtotal General Appropriations	4,632,400.00	5,060,137.02	4,372,072.15	\$ 59,523.49	627,340.64	1,200.74
Reserve for Uncollected Taxes	500,000.00	500,000.00	500,000.00			
Total General Appropriations	<u>\$ 5,132,400.00</u>	<u>\$ 5,560,137.02</u>	<u>\$ 4,872,072.15</u>	<u>\$ 59,523.49</u>	<u>\$ 627,340.64</u>	<u>\$ 1,200.74</u>
Adopted Budget		\$ 5,132,400.00				
Appropriations by N.J.S.A. 40A:4-87		<u>427,737.02</u>				
		<u>\$ 5,560,137.02</u>				
Disbursed			\$ 3,906,390.28			
Reserve for Uncollected Taxes			500,000.00			
Reserve for Tax Appeals			10,000.00			
Capital Improvement Fund - Due General Capital Fund			25,000.00			
Reserve for Federal and State Grant Funds - Appropriated			<u>430,681.87</u>			
			<u>\$ 4,872,072.15</u>			

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

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

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Animal Control Fund:			
Cash	SB-1	\$ 30.62	\$ 9.54
Deferred Charge - Deficit	SB-2	37.18	
		<u>67.80</u>	<u>9.54</u>
Other Funds:			
Cash	SB-1	2,108,550.00	2,743,617.12
		<u>\$ 2,108,617.80</u>	<u>\$ 2,743,626.66</u>
 <u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	SB-2		\$ 9.54
Due to State of New Jersey	SB-3	\$ 67.80	
		<u>67.80</u>	<u>9.54</u>

(Continued)

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

<u>LIABILITIES AND RESERVES (CONT'D)</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Other Funds:			
Due Current Fund	SB-4	\$ 16,151.98	\$ 3,404.50
Due Federal and State Grant Fund	SB-5	3,026.00	9,078.00
Due to Victims of Crime Compensation Board	SB-6	4,510.01	
Reserve for Encumbrances	SB-6	18,949.50	
Reserve for Payroll Deductions Payable	SB-6	38,725.98	31,755.33
Reserve for Unemployment Trust	SB-6	52,095.30	43,124.41
Reserve for Escrow Deposits	SB-6	756,188.34	778,365.97
Reserve for Police Special Duty	SB-6	116,370.73	153,308.23
Reserve for Public Defender	SB-6	3,201.88	5,635.89
Reserve for TDR Credits - NJ Turnpike	SB-6	118,750.00	118,750.00
Reserve for Affordable Housing Trust	SB-6	23,488.06	19,903.44
Reserve for Tax Sale Premiums	SB-6	163,400.00	167,400.00
Reserve for Basin Maintenance	SB-6	625,413.55	625,763.55
Reserve for Municipal Drug Alliance	SB-6	37,571.26	35,322.47
Reserve for Snow Removal	SB-6	40,000.00	40,000.00
Reserve for Ad Book - Community Outreach	SB-6	2,867.47	2,867.47
Reserve for Parking Offense Adjudication Act	SB-6	16.00	12.00
Reserve for Memorial Bricks	SB-6	1,250.37	1,250.37
Reserve for The Green Team	SB-6	89.52	100.00
Reserve for Recreation	SB-6		645,519.49
Reserve for Police Donations	SB-6	2,456.00	2,056.00
Reserve for Landscaping and Trees Donations	SB-6	60,000.00	60,000.00
Reserve for Basin Landscaping	SB-6	23,358.42	
Reserve for Harvest Festival	SB-6	669.63	
		<u>2,108,550.00</u>	<u>2,743,617.12</u>
		<u>\$ 2,108,617.80</u>	<u>\$ 2,743,626.66</u>

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

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

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	(Restated) <u>2017</u>
Cash	SC-1	\$ 1,041,380.50	\$ 828,544.87
Accounts Receivable:			
Due from County - Open Space Funds	SC-8	156,000.00	168,000.00
Due Current Fund	SC-6	440,533.71	665,665.67
Deferred Charges to Future Taxation:			
Funded	SC-3	7,900,000.00	8,170,000.00
Unfunded	SC-4	1,319,720.87	1,319,720.87
		<u>\$ 10,857,635.08</u>	<u>\$ 11,151,931.41</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	SC-14	\$ 7,900,000.00	\$ 8,170,000.00
Improvement Authorizations:			
Funded	SC-5	717,951.72	949,330.82
Unfunded	SC-5	334,596.25	251,907.45
Capital Improvement Fund	SC-9	120,169.42	166,169.42
Reserve for Grants Receivable	SC-8	156,000.00	168,000.00
Reserve for Encumbrances	SC-7	198,733.56	194,856.04
Reserve for Transportation Improvements	SC-10	5,000.21	574,413.25
Reserve for Road Improvements		350,000.00	350,000.00
Reserve for Open Space	SC-12	207,351.39	247,351.39
Reserve for Recreation Improvements	SC-11	788,169.49	
Reserve for Payment of Debt	SC-13	15,360.00	15,600.00
Fund Balance	C	64,303.04	64,303.04
		<u>\$ 10,857,635.08</u>	<u>\$ 11,151,931.41</u>

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

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY FUNDS
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Operating Fund:			
Cash	SD-1	\$ 3,166,700.65	\$ 3,103,707.21
Receivables with Full Reserves:			
Sewer Rents Receivable	SD-4	150,849.53	39,090.51
Sewer Liens Receivable	SD-2		91.00
		<u>150,849.53</u>	<u>39,181.51</u>
Total Operating Fund		<u>3,317,550.18</u>	<u>3,142,888.72</u>
Capital Fund:			
Due Sewer Operating Fund	SD-8	266,125.53	281,125.53
Fixed Capital	SD-6	19,495.00	19,495.00
Fixed Capital Authorized and Uncompleted	SD-7	6,190,000.00	6,190,000.00
Total Capital Fund		<u>6,475,620.53</u>	<u>6,490,620.53</u>
		<u>\$ 9,793,170.71</u>	<u>\$ 9,633,509.25</u>

(Continued)

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY FUNDS
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2018 and 2017

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Operating Fund:			
Liabilities:			
Reserve for Encumbrances	D-3 & SD-10	\$ 754.28	\$ 1,353.72
Appropriation Reserves	D-3 & SD-10	150,643.94	129,207.69
Accounts Payable	SD-10	850.35	
Due Sewer Capital Fund	SD-8	266,125.53	281,125.53
Sewer Rents Overpayments	SD-5	11,370.50	2,823.20
Accrued Interest on Bonds, Notes & Loans	SD-11	14,343.75	18,307.29
		<u>444,088.35</u>	<u>432,817.43</u>
Reserve for Receivables	D	150,849.53	39,181.51
Fund Balance	D-1	<u>2,722,612.30</u>	<u>2,670,889.78</u>
Total Operating Fund		<u>3,317,550.18</u>	<u>3,142,888.72</u>
Capital Fund:			
New Jersey Environmental Infrastructure Trust Loan	SD-14	1,216,113.84	1,551,448.22
Improvement Authorizations:			
Funded	SD-13	54,425.53	119,425.53
Unfunded	SD-13	58,360.00	58,360.00
Reserve for Amortization	D	19,495.00	19,495.00
Deferred Reserve for Amortization	SD-12	4,915,526.16	4,580,191.78
Reserve for Encumbrances	SD-13	1,700.00	1,700.00
Capital Improvement Fund	SD-9	200,505.00	150,505.00
Fund Balance	D	<u>9,495.00</u>	<u>9,495.00</u>
Total Capital Fund		<u>6,475,620.53</u>	<u>6,490,620.53</u>
		<u>\$ 9,793,170.71</u>	<u>\$ 9,633,509.25</u>

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

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

<u>Revenue and Other Income Realized</u>	<u>2018</u>	<u>2017</u>
Operating Surplus Anticipated	\$ 302,600.00	\$ 302,600.00
Sewer Rents and Liens	337,501.63	411,663.75
Miscellaneous	49,316.74	54,920.99
Connection Fees	290,500.04	451,892.96
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	112,312.45	14,665.53
Total Income	<u>1,092,230.86</u>	<u>1,235,743.23</u>
 <u>Expenditures</u>		
Operating	308,600.00	313,600.00
Capital Improvements	50,000.00	50,000.00
Debt Service	375,308.34	373,538.60
Deferred Charges and Statutory Expenditures	4,000.00	4,000.00
Total Expenditures	<u>737,908.34</u>	<u>741,138.60</u>
Excess in Revenue	354,322.52	494,604.63
 <u>Fund Balance</u>		
Balance Jan. 1	<u>2,670,889.78</u>	<u>2,478,885.15</u>
	3,025,212.30	2,973,489.78
Decreased by:		
Utilized as Revenue	<u>302,600.00</u>	<u>302,600.00</u>
Balance Dec. 31	<u>\$ 2,722,612.30</u>	<u>\$ 2,670,889.78</u>

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

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY OPERATING FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2018

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Sewer Operating Surplus Anticipated	\$ 302,600.00	\$ 302,600.00	
Sewer Rents	340,000.00	337,501.63	\$ (2,498.37)
Miscellaneous	50,000.00	49,316.74	(683.26)
Connection Fees	<u>50,000.00</u>	<u>290,500.04</u>	<u>240,500.04</u>
	<u>\$ 742,600.00</u>	<u>\$ 979,918.41</u>	<u>\$ 237,318.41</u>

Analysis of Realized Revenues:

Sewer Rents Receivable:

Consumer Accounts Receivable:

Collections

\$ 334,587.43

Overpayments Applied

2,823.20

\$ 337,410.63

Sewer Liens Receivable - Collections

91.00

\$ 337,501.63

Analysis of Miscellaneous Revenues:

Treasurer:

Interest on Deposits

\$ 29,924.90

Miscellaneous

19,391.84

\$ 49,316.74

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

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY OPERATING FUND
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
Operating:						
Salaries and Wages	\$ 45,000.00	\$ 45,000.00	\$ 44,539.20		\$ 460.80	
Other Expenses	263,600.00	263,600.00	113,255.33	\$ 754.28	149,590.39	
Total Operating	<u>308,600.00</u>	<u>308,600.00</u>	<u>157,794.53</u>	<u>754.28</u>	<u>150,051.19</u>	<u>-</u>
Capital Improvements:						
Capital Improvement Fund	50,000.00	50,000.00	50,000.00			
Debt Service:						
Payment of Bonds (Share of Debt)	336,000.00	336,000.00	335,334.38			\$ 665.62
Interest on Bonds (Share of Debt)	44,000.00	44,000.00	39,973.96			4,026.04
	<u>380,000.00</u>	<u>380,000.00</u>	<u>375,308.34</u>	<u>-</u>	<u>-</u>	<u>4,691.66</u>
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	4,000.00	4,000.00	3,407.25		592.75	
	<u>\$ 742,600.00</u>	<u>\$ 742,600.00</u>	<u>\$ 586,510.12</u>	<u>\$ 754.28</u>	<u>\$ 150,643.94</u>	<u>\$ 4,691.66</u>
Disbursed			\$ 496,536.16			
Due Sewer Utility Capital Fund			50,000.00			
Accrued Interest on Bonds and Notes			39,973.96			
			<u>\$ 586,510.12</u>			

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

TOWNSHIP OF CHESTERFIELD
GENERAL FIXED ASSET ACCOUNT GROUP
Statement of General Fixed Asset Group of Accounts - Regulatory Basis
For the Year Ended December 31, 2018

	(Restated) Balance <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2018</u>
General Fixed Assets:				
Land	\$ 2,751,971.00	\$ 190,000.00		\$ 2,941,971.00
Land Improvements	979,864.00	161,586.44		1,141,450.44
Buildings	824,285.00	5,919,509.44		6,743,794.44
Equipment	1,839,290.58	79,218.19	\$ 83,537.00	1,834,971.77
	<u>\$ 6,395,410.58</u>	<u>\$ 6,350,314.07</u>	<u>\$ 83,537.00</u>	<u>\$ 12,662,187.65</u>
Investment in General Fixed Assets:				
General Capital Fund	<u>\$ 6,395,410.58</u>	<u>\$ 6,350,314.07</u>	<u>\$ 83,537.00</u>	<u>\$ 12,662,187.65</u>

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Chesterfield (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature on February 21, 1798. The Township, located in Burlington County, New Jersey, has a total area of approximately twenty two square miles, and is located approximately twenty-seven miles from the City of Philadelphia. The Township borders Bordentown, Mansfield, North Hanover, Springfield and Hamilton Townships. According to the 2010 census, the population is 7,699.

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

Component Units - The Township had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39, No. 61 and No. 80.

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

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

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

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

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

Sewer Utility Operating and Capital Funds - The sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned sewer operations.

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

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

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

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

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

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

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

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

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

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

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

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

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.

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

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

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

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

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

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

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 Burlington, the Township of Chesterfield School District, the Northern Burlington County Regional High School District, and the Township of Chesterfield Fire Districts No. 1 and 2. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Chesterfield School District and the Northern Burlington County Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local and regional school districts for the period from July 1 to June 30, increased by the amount deferred at December 31, 2017 and decreased by the amount deferred at December 31, 2018.

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

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting fire district taxes for the Township of Chesterfield Fire Districts No. 1 and 2. Operations is charged for the full amount required to be raised from taxation to operate the Fire District for the period from January 1 to December 31.

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

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

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

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

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

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

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

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

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2018, the Township's bank balances of \$11,893,876.11 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 11,501,315.91
Uninsured and Uncollateralized	<u>392,560.20</u>
Total	<u><u>\$ 11,893,876.11</u></u>

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

New Jersey Cash Management Fund - During the year, the Township participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2018, the Township's deposits with the New Jersey Cash Management Fund were \$259,352.60.

Note 3: PROPERTY TAXES

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

	<u>Year Ended</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Tax Rate	\$ 2.840	\$ 2.812	\$ 2.704	\$ 2.575	\$ 2.418
Apportionment of General Tax Rate:					
Municipal	\$ 0.328	\$ 0.309	\$ 0.263	\$ 0.224	\$ 0.177
County	0.415	0.414	0.407	0.413	0.372
Local School	1.451	1.453	1.429	1.345	1.267
Regional School	0.646	0.636	0.605	0.593	0.602
Special Tax:					
Fire District #1	\$ 0.112	\$ 0.104	\$ 0.104	\$ 0.103	\$ 0.102
Fire District #2	0.094	0.094	0.087	0.086	0.083

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2018	\$ 785,185,266.00
2017	768,327,218.00
2016	747,461,210.00
2015	730,924,803.00
2014	724,377,407.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2018	\$ 23,533,797.70	\$ 23,212,693.72	98.64%
2017	22,703,533.57	22,451,951.47	98.89%
2016	21,419,997.00	21,109,685.00	98.55%
2015	19,912,446.00	19,568,519.00	98.27%
2014	18,199,230.20	18,019,404.69	99.01%

Note 3: PROPERTY TAXES (CONT'D)

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

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2018	\$ 28,439.33	\$ 303,591.32	\$ 332,030.65	1.41%
2017	20,421.71	219,529.64	239,951.35	1.06%
2016	1,521.00	254,915.00	256,436.00	1.20%
2015		303,995.00	303,995.00	1.53%
2014	49,377.40	254,768.95	304,146.35	1.67%

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

<u>Year</u>	<u>Number</u>
2018	4
2017	4
2016	1
2015	0
2014	N/A

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	\$ 53,000.00
2017	53,000.00
2016	53,000.00
2015	645,500.00
2014	302,800.00

Note 5: SEWER UTILITY SERVICE CHARGES

The following is a five-year comparison of sewer utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2018	\$ 39,090.51	\$ 91.00	\$ 449,260.65	\$ 488,442.16	\$ 337,501.63
2017	42,696.33		408,148.93	450,845.26	411,663.75
2016	32,919.06		399,639.54	432,558.60	389,862.27
2015	34,818.63		371,388.81	406,207.44	373,288.38
2014	44,336.23		378,305.26	422,641.49	363,709.22

Note 6: FUND BALANCES APPROPRIATED

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

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2018	\$ 3,376,391.58	\$ 1,312,000.00	38.86%
2017	3,635,623.68	1,350,000.00	37.13%
2016	3,039,215.99	1,300,000.00	42.77%
2015	2,594,202.09	1,297,000.00	50.00%
2014	2,415,616.12	1,130,000.00	46.78%

Sewer Utility Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2018	\$ 2,722,612.30	\$ 308,600.00	11.33%
2017	2,670,889.78	302,600.00	11.33%
2016	2,478,885.15	302,600.00	12.21%
2015	2,646,196.11	336,675.17	12.72%
2014	2,713,075.14	244,500.00	9.01%

Note 7: 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	\$ 167,425.21	\$ 440,533.71
Federal and State Grant	3,026.00	151,273.23
Trust - Other		19,177.98
General Capital	440,533.71	
Sewer Utility - Operating		266,125.53
Sewer Utility - Capital	<u>266,125.53</u>	
Totals	<u>\$ 877,110.45</u>	<u>\$ 877,110.45</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 8: 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. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plan's fiduciary net position which can be obtained by writing to or at the following website:

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

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

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

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

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

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

The following represents the membership tiers for PFRS:

Tier Definition

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

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

Contributions

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

The Township's contractually required contribution rate for the year ended December 31, 2018 was 13.69% 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 8: 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 \$89,586.00, 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 \$81,125.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$49,913.85.

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 25.96% 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 \$182,586.00, 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 \$160,021.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$70,342.40.

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 2.89% of the Township's covered payroll. Based on the most recent PFRS measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2018 is \$20,330.00, 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 \$15,634.00, which was paid on April 1, 2018.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

Public Employees' Retirement System - At December 31, 2018, the Township's proportionate share of the PERS net pension liability was \$1,773,343.00. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2018 measurement date, the Township's proportion was 0.0090065426%, which was an increase of 0.0002494619% 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 \$150,445.00. 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 \$81,125.00, 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	\$ 2,527,179.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>343,275.00</u>
	<u>\$ 2,870,454.00</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2018 measurement date, the Township's proportion was 0.0186760597%, which was an increase of 0.0005949679% from its proportion measured as of June 30, 2017. Likewise, at June 30, 2018, the State of New Jersey's proportion, on-behalf of the Township, was 0.0186760597%, which was an increase of 0.0005949679% 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 \$124,263.00. 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 \$160,021.00, 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 \$40,660.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 33,818.00	\$ 25,711.00	\$ 59,529.00	\$ 9,144.00	\$ 10,458.00	\$ 19,602.00
Changes of Assumptions	292,218.00	216,924.00	509,142.00	567,021.00	647,672.00	1,214,693.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	16,634.00	13,826.00	30,460.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	126,091.00	317,181.00	443,272.00	19,949.00	221,388.00	241,337.00
Township Contributions Subsequent to the Measurement Date	44,793.00	91,293.00	136,086.00	-	-	-
	<u>\$ 496,920.00</u>	<u>\$ 651,109.00</u>	<u>\$ 1,148,029.00</u>	<u>\$ 612,748.00</u>	<u>\$ 893,344.00</u>	<u>\$ 1,506,092.00</u>

\$44,793.00 and \$91,293.00 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 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

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

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

Year Ending			
Dec 31,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2019	\$ 63,633.00	\$ (50,011.00)	\$ 13,622.00
2020	17,831.00	(14,173.00)	3,658.00
2021	(117,241.00)	(132,265.00)	(249,506.00)
2022	(97,222.00)	(107,774.00)	(204,996.00)
2023	(27,622.00)	(29,305.00)	(56,927.00)
	<u>\$ (160,621.00)</u>	<u>\$ (333,528.00)</u>	<u>\$ (494,149.00)</u>

Actuarial Assumptions

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

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

Note 8: 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 8: PENSION PLANS (CONT'D)Actuarial Assumptions (Cont'd)

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

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

Note 8: PENSION PLANS (CONT'D)**Sensitivity of Township's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

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

	PERS		
	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
Township's Proportionate Share of the Net Pension Liability	<u>\$ 2,229,775.00</u>	<u>\$ 1,773,343.00</u>	<u>\$ 1,390,426.00</u>

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

	PFRS		
	1% Decrease (5.51%)	Current Discount Rate (6.51%)	1% Increase (7.51%)
Township's Proportionate Share of the Net Pension Liability	\$ 3,382,315.00	\$ 2,527,179.00	\$ 1,821,847.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>459,430.99</u>	<u>343,275.00</u>	<u>247,467.47</u>
	<u>\$ 3,841,745.99</u>	<u>\$ 2,870,454.00</u>	<u>\$ 2,069,314.47</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 8: PENSION PLANS (CONT'D)**Supplementary Pension Information**

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

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

	<u>Measurement Date Ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Proportion of the Net Pension Liability	0.0090065426%	0.0087570807%	0.0088248830%
Township's Proportionate Share of the Net Pension Liability	\$ 1,773,343.00	\$ 2,038,508.00	\$ 2,613,677.00
Township's Covered Payroll (Plan Measurement Period)	\$ 632,484.00	\$ 648,036.00	\$ 607,096.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	280.38%	314.57%	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	0.0089401136%	0.0078258283%	0.0074673557%
Township's Proportionate Share of the Net Pension Liability	\$ 2,006,876.00	\$ 1,465,209.00	\$ 1,427,160.00
Township's Covered Payroll (Plan Measurement Period)	\$ 604,028.00	\$ 541,204.00	\$ 515,112.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	332.25%	270.73%	277.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

Note 8: 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	\$ 89,586.00	\$ 81,125.00	\$ 78,399.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(89,586.00)</u>	<u>(81,125.00)</u>	<u>(78,399.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 654,374.00	\$ 628,537.00	\$ 620,559.00
Township's Contributions as a Percentage of Covered Payroll	13.69%	12.91%	12.63%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 76,861.00	\$ 64,515.00	\$ 56,265.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(76,861.00)</u>	<u>(64,515.00)</u>	<u>(56,265.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 613,943.00	\$ 581,496.00	\$ 549,554.00
Township's Contributions as a Percentage of Covered Payroll	12.52%	11.09%	10.24%

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Six Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Proportion of the Net Pension Liability	0.0186760597%	0.0180810918%	0.0176187720%
Township's Proportionate Share of the Net Pension Liability	\$ 2,527,179.00	\$ 2,791,371.00	\$ 3,365,636.00
State's Proportionate Share of the Net Pension Liability associated with the Township	343,275.00	312,657.00	282,630.00
Total	<u>\$ 2,870,454.00</u>	<u>\$ 3,104,028.00</u>	<u>\$ 3,648,266.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 619,588.00	\$ 602,516.00	\$ 563,140.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	407.88%	463.29%	597.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.48%	58.60%	52.01%
	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0146168268%	0.0163760012%	0.0225726457%
Township's Proportionate Share of the Net Pension Liability	\$ 2,434,654.00	\$ 2,059,949.00	\$ 3,000,830.00
State's Proportionate Share of the Net Pension Liability associated with the Township	213,511.00	221,822.00	279,714.00
Total	<u>\$ 2,648,165.00</u>	<u>\$ 2,281,771.00</u>	<u>\$ 3,280,544.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 462,888.00	\$ 555,728.00	\$ 694,716.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	525.97%	370.68%	431.95%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

Note 8: 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	\$ 182,586.00	\$ 160,021.00	\$ 143,653.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(182,586.00)</u>	<u>(160,021.00)</u>	<u>(143,653.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 703,424.00	\$ 655,589.00	\$ 614,114.00
Township's Contributions as a Percentage of Covered Payroll	25.96%	24.41%	23.39%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 118,813.00	\$ 125,779.00	\$ 164,685.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(118,813.00)</u>	<u>(125,779.00)</u>	<u>(164,685.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 588,398.00	\$ 466,622.00	\$ 517,163.00
Township's Contributions as a Percentage of Covered Payroll	20.19%	26.96%	31.84%

Note 8: PENSION PLANS (CONT'D)**Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***Changes in Benefit Terms

None

Changes in Assumptions

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

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

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

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

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

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

Changes in Assumptions

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

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

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

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**General Information about the OPEB Plan**

Plan Description and Benefits Provided - The Township does not provide postemployment benefits to its retirees, however, the State of New Jersey (the "State") provides these benefits to certain Township retirees and their dependents under a special funding situation as described below.

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

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

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

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

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**General Information about the OPEB Plan (Cont'd)**

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

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

Therefore, the Township is considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the Township does not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the Township is required disclose:

- a) the State's proportion (percentage) of the collective net OPEB liability that is associated with the Township,
- b) the State's proportionate share of the collective net OPEB liability that is associated with the Township, and
- c) the State's proportionate share of the OPEB expense that is associated with the Township.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Township, is not known, however, under the Special Funding Situation, the State's OPEB expense, on-behalf of the Township, is \$79,435.00 for the year ended December 31, 2018 representing 11.29% of the Township's covered payroll.

OPEB Liability and OPEB Expense

OPEB Liability - At December 31, 2018 the State's proportionate Share of the Net OPEB liability associated with the Township is \$2,624,107.00. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018.

The State's proportion of the net OPEB liability, on-behalf of the Township, was based on the ratio of the plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2017 through June 30, 2018. For the June 30, 2018 measurement date, the State's proportion on-behalf of the Township was 0.042230% which was an increase of 0.006304% from its proportion measured as of the June 30, 2017 measurement date.

OPEB Expense - At December 31, 2018, the State's proportionate share of the OPEB expense, associated with the Township, calculated by the Plan as of the June 30, 2018 measurement date, is \$79,435.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Actuarial Assumptions**

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

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

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

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

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

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

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

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

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

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

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

	1% Decrease <u>(2.87%)</u>	Current Discount Rate <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>\$ 3,078,771.32</u>	<u>\$ 2,624,107.00</u>	<u>\$ 2,260,933.22</u>

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

The net OPEB Liability as of June 30, 2018, the Plans measurement date, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>\$ 2,188,925.88</u>	<u>\$ 2,624,107.00</u>	<u>\$ 3,187,295.99</u>

OPEB Plan Fiduciary Net Position

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

Supplementary OPEB Information

In accordance with GASBS No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information (Cont'd)*****Schedule of the State's Proportionate Share of the net OPEB Liability Associated with the Township (Last 2 Years)***

	<u>Measurement Date Ended June 30,</u>	
	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net OPEB Liability	0.000000%	0.000000%
State's Proportion of the Net Pension Liability Associated with the Township	100.000000%	100.000000%
	<u>100.000000%</u>	<u>100.000000%</u>
Township's Proportionate Share of the Net OPEB Liability	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Township	2,624,107.00	3,123,914.00
Total	<u>\$ 2,624,107.00</u>	<u>\$ 3,123,914.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 696,246.00	\$ 618,960.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	376.894%	504.704%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.97%	1.03%

Schedule of the State's Contributions Associated with the Township (Last 2 Years)

The amount of actual contributions that the State made on-behalf of the Township is not known.

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

None.

Changes in Assumptions

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

Note 10: COMPENSATED ABSENCES

Under the existing policy of the Township, certain employees are entitled to accumulate annual unused sick leave and vacation days. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may not be accumulated and carried forward.

The Township compensates employees for unused sick leave upon termination or retirement. There is a maximum payout of \$2,500.00.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2018, accrued benefits for compensated absences are valued at \$49,049.06.

Note 11: 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 12: LEASE OBLIGATIONS

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

- Operating:
 - Two (2) Copiers
 - One (1) Postage Meter

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

<u>Year</u>	<u>Amount</u>
2019	\$ 5,398.08
2020	5,398.08
2021	3,925.04

Rental payments under operating leases for the year 2018 were \$5,398.08.

Note 13: CAPITAL DEBT**General Improvement Bonds**

Pooled Loan Revenue Refunding Bonds, Series 2013A-1 - On March 11, 2013, the Township entered into a guaranteed pooled loan agreement with the Burlington County Bridge Commission with interest rates ranging from 2.00%-5.00%. The proceeds of \$485,000.00 were used to advance refund a 2003 loan with the Burlington County Bridge Commission. The final maturity of the loan is December 1, 2023.

Pooled Loan Revenue Bonds, Series 2013A-2 - On March 11, 2013, the Township entered into a guaranteed pooled loan agreement with the Burlington County Bridge Commission with interest rates ranging from 2.00%-5.00%. The proceeds of \$1,960,000.00 were used to fund various general capital improvements. The final maturity of the loan is December 1, 2032.

General Improvement Bonds, Series 2016 - On June 1, 2016, the Township issued \$6,365,000.00 of general improvement bonds, with interest rates ranging from 2.25% to 3.00%. The purpose of the bonds is to fund various capital ordinances, specifically 2015-02 and 2016-03. The final maturity of the bonds is May 15, 2046.

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	\$ 285,000.00	\$ 249,431.25	\$ 534,431.25
2020	295,000.00	239,387.50	534,387.50
2021	310,000.00	228,981.25	538,981.25
2022	320,000.00	217,962.50	537,962.50
2023	330,000.00	206,581.25	536,581.25
2024-2028	1,575,000.00	872,062.50	2,447,062.50
2029-2033	1,570,000.00	605,487.50	2,175,487.50
2034-2038	1,250,000.00	388,500.00	1,638,500.00
2039-2043	1,250,000.00	201,000.00	1,451,000.00
2044-2046	715,000.00	31,125.00	746,125.00
Totals	<u>\$ 7,900,000.00</u>	<u>\$ 3,240,518.75</u>	<u>\$ 11,140,518.75</u>

Sewer Utility Debt - New Jersey Environmental Infrastructure Loans

From 2001 to 2003, the Township entered into two loan agreements with the New Jersey Environmental Infrastructure Trust to provide funding, at no interest, from the fund loan, and at interest rates ranging from 4.00% to 5.50% from the trust loan. The proceeds were used to fund various projects within the Township. Semiannual debt payments are due February 1st and August 1st through 2023.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 345,760.00	\$ 34,700.00	\$ 380,460.00
2020	355,788.53	24,700.00	380,488.53
2021	365,770.46	14,625.00	380,395.46
2022	75,049.14	4,275.00	79,324.14
2023	73,745.71	2,137.50	75,883.21
Totals	<u>\$ 1,216,113.84</u>	<u>\$ 80,437.50</u>	<u>\$ 1,296,551.34</u>

Note 13: CAPITAL DEBT (CONT'D)

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

	<u>2018</u>	<u>Restated 2017</u>	<u>Restated 2016</u>
<u>Issued</u>			
General:			
Bonds	\$ 7,900,000.00	\$ 8,170,000.00	\$ 8,415,000.00
Sewer Utility:			
Loans	1,216,113.84	1,551,448.00	1,875,963.00
Total Issued	<u>9,116,113.84</u>	<u>9,721,448.00</u>	<u>10,290,963.00</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	1,319,720.87	1,319,721.00	1,319,721.00
Sewer Utility:			
Bonds and Notes	58,360.00	58,360.00	58,360.00
Total Authorized but not Issued	<u>1,378,080.87</u>	<u>1,378,081.00</u>	<u>1,378,081.00</u>
Total Issued and Authorized but not Issued	<u>10,494,194.71</u>	<u>11,099,529.00</u>	<u>11,669,044.00</u>
<u>Deductions</u>			
General:			
Reserve for Payment of Bonds	15,360.00	15,600.00	15,840.00
County Open Space Receivable	156,000.00	168,000.00	180,000.00
Self-Liquidating	1,274,473.84	1,609,808.00	1,934,323.00
Total Deductions	<u>1,445,833.84</u>	<u>1,793,408.00</u>	<u>2,130,163.00</u>
Net Debt	<u>\$ 9,048,360.87</u>	<u>\$ 9,306,121.00</u>	<u>\$ 9,538,881.00</u>

See Notes to Financial Statement No. 19 relating to the restatement of County Open Space Receivable.

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 2.958%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Purposes	\$ 33,995,000.00	\$ 19,714,235.07	\$ 14,280,764.93
Regional School Purposes	2,931,282.68	2,931,282.68	
Self-Liquidating	1,274,473.84	1,274,473.84	
General	9,219,720.87	171,360.00	9,048,360.87
	<u>\$ 47,420,477.39</u>	<u>\$ 24,091,351.59</u>	<u>\$ 23,329,125.80</u>

Net debt \$23,329,125.80 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$788,569,402.67, equals 2.958%.

Note 13: CAPITAL DEBT (CONT'D)

Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd)

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 27,599,929.09
Less: Net Debt	<u>23,329,125.80</u>
Remaining Borrowing Power	<u>\$ 4,270,803.29</u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 979,918.41
Deductions:	
Operating and Maintenance Costs	\$ 312,600.00
Debt Service	<u>375,308.34</u>
Total Deductions	<u>687,908.34</u>
Excess in Revenue	<u>\$ 292,010.07</u>

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

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:

<u>Description</u>	<u>Balance December 31, 2018</u>	<u>2019 Budget Appropriation</u>
Animal Control Trust Fund:		
Deficit	\$ 37.18	\$ 37.18

The appropriation in the 2019 Budget as adopted is not less than that required by the statutes.

Note 15: SCHOOL TAXES

Chesterfield Township local school tax has been raised and the liability deferred by statutes as follows:

	<u>Balance December 31,</u>	
	<u>2018</u>	<u>2017</u>
Deferred	<u>\$ 5,699,563.50</u>	<u>\$ 5,582,088.00</u>

Northern Burlington County Regional High School tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	<u>Balance December 31,</u>	
	<u>2018</u>	<u>2017</u>
Balance of Tax	\$ 2,572,566.05	\$ 2,493,792.41
Deferred	<u>2,537,859.00</u>	<u>2,443,908.50</u>
Taxes Payable	<u>\$ 34,707.05</u>	<u>\$ 49,883.91</u>

Note 16: RISK MANAGEMENT

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

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>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	\$ 10,000.00	\$ 2,593.32	\$ 3,622.43	\$ 52,095.30
2017	10,000.00	2,496.74	2,285.15	43,124.41
2016	10,000.00	2,252.00	104.00	32,912.82

Joint Insurance Pool - The Township of Chesterfield is a member of the Burlington County Municipal Insurance Joint Insurance Fund. The Fund provides its members with the following coverage:

- Workers' Compensation including Employer's Liability
- General Liability including Police Professional and Employee Benefit Liability
- Automobile Liability
- Blanket Crime including Public Employee Dishonesty
- Property Including Boiler and Machinery
- Public Officials and Employment Practices Liability
- Volunteer Directors and Officers Liability
- Cyber Liability

Note 16: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool (Cont'd) - Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and 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.

The Township's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report which can be obtained from:

Burlington County Municipal Joint Insurance Fund
P.O. Box 489
Marlton, New Jersey 08053

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.

Note 18: 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 19: PRIOR PERIOD ADJUSTMENTS

For the year ended December 31, 2017, the following adjustments were made to the Township's financial statements:

General Fixed Asset Account Group - During the current year, it was determined that assets previously included on the fixed asset listing were no longer possessed by the Township. Also, there were various assets that were owned by the Township, but were not included on the listing. Additionally, values for Land were not reported at their proper values. As a result, General Fixed Assets were restated as follows:

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Adjustments</u>	<u>Restated</u> <u>Balance</u> <u>Dec. 31, 2017</u>
General Fixed Assets:			
Land	\$ 3,682,445.00	\$ (930,474.00)	\$ 2,751,971.00
Land Improvements	709,819.92	270,044.08	979,864.00
Buildings	824,285.00		824,285.00
Machinery and Equipment	2,082,233.99	(242,943.41)	1,839,290.58
	<u>2,082,233.99</u>	<u>(242,943.41)</u>	<u>1,839,290.58</u>
Total Fixed Assets	<u>\$ 7,298,783.91</u>	<u>\$ (903,373.33)</u>	<u>\$ 6,395,410.58</u>

General Capital Fund Grants Receivable and Improvement Authorizations – During the current year it was determined that one of the two previously recorded receivables in the General Capital Fund from the County of Burlington for open space funds was not valid and was deemed uncollectible. No agreement was completed and no funding was committed for the project. As a result, the receivable and its corresponding offsetting reserve in the amount of \$417,500.00 has been removed from the balances included in the Statements of Assets, Liabilities, Reserves and Fund Balance – Regulatory Basis as of December 31, 2017. In addition, the balances in Improvement Authorizations Funded and Unfunded were restated to reflect the correct funding sources. These restatements are as follows:

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Adjustments</u>	<u>Restated</u> <u>Balance</u> <u>Dec. 31, 2017</u>
General Capital Fund:			
<u>Assets</u>			
Accounts Receivable:			
Due from County - Open Space Funds	\$ 585,500.00	\$ (417,500.00)	\$ 168,000.00
	<u>585,500.00</u>	<u>(417,500.00)</u>	<u>168,000.00</u>
Total Assets	<u>\$ 11,569,431.41</u>	<u>\$ (417,500.00)</u>	<u>\$ 11,151,931.41</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Reserve for Grants Receivable	\$ 585,500.00	\$ (417,500.00)	\$ 168,000.00
Improvement Authorizations Funded	788,136.35	161,194.47	949,330.82
Improvement Authorizations UnFunded	413,101.92	(161,194.47)	251,907.45
	<u>413,101.92</u>	<u>(161,194.47)</u>	<u>251,907.45</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 11,569,431.41</u>	<u>\$ (417,500.00)</u>	<u>\$ 11,151,931.41</u>

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF CHESTERFIELD
CURRENT FUND

Statement of Current Cash Per N.J.S.40A:5-5 - Chief Financial Officer
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$	7,668,989.15
Increased by Receipts:			
Tax Collector	\$ 22,039,893.74		
Revenue Accounts Receivable	444,229.93		
Energy Receipts Tax	512,715.00		
Reserve for Recreation Building Deposits	280.00		
Miscellaneous Revenue not Anticipated	92,356.65		
Reserve for Marriage Licenses	825.00		
Reserve for DCA Fees	19,374.00		
Petty Cash	100.00		
Reserve for Redemption of Tax Title Liens	171,888.85		
Due Trust Other Fund	6,794.61		
Due General Capital Fund	15,360.00		
Due Federal and State Grant Fund	118,726.90		
			23,422,544.68
			31,091,533.83
Decreased by Disbursements:			
2018 Appropriations	3,906,390.28		
2017 Appropriation Reserves	150,515.81		
Accounts Payable	1,278.00		
County Taxes Payable	3,244,921.77		
Due County - Added and Omitted Taxes	45,895.56		
Local District School Taxes Payable	11,281,652.50		
Regional School Taxes Payable	4,996,944.36		
Fire District Taxes Payable	833,331.00		
Reserve for Special Law Enforcement	993.00		
Reserve for Recreation Building Deposits	40.00		
Reserve for Marriage Licenses	800.00		
Reserve for DCA Fees	20,410.00		
Petty Cash	100.00		
Tax Overpayments	238,534.76		
Refund of Prior Year Revenue	554.08		
Reserve for Redemption of Tax Title Liens	171,888.85		
Due General Capital Fund	209,891.96		
Due Federal and State Grant Fund	362,622.04		
			25,466,763.97
Balance Dec. 31, 2018		\$	5,624,769.86

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

Receipts:			
Taxes Receivable	\$	21,570,592.67	
Tax Title Liens Receivable		22,524.89	
Due from State of New Jersey - Senior Citizens and Veterans		28,029.45	
Prepaid Taxes		147,983.36	
Tax Overpayments		215,921.84	
Interest and Cost on Taxes		54,841.53	
			\$ 22,039,893.74
Decreased by:			
Disbursed to Chief Financial Officer			\$ 22,039,893.74

Exhibit SA-3

CURRENT FUND
 Schedule of Change Funds
 As of December 31, 2018

<u>Office</u>		<u>Balance</u> <u>Dec. 31, 2018</u>	
Construction Code	\$	50.00	
Chief Financial Officer		50.00	
			\$ 100.00

Exhibit SA-4

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

<u>Office</u>	<u>Received</u> <u>from Chief</u> <u>Financial Officer</u>	<u>Disbursed</u> <u>to Chief</u> <u>Financial Officer</u>	
Township Clerk	\$ 100.00	\$ 100.00	

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

Year	Balance	2018 Levy	Collections		Due from State of New Jersey	Appeals/ Canceled	Transferred to Tax Title Liens	Balance
	Dec. 31, 2017		2017	2018				Dec. 31, 2018
2017	\$ 219,529.64			\$ 218,894.95		\$ 634.69		
2018		\$ 23,533,797.70	\$ 1,833,966.55	21,351,697.72	\$ 27,029.45	15,409.48	\$ 2,103.18	\$ 303,591.32
	<u>\$ 219,529.64</u>	<u>\$ 23,533,797.70</u>	<u>\$ 1,833,966.55</u>	<u>\$ 21,570,592.67</u>	<u>\$ 27,029.45</u>	<u>\$ 16,044.17</u>	<u>\$ 2,103.18</u>	<u>\$ 303,591.32</u>

Analysis of 2018 Tax Levy
Tax Yield

General Purpose Tax	\$ 23,135,493.82
Added Taxes (54:4-63.1 et seq.)	<u>398,303.88</u>
	<u>\$ 23,533,797.70</u>

Tax Levy

Local District School Tax	\$ 11,399,128.00
Regional High School	5,075,718.00
Fire District Taxes	833,331.00
County Taxes:	
County Tax	\$ 2,795,451.94
County Library Tax	246,617.22
County Open Space	<u>202,852.61</u>
	3,244,921.77
Due County for Added Taxes	<u>58,219.82</u>
Total County Taxes	3,303,141.59
Local Tax for Municipal Purposes	2,579,140.15
Add: Additional Tax Levied	<u>343,338.96</u>
Local Tax for Municipal Purposes Levied	<u>2,922,479.11</u>
	<u>\$ 23,533,797.70</u>

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

Balance Dec. 31, 2017		\$	20,421.71
Increased by:			
Transferred from Taxes Receivable	\$		2,103.18
Other Charges - Demolition Charges			28,339.33
2018 Tax Sale - Interest and Costs			<u>100.00</u>
			<u>30,542.51</u>
			50,964.22
Decreased by:			
Collections			<u>22,524.89</u>
Balance Dec. 31, 2018		\$	<u><u>28,439.33</u></u>
 <u>Analysis of Balance Dec. 31, 2018</u>			
Tax Title Liens		\$	100.00
Demolition Charges			<u>28,339.33</u>
		\$	<u><u>28,439.33</u></u>

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

Balance Dec. 31, 2017		\$	1,833,966.55
Increased by:			
Collections - 2019 Taxes	\$		147,983.36
Overpayments Applied			<u>20,382.94</u>
			<u>168,366.30</u>
			2,002,332.85
Decreased by:			
Applied to 2018 Taxes Receivable			<u>1,833,966.55</u>
Balance Dec. 31, 2018		\$	<u><u>168,366.30</u></u>

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

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Accrued</u> <u>in 2018</u>	<u>Realized</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Clerk:				
Licenses:				
Alcoholic Beverages		\$ 5,000.00	\$ 5,000.00	
Other		2,149.00	2,149.00	
Fees and Permits	\$ 76,818.31	76,642.67	84,234.81	\$ 69,226.17
Municipal Court:				
Fines and Costs	5,147.16	112,998.78	111,700.52	6,445.42
Interest on Investments		37,126.60	37,126.60	
Uniform Construction Code Fees		204,019.00	204,019.00	
	<u>\$ 81,965.47</u>	<u>\$ 437,936.05</u>	<u>\$ 444,229.93</u>	<u>\$ 75,671.59</u>

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
 Statement of Reserve for Tax Appeals
 For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 70,732.00
Increased by:		
Budget Appropriation		<u>10,000.00</u>
Balance Dec. 31, 2018		<u><u>\$ 80,732.00</u></u>

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

Balance Dec. 31, 2017		\$ 48,135.98
Increased by:		
Receipts		<u>215,921.84</u>
		264,057.82
Decreased by:		
Refunded	\$ 238,534.76	
Applied to Prepaid Taxes	<u>20,382.94</u>	
		<u>258,917.70</u>
Balance Dec. 31, 2018		<u><u>\$ 5,140.12</u></u>

TOWNSHIP OF CHESTERFIELD
CURRENT FUND

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

Balance Dec. 31, 2017		\$ 4,326.42
Increased by:		
Receipts - Collector		28,029.45
		32,355.87
Decreased by:		
2018 Senior Citizens' Deductions per Tax Billing	\$ 2,250.00	
2018 Veterans' Deductions per Tax Billing	25,000.00	
Veterans' and Senior Citizens' Deductions Allowed by Tax Collector - 2018 Taxes	1,500.00	
	28,750.00	
Less:		
Deductions Disallowed by Tax Collector - 2018 Taxes	1,720.55	
		27,029.45
Balance Dec. 31, 2018		\$ 5,326.42

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

	Balance Dec. 31, 2017		Budget After Modification	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
<u>General Government</u>					
Administrative and Executive					
Salaries and Wages		\$ 3,046.89	\$ 3,046.89	\$ 213.00	\$ 2,833.89
Other Expenses	\$ 3,768.40	10,583.13	14,351.53	8,046.21	6,305.32
Municipal Clerk					
Salaries and Wages		4.51	4.51		4.51
Other Expenses		195.48	195.48		195.48
Financial Administration					
Salaries and Wages		516.23	516.23		516.23
Other Expenses		4,272.38	4,272.38	4,249.65	22.73
Assessment of Taxes					
Salaries and Wages		70.08	70.08		70.08
Other Expenses	101.00	6,244.42	4,345.42	136.31	4,209.11
Tax Map Revisions		557.50	557.50		557.50
Collection of Taxes					
Salaries and Wages		1,114.70	1,114.70		1,114.70
Other Expenses	28.52	5,301.14	5,329.66	3,778.52	1,551.14
Legal Services and Costs					
Other Expenses	9,075.00	21,114.87	30,189.87	27,551.26	2,638.61
Engineering Services and Costs					
Other Expenses		17,071.64	12,071.64	2,142.30	9,929.34
Municipal Land Use Law (N.J.S.40:55D-1):					
Planning Board					
Salaries and Wages		77.89	77.89		77.89
Other Expenses		8,354.94	5,354.94	529.99	4,824.95
Mayor and Council					
Other Expenses		271.50	271.50		271.50
Audit Service					
Other Expenses	1,000.00	600.00	1,600.00		1,600.00
Insurance					
Group Plan for Employees		10,746.24	10,746.24	1,245.21	9,501.03
Liability Insurance		308.00	308.00		308.00
Workers Compensation Insurance		132.00	132.00		132.00
Historical Preservation Commission					
Other Expenses		1,500.00	1,500.00		1,500.00
<u>Public Safety</u>					
Police					
Salaries and Wages		51,889.40	51,889.40	5,406.79	46,482.61
Other Expenses	6,274.99	12,949.20	19,224.19		19,224.19
Acquisition of Police Car		3,131.61	3,131.61		3,131.61
Contribution to First Aid Organization	201.95	556.82	758.77	345.73	413.04
Office of Emergency Management					
Other Expenses	270.00	230.02	500.02	270.00	230.02
<u>Streets and Roads</u>					
Road Repair and Maintenance					
Salaries and Wages		18,878.15	8,878.15	393.50	8,484.65
Other Expenses	576.99	20,609.69	18,186.68	1,026.89	17,159.79
Recycling Program					
Salaries and Wages		0.07	0.07		0.07
Other Expenses		516.00	516.00	70.00	446.00

(Continued)

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

	Balance Dec. 31, 2017		Budget After Modification	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
<u>Streets and Roads (Cont'd)</u>					
Public Buildings and Grounds					
Salaries and Wages		\$ 4,136.25	\$ 1,136.25	\$ 37.50	\$ 1,098.75
Other Expenses		3,105.02	3,105.02	481.88	2,623.14
Maintenance of Vehicles					
Other Expenses	\$ 2,051.25	724.29	3,775.54	1,973.28	1,802.26
<u>Health and Welfare</u>					
Board of Health					
Salaries and Wages		580.43	580.43		580.43
Other Expenses		111.50	111.50		111.50
Animal Control					
Other Expenses		700.05	700.05	525.00	175.05
Environmental Commission (NJS 40:56A-1 et seq)					
Other Expenses	15.00	6,875.38	3,890.38	25.12	3,865.26
<u>Recreation and Education</u>					
Parks and Playgrounds					
Salaries and Wages		1,404.53	1,404.53		1,404.53
Other Expenses	690.32	20,033.99	18,724.31	1,665.95	17,058.36
Celebration of Public Events	59.66	1,675.88	1,735.54		1,735.54
<u>Unclassified</u>					
Utilities					
Gasoline	1,736.64	29,321.00	31,057.64	2,455.01	28,602.63
Electricity		15,603.22	25,603.22	15,099.23	10,503.99
Telecommunications		799.30	799.30	259.49	539.81
Street Lighting		30,342.04	50,342.04	23,883.42	26,458.62
Telephone		5,191.36	5,191.36	646.72	4,544.64
Natural Gas		4,521.53	4,521.53	1,567.60	2,953.93
State Uniform Construction Code					
Construction Official					
Salaries and Wages		3,791.69	3,791.69	333.00	3,458.69
Other Expenses		3,406.39	3,406.39	285.00	3,121.39
<u>Statutory Expenditures</u>					
Social Security System (O.A.S.I.)		2,477.01	2,477.01		2,477.01
Defined Contribution Retirement Program		1,000.00	1,000.00		1,000.00
<u>Operations Excluded from "CAPS"</u>					
Appropriation "CAP" Waiver (40A:4-45.3ee):					
Public Safety					
Police - Salaries and Wages		29,722.38	29,722.38	8,383.66	21,338.72
Ambulance Service - Contractual		22,235.00	22,235.00	7,083.34	15,151.66
Shared Service Agreements					
Municipal Court - North Hanover Township		31,908.84	31,908.84	31,908.84	
Public and Private Programs Offset by Revenues:					
Matching Funds for Grants		5,000.00	5,000.00		5,000.00
Totals	<u>\$ 25,849.72</u>	<u>\$425,511.58</u>	<u>\$ 451,361.30</u>	<u>\$ 152,019.40</u>	<u>\$ 299,341.90</u>
Disbursed				\$ 150,515.81	
Accounts Payable				<u>1,503.59</u>	
				<u>\$ 152,019.40</u>	

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

Balance Dec. 31, 2017		\$ 5,420.14
Increased by:		
2017 Appropriation Reserves		1,503.59
		6,923.73
Decreased by:		
Disbursed		1,278.00
Balance Dec. 31, 2018		\$ 5,645.73

CURRENT FUND
Statement of Regional High School Tax
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		
School Tax Payable	\$ 49,883.91	
School Tax Deferred	2,443,908.50	
		\$ 2,493,792.41
Increased by:		
Levy - School Year July 1, 2018 to June 30, 2019		5,075,718.00
		7,569,510.41
Decreased by:		
Payments		4,996,944.36
Balance Dec. 31, 2018		
School Tax Payable	34,707.05	
School Tax Deferred	2,537,859.00	
		\$ 2,572,566.05
2018 Liability for Regional High School Tax:		
Tax Paid		\$ 4,996,944.36
Add: Tax Payable Dec. 31, 2018		34,707.05
		5,031,651.41
Less: Tax Payable Dec. 31, 2017		49,883.91
Amount Charged to Operations		\$ 4,981,767.50

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

2018 Tax Levy:		
County Tax	\$	2,795,451.94
County Library Tax		246,617.22
County Open Space Tax		<u>202,852.61</u>
		\$ 3,244,921.77
Decreased by:		
Payments		<u>\$ 3,244,921.77</u>

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

Balance Dec. 31, 2017		\$ 45,895.56
Increased by:		
2018 Omitted/Added Taxes		<u>58,219.82</u>
		104,115.38
Decreased by:		
Payments		<u>45,895.56</u>
Balance Dec. 31, 2018		<u>\$ 58,219.82</u>

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

Balance Dec. 31, 2017:	
School Tax Deferred	\$ 5,582,088.00
Increased By:	
Levy - School Year July 1, 2018 to June 30, 2019	<u>11,399,128.00</u>
	16,981,216.00
Decreased by:	
Payments	<u>11,281,652.50</u>
Balance Dec. 31, 2018:	
School Tax Deferred	<u>\$ 5,699,563.50</u>
2018 Liability for Local District School Tax:	
Tax Paid	\$ 11,281,652.50
Amount Charged to Operations	<u>\$ 11,281,652.50</u>

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

2018 Tax Levy	\$ 833,331.00
Decreased by:	
Payments	<u>\$ 833,331.00</u>

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
Statement of Reserve for Special Law Enforcement
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 993.00
Decreased by:	
Disbursements	<u>\$ 993.00</u>

CURRENT FUND
Statement of Reserve for Recreation Building Deposits
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 85.00
Increased by:	
Receipts	<u>280.00</u>
	365.00
Decreased by:	
Disbursements	<u>40.00</u>
Balance Dec. 31, 2018	<u><u>\$ 325.00</u></u>

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
Statement of Due State of New Jersey - Marriage Licenses
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$	150.00
Increased by:		
Receipts		825.00
		975.00
Decreased by:		
Disbursements		800.00
Balance Dec. 31, 2018	\$	175.00

CURRENT FUND
Statement of Due State of New Jersey - DCA Fees
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$	3,479.00
Increased by:		
Receipts		19,374.00
		22,853.00
Decreased by:		
Disbursements		20,410.00
Balance Dec. 31, 2018	\$	2,443.00

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

<u>Program</u>	<u>Balance Dec. 31, 2017</u>	<u>Accrued</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2018</u>
Federal Grant:				
Bullet Proof Vest Program	\$ 4,827.62			\$ 4,827.62
Total Federal Grants	<u>4,827.62</u>	<u>-</u>	<u>-</u>	<u>4,827.62</u>
State Grants:				
Safe and Secure Communities Grant 2017	9,615.36		\$ 9,615.36	
Safe and Secure Communities Grant 2018		\$ 25,000.00	14,583.38	10,416.62
New Jersey Department of Transportation Grant:				
Ward/Ellisdale	51,657.75		51,657.75	
Harker Road	205,000.00			205,000.00
Harker Road Phase 2		240,000.00		240,000.00
New Jersey Department of Energy and Protection:				
Green Communities Program		3,000.00		3,000.00
Clean Communities Program		13,657.02	13,657.02	
Municipal Alliance Program:				
2016	1,360.10		1,360.10	
2017	12,104.00		12,104.00	
2018		12,104.00		12,104.00
2018 Match		3,026.00	3,026.00	
Total State Grants	<u>279,737.21</u>	<u>296,787.02</u>	<u>106,003.61</u>	<u>470,520.62</u>
Local Grants:				
Burlington County Municipal Park Program - 2016	50,000.00			50,000.00
Burlington County Municipal Park Program - 2017		120,950.00		120,950.00
Comcast Technology Grant		10,000.00	10,000.00	
Total Local Grants	<u>50,000.00</u>	<u>130,950.00</u>	<u>10,000.00</u>	<u>170,950.00</u>
Grand Total	<u>\$ 334,564.83</u>	<u>\$ 427,737.02</u>	<u>\$ 116,003.61</u>	<u>\$ 646,298.24</u>
Due Current Fund			\$ 109,648.90	
Canceled - Grants Appropriated			3,256.34	
Canceled - Fund Balance			72.37	
Due Trust Fund			<u>3,026.00</u>	
			<u>\$ 116,003.61</u>	

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

	Balance <u>Dec. 31, 2017</u>	Grants <u>Receivable</u>	Realized as Revenue <u>in 2018 Budget</u>
State Grants:			
Safe and Secure Communities Grant 2018		\$ 25,000.00	\$ 25,000.00
NJDOT Municipal Aid 2018 - Harker Road Phase 2		240,000.00	240,000.00
NJDEP Green Communities Program		3,000.00	3,000.00
NJDEP Clean Communities Program		13,657.02	13,657.02
Recycling Tonnage Grant	\$ 1,641.40		1,641.40
Body Armor Replacement Grant	1,303.45		1,303.45
Municipal Alliance Program - 2018		12,104.00	12,104.00
Municipal Alliance Program - 2018 Match		3,026.00	3,026.00
	<u>2,944.85</u>	<u>296,787.02</u>	<u>299,731.87</u>
Total State Grants			
	<u>2,944.85</u>	<u>296,787.02</u>	<u>299,731.87</u>
Local Grants:			
Burlington County Municipal Park Program - 2017		120,950.00	120,950.00
Comcast Technology Grant		10,000.00	10,000.00
		<u>130,950.00</u>	<u>130,950.00</u>
	<u>-</u>	<u>130,950.00</u>	<u>130,950.00</u>
	<u>\$ 2,944.85</u>	<u>\$ 427,737.02</u>	<u>\$ 430,681.87</u>
Original Budget			
Appropriated by 40A:4-87			\$ 2,944.85
			<u>427,737.02</u>
			<u>\$ 430,681.87</u>

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

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>2018 Budget</u> <u>Appropriation</u>	Prior Year Contracts Payable / Encumbrances <u>Canceled</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Federal Grants:					
Bulletproof Vest Partnership - 2016	\$ 1,879.12				\$ 1,879.12
Bulletproof Vest Partnership - 2017	368.87				368.87
Total Federal Grants	2,247.99	-	-	-	2,247.99
State Grants:					
New Jersey Department of Transportation:					
Harker Road	39,600.00		\$ 165,400.00	\$ 176,406.30	28,593.70
Harker Road Phase 2		\$ 240,000.00		189,615.50	50,384.50
Safe and Secure Communities Grant:					
2015	0.06			0.06	
2017	5,769.40			5,769.40	
2018		25,000.00		20,833.40	4,166.60
Reforestation Grant - 2012	1,704.16		13,079.13	13,079.13	1,704.16
Reforestation Grant - 2013	113,007.77		5,587.80	5,587.80	113,007.77
Drunk Driving Enforcement Fund	11,943.36			1,701.22	10,242.14
Donation to Police	1,587.55				1,587.55
New Jersey Department of Energy and Protection:					
Clean Communities Program - 2015	1,008.83		44.99	1,053.82	
Clean Communities Program - 2016	16,686.44			4,304.92	12,381.52
Clean Communities Program - 2017	14,176.18			595.00	13,581.18
Clean Communities Program - 2018		13,657.02		6,273.74	7,383.28
Green Communities - 2006	1,541.00			5.00	1,536.00
Green Communities - 2018		3,000.00		2,990.00	10.00
Green Team Grant	2.04			2.04	
Alcohol Education & Rehabilitation	372.50				372.50
Alcohol Education & Rehabilitation - 2017	386.04				386.04
Recycling Tonnage Grant:					
2015	703.31				703.31
2016	3,713.18			200.00	3,513.18
2017	2,543.00				2,543.00
2018		1,641.40			1,641.40
Body Armor Replacement Grant:					
2014	1,549.14				1,549.14
2016	1,426.14				1,426.14
2017	1,301.99				1,301.99
2018		1,303.45			1,303.45
Municipal Alliance Program:					
2016	1,450.09			1,450.09	
2016 Match	250.03			250.03	
2017	3,696.24			3,696.24	
2017 Match	974.06			974.06	
2018		12,104.00		8,517.65	3,586.35
2018 Match		3,026.00		2,189.22	836.78
Total State Grants	225,392.51	299,731.87	184,111.92	445,494.62	263,741.68

(Continued)

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

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>2018 Budget</u> <u>Appropriation</u>	Prior Year Contracts Payable / Encumbrances <u>Canceled</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Local Grants:					
Burlington County Park Grant - Pedestrian and Bike Paths	\$ 14,203.40				\$ 14,203.40
Burlington County Municipal Park Program - 2015	5,113.10				5,113.10
Burlington County Municipal Park Program - 2017		\$ 120,950.00		\$ 120,950.00	
Comcast Technology - 2018		10,000.00		217.39	9,782.61
Matching Funds for Grants	<u>3,000.00</u>				<u>3,000.00</u>
Total Local Grants	<u>22,316.50</u>	<u>130,950.00</u>	<u>-</u>	<u>121,167.39</u>	<u>32,099.11</u>
	<u>\$ 249,957.00</u>	<u>\$ 430,681.87</u>	<u>\$ 184,111.92</u>	<u>\$ 566,662.01</u>	<u>\$ 298,088.78</u>
Original Budget		\$ 2,944.85			
Appropriated by 40A:4-87		<u>424,711.02</u>			
		427,655.87			
Appropriated by 40A:4-87 - Matching Funds		<u>3,026.00</u>			
		<u>\$ 430,681.87</u>			
Due Current Fund				\$ 362,622.04	
Canceled - Grants Receivable				3,256.34	
Canceled - Fund Balance				821.40	
Reserve for Encumbrances				<u>199,962.23</u>	
				<u>\$ 566,662.01</u>	

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

Balance Dec. 31, 2017 (Due From)		\$ 93,370.94
Increased by:		
Received by Current Fund:		
Due Trust Other Fund	\$ 9,078.00	
Federal and State Grants Receivable	<u>109,648.90</u>	
		\$ 118,726.90
Grants Receivable Canceled		<u>72.37</u>
		<u>118,799.27</u>
		212,170.21
Decreased by:		
Disbursed by Current Fund	362,622.04	
Grants Appropriated Canceled	<u>821.40</u>	
		<u>363,443.44</u>
Balance Dec. 31, 2018 (Due From)		<u><u>\$ 151,273.23</u></u>

FEDERAL, STATE AND LOCAL GRANT FUND
Statement of Due Trust Other Fund
 For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 9,078.00
Increased by:		
Matching Funds for Grants		<u>3,026.00</u>
		12,104.00
Decreased by:		
Received by Current Fund		<u>9,078.00</u>
Balance Dec. 31, 2018		<u><u>\$ 3,026.00</u></u>

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF CHESTERFIELD
TRUST FUNDS
Statement of Trust Cash Per N.J.S.40A:5-5 - Chief Financial Officer
For the Year Ended December 31, 2018

	<u>Animal Control</u>	<u>Other</u>
Balance Dec. 31, 2017	\$ 9.54	\$ 2,743,617.12
Increased by Receipts:		
Reserve for Animal Control Expenditures	\$ 4,440.40	
Due State of New Jersey	966.60	
Net Payroll		\$ 1,070,238.77
Reserve for Payroll Deductions Payable		740,790.51
Reserve for Unemployment Trust		12,593.32
Reserve for Escrow Deposits		189,880.30
Reserve for Police Special Duty		58,640.00
Reserve for Public Defender		2,076.00
Reserve for Affordable Housing Trust		7,744.00
Reserve for Tax Sale Premiums		57,200.00
Reserve for Municipal Drug Alliance		19,350.00
Reserve for Parking Offense Adjudication Act		4.00
Reserve for Recreation		79,200.00
Reserve for Police Donations		400.00
Reserve for Basin Landscaping		23,358.42
Reserve for Harvest Festival		4,000.00
Due Federal and State Grant Fund		3,026.00
Due Current Fund		41.11
	<u>5,407.00</u>	<u>2,268,542.43</u>
Carried Forward	5,416.54	5,012,159.55

(Continued)

TOWNSHIP OF CHESTERFIELD
TRUST FUNDS
Statement of Trust Cash Per N.J.S.40A:5-5 - Chief Financial Officer
For the Year Ended December 31, 2018

	<u>Animal Control</u>	<u>Other</u>
Brought Forward	\$ 5,416.54	\$ 5,012,159.55
Decreased by Disbursements:		
Reserve for Animal Control Expenditures	\$ 4,487.12	
Due State of New Jersey	898.80	
Net Payroll		\$ 1,070,238.77
Reserve for Payroll Deductions Payable		714,277.77
Reserve for Unemployment Trust		3,622.43
Reserve for Escrow Deposits		207,560.93
Reserve for Police Special Duty		81,125.00
Reserve for Affordable Housing Trust		4,159.38
Reserve for Tax Sale Premiums		61,200.00
Reserve for Basin Maintenance		350.00
Reserve for Municipal Drug Alliance		17,101.21
Reserve for The Green Team		10.48
Reserve for Recreation		5,550.00
Reserve for Harvest Festival		3,330.37
Due General Capital Fund		719,169.49
Due Current Fund		6,835.72
Due Federal and State Grant Fund		<u>9,078.00</u>
	<u>5,385.92</u>	<u>2,903,609.55</u>
Balance Dec. 31, 2018	<u><u>\$ 30.62</u></u>	<u><u>\$ 2,108,550.00</u></u>

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

Balance Dec. 31, 2017		\$	9.54
Increased by:			
Receipts:			
Dog License Fees Collected	\$		4,440.40
Deficit to Be Raised in Current Fund			<u>37.18</u>
			<u>4,477.58</u>
			4,487.12
Decreased by:			
Disbursements		\$	<u>4,487.12</u>
 <u>License Fees Collected</u>			
<u>Year</u>			<u>Amount</u>
2017		\$	5,124.83
2016			<u>5,134.00</u>
		\$	<u>10,258.83</u>

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

Receipts		\$	966.60
Decreased by:			
Disbursed			<u>898.80</u>
Balance Dec. 31, 2018		\$	<u>67.80</u>

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

Balance Dec. 31, 2017		\$ 3,404.50
Increased by:		
Receipts:		
Interest Earned on Investments	\$ 41.11	
Canceled to Current Fund	<u>19,542.09</u>	
		<u>19,583.20</u>
		22,987.7
Decreased by:		
Disbursed:		
Return of Interfund	6,794.61	
Interest Earned on Investments	<u>41.11</u>	
		<u>6,835.72</u>
Balance Dec. 31, 2018		<u><u>\$ 16,151.98</u></u>

Analysis of Balance Dec. 31, 2018

Police Special Duty		\$ (5,492.50)
Payroll Deductions Payable		18,239.98
Escrow Deposits		3,304.50
Tax Sale Premiums		<u>100.00</u>
		<u><u>\$ 16,151.98</u></u>

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

Balance Dec. 31, 2017		\$ 9,078.00
Increased by:		
Receipts		<u>3,026.00</u>
		12,104.00
Decreased by:		
Disbursed		<u>9,078.00</u>
Balance Dec. 31, 2018		<u><u>\$ 3,026.00</u></u>

TOWNSHIP OF CHESTERFIELD
TRUST OTHER FUND
Statement of Trust Other Reserves
For the Year Ended December 31, 2018

	Balance Dec. 31, 2017	Increased by Receipts	Decreased by				Balance Dec. 31, 2018
			Disbursements	Disbursed to General Capital Fund	Due Current Fund	Due to Victims of Crime Compensation Board	
Reserve for Payroll Deductions Payable	\$ 31,755.33	\$ 740,790.51	\$ 714,277.77		\$ 19,542.09		\$ 38,725.98
Reserve for Unemployment Trust	43,124.41	12,593.32	3,622.43				52,095.30
Reserve for Escrow Deposits	778,365.97	189,880.30	207,560.93				\$ 4,497.00 756,188.34
Reserve for Police Special Duty	153,308.23	58,640.00	81,125.00				14,452.50 116,370.73
Reserve for Public Defender	5,635.89	2,076.00				\$ 4,510.01	3,201.88
Reserve for TDR Credits - NJ Turnpike	118,750.00						118,750.00
Reserve for Affordable Housing Trust	19,903.44	7,744.00	4,159.38				23,488.06
Reserve for Tax Sale Premiums	167,400.00	57,200.00	61,200.00				163,400.00
Reserve for Basin Maintenance	625,763.55		350.00				625,413.55
Reserve for Municipal Drug Alliance	35,322.47	19,350.00	17,101.21				37,571.26
Reserve for Snow Removal	40,000.00						40,000.00
Reserve for Ad Book - Community Outreach	2,867.47						2,867.47
Reserve for Parking Offense Adjudication Act	12.00	4.00					16.00
Reserve for Memorial Bricks	1,250.37						1,250.37
Reserve for The Green Team	100.00		10.48				89.52
Reserve for Recreation	645,519.49	79,200.00	5,550.00	\$ 719,169.49			
Reserve for Police Donations	2,056.00	400.00					2,456.00
Reserve for Landscaping and Trees Donations	60,000.00						60,000.00
Reserve for Basin Landscaping		23,358.42					23,358.42
Reserve for Harvest Festival		4,000.00	3,330.37				669.63
	<u>\$ 2,731,134.62</u>	<u>\$ 1,195,236.55</u>	<u>\$ 1,098,287.57</u>	<u>\$ 719,169.49</u>	<u>\$ 19,542.09</u>	<u>\$ 4,510.01</u>	<u>\$ 18,949.50</u>
							<u>\$ 2,065,912.51</u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

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

Balance Dec. 31, 2017		\$	828,544.87
Increased by Receipts:			
Reserve for Recreation Improvements	\$ 818,169.49		
Reserve for Transportation Improvements	<u>45,072.00</u>		
			<u>863,241.49</u>
			1,691,786.36
Decreased by Disbursements:			
Reserve for Transportation Improvements	614,485.04		
Improvements Authorizations - Recreation	<u>35,920.82</u>		
			<u>650,405.86</u>
Balance Dec. 31, 2018		\$	<u><u>1,041,380.50</u></u>

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

	Restated Balance (Deficit) <u>Dec. 31, 2017</u>	Receipts		Disbursements		Transfers		Balance (Deficit) <u>Dec. 31, 2018</u>
		Miscellaneous		Improvement Authorizations	Miscellaneous	From	To	
Grant Receivable	\$ (168,000.00)						\$ 12,000.00	\$ (156,000.00)
Due from Current Fund	(665,665.67)					\$ 40,360.00	265,491.96	(440,533.71)
Reserve for Encumbrances	194,856.04					194,856.04	198,733.56	198,733.56
Capital Improvement Fund	166,169.42					71,000.00	25,000.00	120,169.42
Reserve for Transportation Improvements	574,413.25	\$ 45,072.00		\$ 614,485.04				5,000.21
Reserve for Grants Receivable	168,000.00					12,000.00		156,000.00
Reserve to Pay Debt Service	15,600.00					15,600.00	15,360.00	15,360.00
Reserve for Road Improvements	350,000.00							350,000.00
Reserve for Open Space	247,351.39					40,000.00		207,351.39
Reserve Recreation Improvements		818,169.49				30,000.00		788,169.49
Fund Balance	64,303.04							64,303.04
Improvement Authorizations:								
1999-02/								
1997-10 Farm Preservation	107.25					9,969.06		(9,861.81)
1992-02/ Acquisition of Public Works Equipment	34,883.95					34,601.40		282.55
2009-17 Road Striping	44,601.00						6,399.00	51,000.00
2008-17 Acquisition of Various Equipment/Road Striping	2,063.41							2,063.41
2009-16 Acquisition of Security Cameras	1,370.83							1,370.83
2009-16 Construction of Various Roads	405,548.50					20,253.32	20,253.32	405,548.50
2009-18 Preliminary Costs - New Municipal Building								
2014-16 Acquisition of Pick-Up Truck	(37,074.00)							(37,074.00)
2014-16 Acquisition of Police Equipment	(28,822.00)							(28,822.00)
2014-17 Acquisition of BI 500 Lt 8 and Related Demolition	(562,522.34)							(562,522.34)
2014-18 Police Laser Equipment	30.50							30.50
2015-02 Construction of New Municipal Building						138,527.40	138,527.40	
2015-03 Acquisitions of Various Public Works Equipment	(146,918.08)						9,963.08	(136,955.00)
2016-03 Construction of New Municipal Building	146,289.79					40,466.28	25,009.02	130,832.53
2016-10 Acquisition of an Ambulance	(47,500.00)							(47,500.00)
2016-10 Acquisition of Police Equipment	(6,840.00)							(6,840.00)
2016-10 Acquisition of Public Works Equipment	(76,942.53)					78,606.94		(155,549.47)
2017-11 Acquisitions of Various Public Works Equipment	40,000.00					40,000.00		
2018-09 DPW Site Improvements and Public Works Equipment						43,576.90	71,000.00	27,423.10

(Continued)

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

	Restated Balance (Deficit) <u>Dec. 31, 2017</u>	Receipts		Disbursements		Transfers		Balance (Deficit) <u>Dec. 31, 2018</u>
		Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
Projects Funded by Recreation Contributions:								
2004-14/								
2005-08 Smart Growth Village Plan: Recreation	\$ 14,400.83							\$ 14,400.83
2011-7 Recreation Improvements: Recreation Equipment	150.77							150.77
2014-21 Playground Resurfacing	25,877.75							25,877.75
2014-21 Recreation Building at Fenton Lake Park	3,408.19		\$ 834.38		\$ 1,103.22	\$ 1,103.22		2,573.81
2015-12 Playground Resurfacing	32,500.00		29,176.44					3,323.56
2015-12 Recreational Building Security/Key Lock System	3,933.28							3,933.28
2015-12 Various Equipment	7,482.76							7,482.76
2015-12 Tennis Courts Project	25,487.54							25,487.54
2018-16 Improvements for a Cricket Pitch, Completion of Gazebo Project, and Picnic Benches			5,910.00		7,920.00	30,000.00		16,170.00
	<u>\$ 828,544.87</u>	<u>\$ 863,241.49</u>	<u>\$ 35,920.82</u>	<u>\$ 614,485.04</u>	<u>\$ 818,840.56</u>	<u>\$ 818,840.56</u>		<u>\$ 1,041,380.50</u>

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

Balance Dec. 31, 2017	\$ 8,170,000.00
Decreased by:	
Budget Appropriation to Pay Bonds	<u>270,000.00</u>
Balance Dec. 31, 2018	<u><u>\$ 7,900,000.00</u></u>

TOWNSHIP OF CHESTERFIELD
GENERAL CAPITAL FUND
 Schedule of Deferred Charges to Future Taxation - Unfunded
 As of December 31, 2018

Ordinance Number	Improvement Description	Balance Dec. 31, 2018	Analysis of Balance Dec. 31, 2018	
			Expenditures	Unexpended Improvement Authorizations
General Improvements:				
1997-10	Farm Preservation	\$ 146,000.00	\$ 9,861.81	\$ 136,138.19
2008-17	Acquisition of Various Equipment	40,050.00		40,050.00
2009-18	Preliminary Costs - New Municipal Building	19,320.87		19,320.87
2014-16	Acquisition of Pick-Up Truck	38,000.00	37,074.00	926.00
2014-16	Acquisition of Police Equipment	31,350.00	28,822.00	2,528.00
2014-17	Acquisition of B1 500 Lot 8 and Related Demolition	855,000.00	854,999.34	0.66
2015-03	Acquisition of Public Works Equipment	190,000.00	136,955.00	53,045.00
		<u>\$ 1,319,720.87</u>	<u>\$ 1,067,712.15</u>	<u>\$ 252,008.72</u>

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

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2017		2018 Authorizations	Reallocation	Encumbrances Canceled	Paid or Charged	Balance Dec. 31, 2018	
		Date	Amount	Funded	Unfunded					Funded	Unfunded
General Improvements:											
1997-10	Farm Preservation	08-28-97	\$ 500,000.00	\$ 107.25	\$ 146,000.00				\$ 9,969.06		\$ 136,138.19
1999-02f (09-17)	Acquisition of Public Works Equipment	06-10-09	160,000.00	34,883.95			\$ (6,399.00)		28,202.40	\$ 282.55	
1999-02g (09-17)	Road Stripping	06-10-09	51,000.00	44,601.00			6,399.00			51,000.00	
2008-17	Acquisition of Various Equipment	10-08-08	139,000.00	2,063.41	40,050.00					2,063.41	40,050.00
2009-16c	Acquisition of Security Cameras	06-10-09	7,500.00	1,370.83						1,370.83	
2009-16d	Construction of Various Roads	06-10-09	720,000.00	405,548.50				\$ 20,253.32	20,253.32	405,548.50	
2009-18a	Preliminary Costs - New Municipal Building	06-10-09	22,000.00		19,320.87						19,320.87
2014-16	Acquisition of Pick-Up Truck	07-20-14	40,000.00		926.00						926.00
2014-16	Acquisition of Police Equipment	07-20-14	33,000.00		2,528.00						2,528.00
2014-17	Acquisition of B1 500 Lt 8 and Related Demolition	07-20-14	592,129.00		0.66						0.66
2014-18	Police Laser Equipment	07-10-14	7,000.00	30.50						30.50	
2015-02	Construction of New Municipal Building	03-12-15	5,200,000.00					138,527.40	138,527.40		
2015-03	Acquisition of Public Works Equipment	03-12-15	200,000.00		43,081.92			9,963.08			53,045.00
2016-03	Construction of New Municipal Building	03-10-16	1,500,000.00	146,289.79				25,009.02	40,466.28	130,832.53	
2016-10	Acquisition of Public Works Equipment	09-08-16	250,671.00		161,194.47				78,606.94		82,587.53
2017-11	Fuel Station Improvements	10-12-17	40,000.00	40,000.00					40,000.00		
2018-09	DPW Site Improvements and Public Works Equipment	05-10-18	71,000.00			\$ 71,000.00			43,576.90	27,423.10	
				674,895.23	413,101.92	71,000.00		193,752.82	399,602.30	618,551.42	334,596.25
Projects Funded by Recreation Contributions:											
2004-14 (05-08)	Smart Growth Village Plan - Recreation	09-08-05	90,259.00	14,400.83						14,400.83	
2011-07c	Recreation Improvements - Equipment	03-09-11	61,000.00	150.77						150.77	
2014-21a	Playground Resurfacing	09-11-14	121,300.00	25,877.75						25,877.75	
2014-21b	Recreation Building at Fenton Lane Park	09-11-14	150,700.00	3,408.19				1,103.22	1,937.60	2,573.81	
2015-12a	Playground Resurfacing	09-10-15	32,500.00	32,500.00					29,176.44	3,323.56	
2015-12b	Recreation Building Security & Key Lock System	09-10-15	12,500.00	3,933.28						3,933.28	
2015-12c	Various Equipment	09-10-15	22,000.00	7,482.76						7,482.76	
2015-12d	Tennis Court Project	09-10-15	83,000.00	25,487.54						25,487.54	
2018-16	Improvements for a Cricket Pitch, Completion of Gazebo Project, and Picnic Benches	07-26-18	30,000.00			30,000.00			13,830.00	16,170.00	
				113,241.12		30,000.00		1,103.22	44,944.04	99,400.30	
				<u>\$ 788,136.35</u>	<u>\$ 413,101.92</u>	<u>\$ 101,000.00</u>	<u>\$ -</u>	<u>\$ 194,856.04</u>	<u>\$ 444,546.34</u>	<u>\$ 717,951.72</u>	<u>\$ 334,596.25</u>
									\$ 35,920.82	Disbursed	
									209,891.96	Disbursed by Current Fund	
									198,733.56	Encumbrances	
									<u>\$ 444,546.34</u>		
						Recreation Fund	\$ 30,000.00				
						Capital Improvement Fund	71,000.00				
							<u>\$ 101,000.00</u>				

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

Balance Dec. 31, 2017		\$ 665,665.67
Increased by:		
Capital Improvement Fund	\$ 25,000.00	
Received by Current Fund - County Open Space Grant	<u>15,360.00</u>	
		<u>40,360.00</u>
		706,025.67
Decreased by:		
Anticipated in Current Fund Budget:		
Reserve to Pay Debt	\$ 15,600.00	
Reserve for Open Space	<u>40,000.00</u>	
		55,600.00
Disbursed by Current Fund on Behalf of General Capital Fund	<u>209,891.96</u>	
		<u>265,491.96</u>
Balance Dec. 31, 2018		<u><u>\$ 440,533.71</u></u>

GENERAL CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 194,856.04
Increased by:		
Charges to Improvement Authorizations		<u>198,733.56</u>
		393,589.60
Decreased by:		
Canceled to Improvement Authorizations		<u>194,856.04</u>
Balance Dec. 31, 2018		<u><u>\$ 198,733.56</u></u>

TOWNSHIP OF CHESTERFIELD
GENERAL CAPITAL FUND
 Statement of Due from County - Open Space Funds
 For the Year Ended December 31, 2018

Balance Dec. 31, 2017 (Restated)	\$ 168,000.00
Decreased by:	
Reserve to Pay Debt Service - Principal Portion	12,000.00
Balance Dec. 31, 2018	\$ 156,000.00

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

Balance Dec. 31, 2017	\$ 166,169.42
Increased by:	
Current Fund Budget Appropriation	25,000.00
	191,169.42
Decreased by:	
Improvement Authorizations	71,000.00
Balance Dec. 31, 2018	\$ 120,169.42

TOWNSHIP OF CHESTERFIELD
GENERAL CAPITAL FUND
Statement of Reserve for Transportation Improvements
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 574,413.25
Increased by:		
Cash Receipts		<u>45,072.00</u>
		619,485.25
Decreased by:		
Disbursements:		
Authorized by Ordinance 2018-15		<u>614,485.04</u>
Balance Dec. 31, 2018		<u><u>\$ 5,000.21</u></u>

Exhibit SC-11

GENERAL CAPITAL FUND
Statement of Reserve for Recreation Improvements
For the Year Ended December 31, 2018

Receipts:		
From Trust Other Fund - Recreation	\$ 719,169.49	
Recreation Contributions	<u>99,000.00</u>	
		\$ 818,169.49
Decreased by:		
Improvement Authorizations - Ordinance 2018-16		<u>30,000.00</u>
Balance Dec. 31, 2018		<u><u>\$ 788,169.49</u></u>

TOWNSHIP OF CHESTERFIELD
GENERAL CAPITAL FUND
Statement of Reserve for Open Space
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 247,351.39
Decreased by:	
Anticipated as Current Fund Revenue	40,000.00
Balance Dec. 31, 2018	\$ 207,351.39

GENERAL CAPITAL FUND
Statement of Reserve for Payment of Debt
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 15,600.00
Increased by:	
Due Current Fund - County Open Space Funds	15,360.00
	30,960.00
Decreased by:	
Anticipated as Current Fund Revenue	15,600.00
Balance Dec. 31, 2018	\$ 15,360.00

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of 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 Refunding Bonds, Series 2013A-1 (Pooled Loan Agreement)	03-11-13	\$ 485,000.00	12-01-19	\$ 50,000.00	5.000%			
			12-01-20	50,000.00	5.000%			
			12-01-21	55,000.00	5.000%			
			12-01-22	55,000.00	5.000%			
			12-01-23	55,000.00	5.000%			
					\$ 310,000.00	\$ 45,000.00	\$ 265,000.00	
General Obligation Bonds, Series 2013A-2 (Pooled Loan Agreement)	03-11-13	1,960,000.00	12-01-19	80,000.00	5.000%			
			12-01-20	85,000.00	5.000%			
			12-01-21	90,000.00	5.000%			
			12-01-22	95,000.00	5.000%			
			12-01-23	100,000.00	5.000%			
			12-01-24	105,000.00	5.000%			
			12-01-25	110,000.00	5.000%			
			12-01-26	115,000.00	5.000%			
			12-01-27	120,000.00	5.000%			
			12-01-28	125,000.00	5.000%			
			12-01-29	130,000.00	3.375%			
			12-01-30	130,000.00	3.375%			
			12-01-31	130,000.00	3.375%			
			12-01-32	130,000.00	3.375%			

(Continued)

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of 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 2016	06-01-16	\$ 6,365,000.00	05-15-19	\$ 155,000.00	2.250%			
			05-15-20	160,000.00	2.250%			
			05-15-21	165,000.00	2.250%			
			05-15-22	170,000.00	2.250%			
			05-15-23	175,000.00	2.250%			
			05-15-24	200,000.00	2.250%			
			05-15-25	200,000.00	2.250%			
			05-15-26	200,000.00	2.250%			
			05-15-27	200,000.00	2.500%			
			05-15-28	200,000.00	2.500%			
			05-15-29	200,000.00	2.500%			
			05-15-30	200,000.00	2.500%			
			05-15-31	200,000.00	2.500%			
			05-15-32	200,000.00	3.000%			
			05-15-33	250,000.00	3.000%			
			05-15-34	250,000.00	3.000%			
			05-15-35	250,000.00	3.000%			
			05-15-36	250,000.00	3.000%			
			05-15-37	250,000.00	3.000%			
			05-15-38	250,000.00	3.000%			
			05-15-39	250,000.00	3.000%			
			05-15-40	250,000.00	3.000%			
			05-15-41	250,000.00	3.000%			
			05-15-42	250,000.00	3.000%			
			05-15-43	250,000.00	3.000%			
			05-15-44	250,000.00	3.000%			
			05-15-45	250,000.00	3.000%			
05-15-46	215,000.00	3.000%						
						\$ 6,240,000.00	\$ 150,000.00	\$ 6,090,000.00
						\$ 8,170,000.00	\$ 270,000.00	\$ 7,900,000.00

TOWNSHIP OF CHESTERFIELD
GENERAL CAPITAL FUND
 Schedule of Bonds and Notes Authorized But Not Issued
 As of December 31, 2018

<u>Ordinance</u> <u>Number</u>	<u>Improvement Description</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
General Improvements:		
1997-10	Farm Preservation	\$ 146,000.00
2008-17	Acquisition of Various Equipment	40,050.00
2009-18	Preliminary Costs - New Municipal Building	19,320.87
2014-16	Acquisition of Pick-Up Truck	38,000.00
2014-16	Acquisition of Police Equipment	31,350.00
2014-17	Acquisition of B1 500 Lt 8 and Related Demolition	562,523.00
2015-03	Acquisition of Public Works Equipment	190,000.00
2016-10	Acquisition of an Ambulance	47,500.00
2016-10	Acquisition of Police Equipment	6,840.00
2016-10	Acquisition of Public Works Equipment	<u>238,137.00</u>
		<u>\$ 1,319,720.87</u>

SUPPLEMENTAL EXHIBITS

SEWER UTILITY FUND

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY FUNDS
Statement of Sewer Utility Cash
Per N.J.S.40A:5-5 - Chief Financial Officer
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 3,103,707.21
Increased by Receipts:		
Sewer Utility Collector	\$ 346,048.93	
Miscellaneous Revenues	49,316.74	
Connection Fees	<u>290,500.04</u>	
		<u>685,865.71</u>
		3,789,572.92
Decreased by Disbursements:		
2018 Budget Appropriations	496,536.16	
2017 Appropriation Reserves	17,398.61	
Accrued Interest on Bonds and Notes	43,937.50	
Due Sewer Utility Capital Fund	<u>65,000.00</u>	
		<u>622,872.27</u>
Balance Dec. 31, 2018		<u><u>\$ 3,166,700.65</u></u>

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY OPERATING FUND
Statement of Sewer Utility Cash
Per N.J.S. 40A:5-5 - Collector
For the Year Ended December 31, 2018

Receipts:

Sewer Rent Overpayments	\$ 11,370.50
Sewer Liens Receivable	91.00
Sewer Rents Receivable	<u>334,587.43</u>

\$ 346,048.93

Decreased by:

Disbursed to Chief Financial Officer

\$ 346,048.93

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY CAPITAL FUND
 Analysis of Sewer Capital Cash
 For the Year Ended December 31, 2018

	Balance (Deficit) <u>Dec. 31, 2017</u>	Transfers		Balance (Deficit) <u>Dec. 31, 2018</u>
		<u>To</u>	<u>From</u>	
Due Sewer Operating Fund	\$ (281,125.53)	\$ 65,000.00	\$ 50,000.00	\$ (266,125.53)
Reserve for Encumbrances	1,700.00	1,700.00	1,700.00	1,700.00
Capital Improvement Fund	150,505.00	50,000.00		200,505.00
Fund Balance	9,495.00			9,495.00
Improvement Authorizations:				
Ordinance				
<u>Number</u>				
2000-15/2001-14				
2016-18	Sewer Collection System and Plant Upgrades	114,425.53	65,000.00	49,425.53
2014-19	Sewer Line Extension	5,000.00	1,700.00	5,000.00
		<u>\$ -</u>	<u>\$ 118,400.00</u>	<u>\$ -</u>
		<u>\$ -</u>	<u>\$ 118,400.00</u>	<u>\$ -</u>

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY OPERATING FUND
Statement of Sewer Rents Receivable
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 39,090.51
Increased by:		
Sewer Rents Levied		<u>449,260.65</u>
		488,351.16
Decreased by:		
Collections	\$ 334,587.43	
Canceled	91.00	
Overpayments Applied	<u>2,823.20</u>	
		<u>337,501.63</u>
Balance Dec. 31, 2018		<u><u>\$ 150,849.53</u></u>

Exhibit SD-5

SEWER UTILITY OPERATING FUND
Statement of Sewer Overpayments
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 2,823.20
Increased by:		
Collections		<u>11,370.50</u>
		14,193.70
Decreased by:		
Overpayments Applied		<u>2,823.20</u>
Balance Dec. 31, 2018		<u><u>\$ 11,370.50</u></u>

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY CAPITAL FUND
Schedule of Fixed Capital
As of December 31, 2018

<u>Account</u>	<u>Dec. 31, 2018</u>
Flow Meter at Pump Station No. 1	<u>\$ 19,495.00</u>

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY CAPITAL FUND
 Schedule of Fixed Capital Authorized and Uncompleted
 As of December 31, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance Dec. 31, 2018</u>
		<u>Date</u>	<u>Amount</u>	
2000-15/2001-14/ 2016-18	Sewer Collection System and Plant Upgrades	12-08-16	\$ 6,100,000.00	\$ 6,100,000.00
2014-19	Sewer Line Extension	07-10-14	90,000.00	<u>90,000.00</u>
				<u>\$ 6,190,000.00</u>

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY OPERATING FUND
Statement of Due Sewer Utility Capital Fund
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 281,125.53
Increased by:	
Capital Improvement Fund	<u>50,000.00</u>
	331,125.53
Decreased by:	
Disbursed by Sewer Operating on behalf of Sewer Capital	<u>65,000.00</u>
Balance Dec. 31, 2018	<u><u>\$ 266,125.53</u></u>

Exhibit SD-9

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

Balance Dec. 31, 2017	\$ 150,505.00
Increased by:	
Budget Appropriation	<u>50,000.00</u>
Balance Dec. 31, 2018	<u><u>\$ 200,505.00</u></u>

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY OPERATING FUND
 Statement of 2017 Appropriation Reserves and Encumbrances
 For the Year Ended December 31, 2018

	Balance Dec. 31, 2017		Budget After Modification	Decreased	Balance Lapsed
	Encumbered	Reserved			
Operating:					
Salaries and Wages		\$ 2,762.63	\$ 2,762.63		\$ 2,762.63
Other Expenses	\$ 1,353.72	125,676.22	127,029.94	\$ 18,248.96	108,780.98
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		768.84	768.84		768.84
	\$ 1,353.72	\$ 129,207.69	\$ 130,561.41	\$ 18,248.96	\$ 112,312.45
Disbursed				\$ 17,398.61	
Accounts Payable				850.35	
				\$ 18,248.96	

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY OPERATING FUND
 Statement of Accrued Interest on Bonds, Notes and Loans
 For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 18,307.29
Increased by:		
Budget Appropriations for:		
Interest on Loans		39,973.96
		58,281.25
Decreased by:		
Interest Paid		43,937.50
Balance Dec. 31, 2018		\$ 14,343.75

Analysis of Accrued Interest Dec. 31, 2018

Principal Outstanding <u>Dec. 31, 2018</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
NJEIT Loans \$ 1,178,214.94	Variable	08-01-18	12-31-18	5 months	\$ 14,343.75

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY CAPITAL FUND
 Statement of Deferred Reserve For Amortization
 For the Year Ended December 31, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2017</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>
2000-15/2001-14/ 2016-18	Sewer Collection System and Plant Upgrades	12-08-16	\$ 4,490,191.78	\$ 335,334.38	\$ 4,825,526.16
2014-19	Sewer Line Extension	07-10-14	<u>90,000.00</u>	<u> </u>	<u>90,000.00</u>
			<u>\$ 4,580,191.78</u>	<u>\$ 335,334.38</u>	<u>\$ 4,915,526.16</u>

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2017		Prior Year Encumbrances Canceled	Decreased	Balance Dec. 31, 2018		
		Date	Amount	Funded	Unfunded			Funded	Unfunded	
2000-15 / 2001-14 / 2016-18	Sewer Collection System and Plant Upgrades	12-08-16	\$ 6,100,000.00	\$ 114,425.53	\$ 58,360.00		\$ 65,000.00	\$ 49,425.53	\$ 58,360.00	
2014-19	Sewer Line Extension	07-10-14	90,000.00	5,000.00		\$ 1,700.00	1,700.00	5,000.00		
				<u>\$ 119,425.53</u>	<u>\$ 58,360.00</u>	<u>\$ 1,700.00</u>	<u>\$ 66,700.00</u>	<u>\$ 54,425.53</u>	<u>\$ 58,360.00</u>	
Disbursed by Sewer Operating Fund Reserve for Encumbrances							\$ 65,000.00	1,700.00		
							<u>\$ 66,700.00</u>			

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY CAPITAL FUND
 Statement of New Jersey Environmental Infrastructure Trust Loan Payable
 For the Year Ended December 31, 2018

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities Outstanding Dec. 31, 2018</u>		<u>Interest Rate(A)</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>				
Sewer Collection System:								
Trust Portion	05-10-01	\$ 2,250,000.00	09-01-19	\$ 160,000.00	5.00%			
			09-01-20	170,000.00	4.75%			
			09-01-21	180,000.00	4.75%	\$ 665,000.00	\$ 155,000.00	\$ 510,000.00
Fund Portion	10-15-01	2,214,872.00	03-01-19	7,684.13				
			09-01-19	107,538.88				
			03-01-20	5,187.76				
			09-01-20	111,283.43				
			03-01-21	2,667.99				
			09-01-21	115,004.78		466,306.24	116,939.27	349,366.97
Expansion of A.C. Wagner Youth Correctional Facility Wastewater Treatment Plan:								
Trust Portion	10-15-03	600,000.00	08-01-19	40,000.00	5.00%			
			08-01-20	40,000.00	5.00%			
			08-01-21	40,000.00	4.50%			
			08-01-22	45,000.00	4.75%			
			08-01-23	45,000.00	4.75%	245,000.00	35,000.00	210,000.00
Fund Portion	10-15-03	557,638.00	02-01-19	3,071.99				
			08-01-19	27,465.00				
			02-01-20	2,462.16				
			08-01-20	26,855.18				
			02-01-21	1,852.34				
			08-01-21	26,245.35				
			02-01-22	1,303.50				
			08-01-22	28,745.64				
			02-01-23	651.75				
			08-01-23	28,093.96		175,141.98	28,395.11	146,746.87
						<u>\$ 1,551,448.22</u>	<u>\$ 335,334.38</u>	<u>\$ 1,216,113.84</u>

(A) Interest applicable to Trust Loan only.

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY CAPITAL FUND
Schedule of Bonds and Notes Authorized But Not Issued
As of December 31, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2018</u>
2000-15 / 2001-14 / 2016-18	Sewer Collection System and Plant Upgrades	<u>\$ 58,360.00</u>

PART II

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2018

TOWNSHIP OF CHESTERFIELD
Schedule of Findings and Recommendations
For the Year Ended December 31, 2018

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.

Finding No. 2018-001

Criteria or Specific Requirement

N.J.S.A. 40A:4-39 allows for dedications by rider to be hereby anticipated as revenue and hereby appropriated, however, N.J.S.A. 40A:4-57 indicates that expenditures cannot be made in excess of the amount appropriated for such purpose.

Condition

There was an operating deficit in the Reserve for Animal Control Fund Expenditures as of December 31, 2018.

Context

Expenditures were made without sufficient funds in the Reserve for Animal Control Fund Expenditures resulting in a deficit in the amount of \$37.18.

Effect

Funds must be budgeted in the subsequent year to cover the deficit.

Cause

Management Oversight.

Recommendation

That all disbursements for the Reserve for Animal Control Fund Expenditures be reviewed for adequate funds prior to remittance.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF CHESTERFIELD
Schedule of Findings and Recommendations
For the Year Ended December 31, 2018

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2018-002

Criteria or Specific Requirement

New Jersey Administrative Code 5:30-5.6 requires that all local governments establish and maintain a fixed asset accounting and reporting system.

Condition

The Township's record of its general fixed assets was not adequately maintained and the identification of assets was not specific.

Context

Various assets included on the fixed asset listing were no longer in the Township's possession, and there were several assets noted that should have been included on the fixed asset listing but were not. Additionally, land values have not been maintained and did not include all property owned by the Township, and those that were included were not all listed at the correct values.

Effect

Significant adjustments were required to be made to the fixed asset listing, resulting in a prior period restatement.

Cause

Management Oversight.

Recommendation

The Township should review their internal controls over fixed assets and perform a complete inventory to ensure that their general fixed asset listing is properly stated.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

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

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

FINANCIAL STATEMENT FINDINGS

None.

TOWNSHIP OF CHESTERFIELD
 Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Rita Romeu	Mayor	
Jeremy Liedtka	Deputy Mayor	
Denise Koetas-Dale	Committeewoman	
Andrea Katz	Committeewoman	
Samuel Davis	Committeeman	
Caryn Hoyer	Municipal Clerk, Tax Collector and Registrar of Vital Statistics	\$1,000,000.00
Kyle Wilson	Township Administrator (since July 2018) and Chief of Police	\$1,000,000.00
Wendy Wulstein	Chief Financial Officer, Treasurer, Deputy Tax Collector and Qualified Purchasing Agent	\$1,000,000.00
Glenn Riccardi	Construction Official	\$1,000,000.00
Glenn McMahon	Tax Assessor	\$1,000,000.00

Coverage is obtained through the Burlington County Municipal Joint Insurance Fund.

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APPRECIATION

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink that reads "Robert S. Marrone". The signature is written in a cursive, flowing style.

Robert S. Marrone
Certified Public Accountant
Registered Municipal Accountant