

TOWNSHIP OF MOUNT LAUREL
COUNTY OF BURLINGTON

REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2018



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TOWNSHIP OF MOUNT LAUREL

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 of Mount Laurel
Township of Mount Laurel
Mount Laurel, New Jersey 08054

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

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

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

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

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

Opinion on Regulatory Basis of Accounting

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

Emphasis of Matter

Adoption of New Accounting Principles

As discussed in note 1 to the financial statements, during the year ended December 31, 2018, the Township adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The adoption of this new accounting principle resulted in a material note disclosure (see note 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.

Other Matters

Other Information

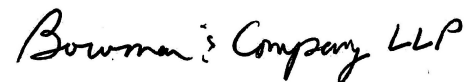
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and is also not a required part of the basic financial statements.

The supplemental statements and schedules presented for the various funds and the schedule of expenditures of state financial assistance 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 August 16, 2019 on our consideration of the Township Mount Laurel, 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 Mount Laurel'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 Mount Laurel's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 16, 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 of Mount Laurel
Township of Mount Laurel
Mount Laurel, New Jersey 08054

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 Mount Laurel, 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 August 16, 2019. That report indicated that the Township of Mount Laurel, in the County of Burlington's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting pronouncement.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Mount Laurel'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 Mount Laurel's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Mount Laurel's internal control.

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

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

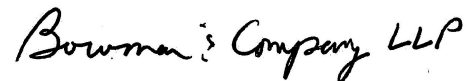
Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 16, 2019

TOWNSHIP OF MOUNT LAUREL

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 - Treasurer	SA-1	\$ 29,255,854.91	\$ 30,866,993.93
Cash - Change Funds	SA-3	800.00	650.00
Due State of New Jersey - Seniors & Veterans	SA-4	20,244.63	17,244.63
		<u>29,276,899.54</u>	<u>30,884,888.56</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-6	1,299,143.99	1,123,036.58
Tax Title Liens Receivable	SA-7	90,409.19	70,198.75
Property Acquired for Taxes - Assessed Valuation	SA-8	1,267,196.00	1,834,100.00
Property Maintenance Liens Receivable	SA-5	2,133.22	1,982.96
Revenue Accounts Receivable	SA-9	50,322.61	43,239.96
Due Animal Control Fund	SB-3	31,550.22	15,047.71
Due Trust - Assessment Fund	SB-13	186,146.88	183,857.54
Due Trust - Other Fund	SB-5	50,591.19	26,063.14
Due General Capital Fund	SC-6		36,990.59
		<u>2,977,493.30</u>	<u>3,334,517.23</u>
		<u>32,254,392.84</u>	<u>34,219,405.79</u>
Federal, State and Local Grant Fund:			
Cash - Treasurer	SA-1	644,305.17	497,809.20
State Grants Receivable	SA-20	625,350.40	664,486.10
		<u>1,269,655.57</u>	<u>1,162,295.30</u>
		<u>\$ 33,524,048.41</u>	<u>\$ 35,381,701.09</u>

(Continued)

TOWNSHIP OF MOUNT LAUREL

CURRENT FUND

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

As of December 31, 2018 and 2017

LIABILITIES, RESERVES
AND FUND BALANCE

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Regular Fund:			
Appropriation Reserves	A-3 & SA-11	\$ 2,594,432.58	\$ 2,975,508.29
Reserve for Encumbrances	A-3 & SA-11	1,131,050.77	579,352.48
Due State of New Jersey - Marriage Licenses	SA-10	1,025.00	1,250.00
Due State of New Jersey - DCA Fees	SA-10	31,741.00	24,943.00
Prepaid Taxes	SA-12	1,244,230.17	6,344,887.42
Tax Overpayments	SA-13	301,775.79	307,251.63
Due County for Added and Omitted Taxes	SA-17	42,119.15	137,032.10
Local School District Taxes Payable	SA-18	4,685,332.65	3,848,393.15
Regional High School Taxes Payable	SA-19	2,417,624.59	1,363,420.09
Due to General Capital	SC-6	50,876.82	
Reserve for Revaluation	A-1		471,163.48
Reserve for Master Plan	A-1		11,800.15
Reserve for Insurance Reimbursements	A-1		42,452.93
Reserve for FEMA Flood Repairs	A-1		49,807.27
Reserve for Sale of Municipal Assets	A-1		50,057.63
		<u>12,500,208.52</u>	<u>16,207,319.62</u>
Reserve for Receivables and Other Assets	A	2,977,493.30	3,334,517.23
Fund Balance	A-1	<u>16,776,691.02</u>	<u>14,677,568.94</u>
		<u>32,254,392.84</u>	<u>34,219,405.79</u>
Federal, State and Local Grant Fund:			
Unappropriated Reserves	SA-21	60,000.00	51,580.16
Appropriated Reserves	SA-22	1,166,402.07	1,105,115.14
Reserve for Encumbrances	SA-23	<u>43,253.50</u>	<u>5,600.00</u>
		<u>1,269,655.57</u>	<u>1,162,295.30</u>
		<u>\$ 33,524,048.41</u>	<u>\$ 35,381,701.09</u>

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

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

<u>Revenue and Other</u> <u>Income Realized</u>	<u>2018</u>	<u>2017</u>
Fund Balance Utilized	\$ 6,300,000.00	\$ 6,300,000.00
Miscellaneous Revenue Anticipated	11,896,503.77	11,041,008.17
Receipts from Delinquent Taxes	965,464.90	1,206,191.72
Receipts from Current Taxes	163,999,235.87	159,996,948.86
Non-Budget Revenues	489,989.97	2,892,587.57
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	2,641,314.25	2,369,187.87
Accounts Payable Canceled		102,696.96
Cancellation of Overpayments	28,539.36	29,843.34
Cancellation of Reserves	625,281.46	
Liquidation of Reserves:		
Due Mount Laurel Library		98,714.97
Due General Capital	36,990.59	
Due Trust - Assessment Fund		28,172.08
Due Trust--Other Fund		816,626.33
Total Income (Carried Forward)	<u>186,983,320.17</u>	<u>184,881,977.87</u>
<u>Expenditures</u>		
Budget Appropriations:		
Within "CAPS":		
Operations:		
Salaries and Wages	12,593,276.00	11,963,171.00
Other Expenses	12,846,625.00	13,229,677.47
Deferred Charges, Statutory Expenditures and Judgements		
Municipal	3,135,595.00	2,979,099.62
Excluded from "CAPS":		
Operations:		
Salaries and Wages	160,447.23	185,515.71
Other Expenses	3,082,844.97	3,081,075.85
Capital Improvements	400,000.00	350,000.00
Deferred Charges and Statutory Expenditures	14,035.06	563,752.74
Debt Service	3,204,644.00	3,425,752.60
County Taxes	23,619,408.83	23,319,750.32
Due County for Added and Omitted Taxes	42,119.15	137,032.10
Local District School Tax	63,981,812.00	62,307,933.00
Regional High School Tax	41,165,822.00	39,057,413.00
Special District Taxes	9,635,002.00	9,171,773.00
Local Municipal Open Space Tax	4,620,773.51	4,611,394.23
Due Municipal Open Space Trust Fund for Added and Omitted Taxes	8,227.91	27,013.00

(Continued)

TOWNSHIP OF MOUNT LAUREL
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>
Total Income (Brought Forward)	<u>\$ 186,983,320.17</u>	<u>\$ 184,881,977.87</u>
<u>Expenditures (Cont'd)</u>		
State of New Jersey - Senior Citizens' and Veterans'		
Deductions Disallowed by Tax Collector - Prior Year Taxes	22,750.00	27,250.00
Cancellation of Grants Receivable		6,038.61
Cancellation of Prepaid Taxes - Refund of Prior Year Revenue	507.83	
Refund of Prior Year Revenue	6,987.70	11,022.88
Create Reserves for:		
Due Trust - Animal Control Fund	16,502.51	
Due Trust - Assessment Fund	2,289.34	
Due Trust - Other Fund	24,528.05	3,349.32
Due General Capital Fund		15,233.61
Total Expenditures	<u>178,584,198.09</u>	<u>174,473,248.06</u>
Statutory Excess to Fund Balance	8,399,122.08	10,408,729.81
<u>Fund Balance</u>		
Balance Jan. 1	<u>14,677,568.94</u>	<u>10,568,839.13</u>
	23,076,691.02	20,977,568.94
Decreased by:		
Utilized as Revenue	<u>6,300,000.00</u>	<u>6,300,000.00</u>
Balance Dec. 31	<u><u>\$ 16,776,691.02</u></u>	<u><u>\$ 14,677,568.94</u></u>

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

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

	Anticipated			
	Budget	N.J.S.A. 40A:4-87	Realized	Excess (Deficit)
Fund Balance Anticipated	\$ 6,300,000.00	-	\$ 6,300,000.00	-
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	75,000.00		111,900.00	\$ 36,900.00
Other	100,000.00		135,997.00	35,997.00
Fees and Permits	77,000.00		71,534.89	(5,465.11)
Fines and Costs:				
Municipal Court	550,000.00		694,982.76	144,982.76
Interest and Costs on Taxes	265,000.00		280,102.02	15,102.02
Interest on Investments and Deposits	55,000.00		756,616.61	701,616.61
Franchise Fees	175,000.00		219,157.82	44,157.82
Dedicated Uniform Construction Code Fees offset with Appropriations (N.J.S.40A:4-36 and N.J.A.C.5:23-4.17):				
Uniform Construction Code Fees	1,000,000.00		1,463,811.00	463,811.00
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)	2,825,561.00		2,825,561.00	
State and Federal Revenue Off-Set with Appropriations:				
Recycling Tonnage Grant	51,580.16		51,580.16	
Drunk Driving Enforcement Fund		\$ 12,569.37	12,569.37	
Safe and Secure Communities Program--				
P.L.1993, Ch. 220	60,000.00		60,000.00	
NJ Department of Transportation Trust Fund - Union Mill		255,000.00	255,000.00	
Bullet Proof Vest Partnership Grant		6,679.20	6,679.20	
Clean Communities Program		81,277.86	81,277.86	
Distracted Driving Crackdown Grant		6,600.00	6,600.00	
Highway Safety Grant - Safe Corridors	29,429.33		29,429.33	
Municipal Occupancy Tax	2,000,000.00		2,383,684.95	383,684.95
Reserve for Payment of Bonds/Notes	350,000.00		350,000.00	
Contribution from Municipal Utility Authority	350,000.00		388,002.00	38,002.00
Spectra Tower Rental	40,000.00		47,498.88	7,498.88
Rental Registration Fees	175,000.00		325,755.00	150,755.00
Emergency Medical Service Billings	1,100,000.00		1,338,763.92	238,763.92
	9,278,570.49	362,126.43	11,896,503.77	2,255,806.85
Receipts from Delinquent Taxes	900,000.00	-	965,464.90	65,464.90
Amount to be Raised by Taxes for Support of Municipal				
Budget Local Tax for Municipal Purposes - Including				
Reserve for Uncollected Taxes	20,042,605.10		22,367,199.23	2,324,594.13
Minimum Library Tax	2,134,428.28		2,134,428.28	
	22,177,033.38	-	24,501,627.51	2,324,594.13
Budget Totals	38,655,603.87	362,126.43	43,663,596.18	4,645,865.88
Non-Budget Revenues			489,989.97	489,989.97
	\$38,655,603.87	\$ 362,126.43	\$44,153,586.15	\$ 5,135,855.85

(Continued)

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

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 163,999,235.87
Allocated to:	
School, County, Municipal Open Space and Special District Taxes	<u>143,073,165.40</u>

Balance for Support of Municipal Budget Appropriations	20,926,070.47
--	---------------

Add: Appropriation "Reserve for Uncollected Taxes"	<u>3,575,557.04</u>
--	---------------------

Amount for Support of Municipal Budget Appropriations	<u><u>\$ 24,501,627.51</u></u>
---	--------------------------------

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 924,494.20
Tax Title Liens	<u>40,970.70</u>
	<u><u>\$ 965,464.90</u></u>

Licenses - Other:

Clerk-Other	\$ 30,520.00
Other Licenses	100,385.00
Registrar of Vital Statistics	<u>5,092.00</u>
	<u><u>\$ 135,997.00</u></u>

Fees and Permits - Other:

Clerk	\$ 186.00
Police	4,130.59
Planning Board	15,114.00
Zoning Board of Adjustment	34,030.30
Registrar of Vital Statistics	15,600.00
Road Opening Fees	<u>2,474.00</u>
	<u><u>\$ 71,534.89</u></u>

Interest Earned on Investments and Deposit:

Treasurer	\$ 459,600.36
Municipal Court	2,424.57
Due from Trust - Animal Control Fund	6.56
Due from Trust - Assessment Fund	344.32
Due from Trust - Other Funds	36,184.21
Due from General Capital Fund	<u>258,056.59</u>
	<u><u>\$ 756,616.61</u></u>

(Continued)

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

Analysis of Non-Budget Revenues

Miscellaneous Revenue not Anticipated:

Revenue Accounts Receivable - Tax Collector:

Duplicate Tax Bills	\$ 333.00	
Tax Searches	1,390.00	
Property Certifications	692.75	
6% Year-End Penalty Tax	22,973.53	
Miscellaneous	<u>3,070.04</u>	
		\$ 28,459.32

Treasurer:

Ballfield/Pavillion Rental Fees	10,940.00	
Host Fees	26,734.52	
State Housing Inspection Fees	4,188.60	
Bad Check Surcharges	1,700.00	
Ethel Lawrence Payment in Lieu of Taxes	54,071.14	
Police OT Outside Admin. Fee	49,550.00	
Police Confiscated Monies	6,428.17	
Canceled Outdated Checks	5,819.00	
Accident Reports	1,149.54	
Bancroft Payment in Lieu of Taxes	50,000.00	
Donation for Services	2,000.00	
Administration Fee for Senior Citizen and Veteran Deductions	7,180.00	
Fuel Reimbursement	34,080.20	
Sale of Municipal Assets	16,606.70	
Sale of Land - Property Acquired for Taxes	13,820.00	
EMS Reports	1,250.00	
DMV Inspection Fines	863.25	
Mount Laurel MUA - Grass Cutting	42,000.00	
Scrap Metal	1,200.00	
Verizon Lease	10,531.71	
Insurance Dividends	1,046.20	
Unclaimed Property	2,766.68	
LOSAP Forfeitures	6,232.54	
State Highway Department PILOT	240.00	
Farm Rental	3,933.00	
Restitution	500.00	
Forfeited FSA Funds	469.71	
Closing on Bond Refunding	4,510.85	
Refund of Prior Year Expenditures	37,273.19	
Property Maintenance Liens	1,445.76	
Miscellaneous	<u>77.31</u>	
		398,608.07
Due From Trust - Other Funds - Foreclosed TTL Premium		43,800.00
Due From Trust - Other Funds - Canceled Outstanding Checks		681.61
Due From Animal Control Trust Fund - Excess Animal Control Reserve		16,495.95
Due From Trust Assessment Fund - Interest and Costs on Assessments		<u>1,945.02</u>
		<u>\$ 489,989.97</u>

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

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
				<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS--WITHIN "CAPS"						
Department of Legislative and Executive						
Mayor and Council						
Salaries and Wages	\$ 30,021.00	\$ 30,021.00	\$ 30,020.52		\$ 0.48	
Other Expenses	5,000.00	5,000.00	2,353.20	\$ 153.92	2,492.88	
Township Manager and Office of Township Clerk						
Salaries and Wages						
Manager	89,512.00	89,512.00	74,908.89		14,603.11	
Clerk	187,356.00	207,356.00	186,782.99		20,573.01	
Other Expenses						
Manager	224,500.00	224,500.00	211,115.77	3,245.78	10,138.45	
Clerk	115,000.00	115,000.00	99,130.37	8,588.62	7,281.01	
Insurance						
General Liability	312,190.00	171,190.00	171,030.00		160.00	
Employee Group Health	3,250,000.00	2,921,500.00	2,773,818.45	3,615.00	144,066.55	
Workers Compensation	684,335.00	684,335.00	684,335.00			
Township Solicitor						
Other Expenses	350,000.00	350,000.00	217,669.49	26,709.68	105,620.83	
Other Legal Services and Costs						
Other Expenses	60,000.00	70,000.00	42,750.97	5,352.00	21,897.03	
Department of Administration and Finance						
Director of Finance						
Salaries and Wages	283,875.00	283,875.00	273,882.88		9,992.12	
Other Expenses	54,500.00	54,500.00	40,605.11	4,695.51	9,199.38	
Audit Services	80,000.00	80,000.00	77,230.00		2,770.00	
Tax Assessor						
Salaries and Wages	191,700.00	196,000.00	190,731.00		5,269.00	
Other Expenses	69,900.00	69,900.00	16,542.48	11,290.50	42,067.02	
Tax Collector						
Salaries and Wages	81,800.00	81,800.00	76,434.64		5,365.36	
Other Expenses	39,100.00	39,100.00	34,358.51	4,430.99	310.50	
Municipal Court						
Salaries and Wages	256,000.00	269,500.00	266,554.87		2,945.13	
Other Expenses	30,000.00	30,000.00	25,572.64	1,821.22	2,606.14	

(Continued)

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
				<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS--WITHIN "CAPS" (CONT'D)						
Department of Administration and Finance (Cont'd)						
Public Prosecutor						
Other Expenses	\$ 65,000.00	\$ 65,000.00	\$ 59,583.37	\$ 5,416.63		
Department of Public Safety						
Police Department						
Salaries and Wages	7,180,000.00	7,061,512.00	6,765,936.86		\$ 295,575.14	
Other Expenses	390,000.00	540,000.00	343,511.70	188,319.00	8,169.30	
Emergency Management Services						
Salaries and Wages	20,000.00	20,000.00	19,999.98		0.02	
Other Expenses	9,000.00	9,000.00	5,599.30	3,066.98	333.72	
Aid to First Aid Organizations						
Mount Laurel EMS						
Salaries and Wages	1,060,000.00	1,155,000.00	1,138,741.56		16,258.44	
Other Expense	159,300.00	159,300.00	123,047.90	28,150.64	8,101.46	
Other Expenses - Billing	80,000.00	80,000.00	54,259.62	4,560.68	21,179.70	
Department of Public Works						
Road Repairs and Maintenance						
Salaries and Wages	1,400,000.00	1,400,000.00	1,245,260.21		154,739.79	
Other Expenses	135,550.00	135,550.00	46,761.74	4,120.23	84,668.03	
Snow Trust Fund	450,000.00	450,000.00	450,000.00			
Garbage and Trash Removal						
Other Expenses	865,000.00	865,000.00	636,655.35	135,000.00	93,344.65	
Municipal Services Act (N.J.S.A. 40:67-23.2 et seq.)						
Other Expense	675,000.00	775,000.00	600,631.46	99,398.72	74,969.82	
Public Buildings and Grounds						
Salaries and Wages	208,000.00	208,000.00	143,744.16		64,255.84	
Other Expenses	250,000.00	325,000.00	240,111.52	28,282.24	56,606.24	
Maintenance of Motor Vehicles						
Salaries and Wages	255,000.00	255,000.00	244,211.71		10,788.29	
Other Expenses	245,700.00	245,700.00	194,728.68	4,002.17	46,969.15	
Municipal Engineer						
Other Expenses	95,000.00	135,000.00	96,807.22	38,192.78		
Sanitary Landfill--Contractual	1,683,000.00	1,683,000.00	1,270,309.00	158,712.51	253,978.49	

(Continued)

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u> <u>Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
OPERATIONS--WITHIN "CAPS" (CONT'D)						
Department of Health and Welfare						
Public Assistance						
Other Expenses	\$ 100.00	\$ 100.00			\$ 100.00	
Animal Control						
Other Expenses	6,000.00	6,000.00	\$ 2,386.50	\$ 2,382.00	1,231.50	
Department of Parks and Recreation						
Salaries and Wages	37,000.00	45,000.00	32,050.49		12,949.51	
Other Expenses	90,000.00	90,000.00	66,080.30	8,155.47	15,764.23	
Maintenance of Parks						
Salaries and Wages	369,200.00	369,200.00	358,462.00		10,738.00	
Other Expenses	369,300.00	369,300.00	234,072.21	19,745.97	115,481.82	
Department of Community Development						
Planning Board						
Salaries and Wages	79,500.00	84,500.00	77,720.96		6,779.04	
Other Expenses	39,000.00	39,000.00	32,415.62	5,943.00	641.38	
Zoning Board						
Salaries and Wages	51,000.00	56,000.00	51,201.85		4,798.15	
Other Expenses	18,650.00	18,650.00	10,465.99	948.47	7,235.54	
Housing Enforcement						
Salaries and Wages	55,000.00	65,000.00	53,841.98		11,158.02	
Other Expenses	5,000.00	5,000.00	3,164.00		1,836.00	
Uniform Construction Code--Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)						
Construction Code Official						
Salaries and Wages	716,000.00	716,000.00	680,469.38		35,530.62	
Other Expenses	105,000.00	205,000.00	98,004.41	100,596.27	6,399.32	
Unclassified:						
Utilities:						
Gasoline	475,000.00	475,000.00	272,101.07	86,215.08	116,683.85	
Street Lighting	600,000.00	600,000.00	494,174.07	48,902.77	56,923.16	
Fuel Oil						
Telephone	135,000.00	165,000.00	150,801.77	10,111.64	4,086.59	
Electricity	460,000.00	460,000.00	280,257.23	68,382.28	111,360.49	
Water	27,000.00	27,000.00	16,261.98	4,546.69	6,191.33	
Sewer	17,000.00	17,000.00	11,522.72	2,400.99	3,076.29	

(Continued)

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
				<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS--WITHIN "CAPS" (CONT'D)						
Unclassified (Cont'd):						
Traffic Lights						
Other Expenses	\$ 85,000.00	\$ 85,000.00	\$ 43,940.03	\$ 5,594.34	\$ 35,465.63	
Total Operations--Within "CAPS"	25,360,089.00	25,437,901.00	22,145,123.68	1,131,050.77	2,161,726.55	-
Contingent	2,000.00	2,000.00			2,000.00	
Total Operations Including Contingent--Within "CAPS"	25,362,089.00	25,439,901.00	22,145,123.68	1,131,050.77	2,163,726.55	-
Detail:						
Salaries and Wages	12,550,964.00	12,593,276.00	11,910,956.93	-	682,319.07	-
Other Expenses (Including Contingent)	12,811,125.00	12,846,625.00	10,234,166.75	1,131,050.77	1,481,407.48	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES-- MUNICIPAL--WITHIN "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	638,033.00	560,221.00	560,220.29		0.71	
Social Security System (O.A.S.I.)	950,000.00	950,000.00	917,707.08		32,292.92	
Police and Firemen's Retirement System of N.J.	1,622,174.00	1,622,174.00	1,622,174.00			
New Jersey Unemployment	100.00	100.00			100.00	
Defined Contribution Retirement Plan	3,000.00	3,000.00	1,900.88		1,099.12	
Total Deferred Charges and Statutory Expenditures-- Municipal--Within "CAPS"	3,213,307.00	3,135,495.00	3,102,002.25	-	33,492.75	-
Judgements	100.00	100.00			100.00	
Total General Appropriations for Municipal Purposes Within "CAPS"	28,575,496.00	28,575,496.00	25,247,125.93	1,131,050.77	2,197,319.30	-

(Continued)

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
				<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS EXCLUDED FROM "CAPS"						
Road Repair and Maintenance						
Other Expenses	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00			
Reserve for Tax Appeals	500,000.00	500,000.00	166,772.72		\$ 333,227.28	
Maintenance of Free Public Library (Ch. 82, P.L. 1985)	2,134,428.28	2,134,428.28	2,134,428.28			
Length of Service Award Program						
Other Expenses	60,000.00	60,000.00			60,000.00	
Shared Service Agreements						
Animal Control						
Other Expenses	25,000.00	25,000.00	25,000.00			
State and Federal Programs Off-Set by Revenues:						
Clean Communities Program (40A:4-87 \$81,277.86)		81,277.86	81,277.86			
Drunk Driving Enforcement Fund (40A:4-87 \$12,569.37)		12,569.37	12,569.37			
Safe and Secure Communities Grant	60,000.00	60,000.00	60,000.00			
Recycling Tonnage Grant	51,580.16	51,580.16	51,580.16			
Distracted Driving Crackdown Grant (40A:4-87 \$6,600.00)		6,600.00	6,600.00			
Highway Safety Grant - Safe Corridors	29,429.33	29,429.33	29,429.33			
NJ Department of Transportation (40A:4-87 \$255,000.00)		255,000.00	255,000.00			
Bullet Proof Vest Partnership Grant (40A:4-87 \$6,679.20)		6,679.20	6,679.20			
SFSP Fire District Payment	11,728.00	11,728.00	11,723.00		5.00	
Total Operations--Excluded from "CAPS"	2,881,165.77	3,243,292.20	2,850,059.92	-	393,232.28	-
Detail:						
Salaries and Wages	60,000.00	160,447.23	160,447.23	-	-	-
Other Expenses	2,821,165.77	3,082,844.97	2,689,612.69	-	393,232.28	-
CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"						
Air Conditioning and Heating for Municipal Properties	108,875.00	96,305.83	93,871.37		2,434.46	
Flooring for Municipal Properties	26,800.00	26,800.00	26,800.00			
Cameras and Monitors for Municipal Properties	130,000.00	130,000.00	128,553.46		1,446.54	
Electrical Sign for Municipal Properties	25,000.00	19,225.00	19,225.00			
Furniture and Microphones	12,325.00	12,325.00	12,325.00			
Doors for Municipal Properties	80,000.00	98,344.17	98,344.17			
Lockers for Police Department	17,000.00	17,000.00	17,000.00			
Total Capital Improvements--Excluded from "CAPS"	400,000.00	400,000.00	396,119.00	-	3,881.00	-

(Continued)

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
				<u>Encumbered</u>	<u>Reserved</u>	
MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"						
Payment of Bond Principal	\$ 2,185,000.00	\$ 2,185,000.00	\$ 2,185,000.00			
Payment of Bond Anticipation Notes and Capital Notes	386,000.00	386,000.00	386,000.00			
Interest on Bonds	218,350.00	218,350.00	218,350.00			
Interest on Notes	420,000.00	420,000.00	415,294.00			\$ 4,706.00
Total Municipal Debt Service--Excluded from "CAPS"	3,209,350.00	3,209,350.00	3,204,644.00	-	-	4,706.00
MUNICIPAL DEFERRED CHARGES--EXCLUDED FROM "CAPS"						
Deferred Charges to Future Taxation -- Ordinance 2000-17	8,187.25	8,187.25	8,187.25			
Deferred Charges to Future Taxation -- Ordinance 2007-4	5,847.81	5,847.81	5,847.81			
Total Municipal Deferred Charges--Excluded from "CAPS"	14,035.06	14,035.06	14,035.06	-	-	-
Total General Appropriations--Excluded from "CAPS"	6,504,550.83	6,866,677.26	6,464,857.98	-	\$ 397,113.28	4,706.00
Subtotal General Appropriations	35,080,046.83	35,442,173.26	31,711,983.91	\$ 1,131,050.77	2,594,432.58	4,706.00
Reserve for Uncollected Taxes	3,575,557.04	3,575,557.04	3,575,557.04			
Total General Appropriations	<u>\$ 38,655,603.87</u>	<u>\$ 39,017,730.30</u>	<u>\$ 35,287,540.95</u>	<u>\$ 1,131,050.77</u>	<u>\$ 2,594,432.58</u>	<u>\$ 4,706.00</u>
Appropriation by N.J.S.40A:4-87 Budget		\$ 362,126.43 <u>38,655,603.87</u>				
		<u>\$ 39,017,730.30</u>				
Reserve for Federal, State and Local Grants - Appropriated			\$ 503,135.92			
Reserve for Uncollected Taxes			3,575,557.04			
Disbursed			<u>31,208,847.99</u>			
			<u>\$ 35,287,540.95</u>			

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

TOWNSHIP OF MOUNT LAUREL

TRUST 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>
Animal Control Fund:			
Cash - Treasurer	SB-1	\$ 67,143.72	\$ 52,130.61
Assessment Fund:			
Cash - Treasurer	SB-1 & SB-12	29,487.38	24.70
Assessments Receivable	SB-14	156,659.50	183,832.84
		186,146.88	183,857.54
Municipal Open Space Fund:			
Cash - Treasurer	SB-1	16,292,761.17	21,253,972.72
Other Funds:			
Cash - Treasurer	SB-1	14,286,339.31	11,679,511.98
Payroll Deductions Receivable	SB-1		1,957.46
Investments - Length of Service Award Program	SB-15	610,136.21	641,499.44
		14,896,475.52	12,322,968.88
		<u>\$ 31,442,527.29</u>	<u>\$ 33,812,929.75</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	SB-2	\$ 35,588.70	\$ 37,082.90
Due Current Fund	SB-3	31,550.22	15,047.71
Due State of New Jersey	SB-4	4.80	
		67,143.72	52,130.61
Assessment Fund:			
Due Current Fund	SB-13	186,146.88	183,857.54
Municipal Open Space Fund:			
Reserve for Encumbrances	SB-9	334,708.93	29,602.57
Reserve for Municipal Open Space Trust Fund	SB-9	11,581,700.15	18,120,418.06
Reserve for Payment of Debt	SB-10	4,376,352.09	3,103,952.09
		16,292,761.17	21,253,972.72

(Continued)

TOWNSHIP OF MOUNT LAUREL

TRUST FUND

Statements of Assets, Liabilities Reserves and Fund Balance - 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-5	\$ 50,591.19	\$ 26,063.14
Due New Jersey Crime Compensation Board	SB-6	281,032.74	261,254.74
Reserve for Encumbrances	SB-8	380,203.95	638,546.21
Reserves and Special Deposits:			
Developers' Recreation	SB-6	334,293.35	334,293.35
Bulletproof Vest Partnership	SB-6	52.78	52.78
Municipal Recreation: Summer Camp	SB-6	166,298.59	119,432.90
Municipal Recreation: Concert Series	SB-6	3,651.00	1,800.00
Municipal Recreation: Fall Festival	SB-6	79,921.82	74,776.16
Municipal Recreation: Senior Center	SB-6	19,426.55	18,186.55
Municipal Recreation: Special Events	SB-6	848.94	848.94
Municipal Recreation: Storm Recovery Trust	SB-6	1,070,766.39	1,095,519.94
Municipal Recreation: Women's Basketball	SB-6	280.00	280.00
Municipal Recreation: Men's Basketball	SB-6	2,360.00	1,080.00
Municipal Recreation: Softball	SB-6	1,635.62	1,073.00
Municipal Recreation Trust	SB-6	4,701.00	4,701.00
Recycling Trust Fund	SB-6	18,598.28	13,834.98
Special Law Enforcement Trust Fund	SB-6	80,786.70	59,161.38
Street Opening Deposits	SB-6	7,689.00	4,270.00
Low Income Housing	SB-6	5,860.75	5,860.75
Parking Offense Adjudication Act	SB-6	3,914.62	3,758.62
Public Defender Fees	SB-6	15,562.50	14,000.00
Outside Police Employment	SB-6	15,876.65	66,171.75
Developer's Fees - Spring Valley	SB-6	109,434.03	114,134.03
Reserve for Sidewalks	SB-6	89,715.00	89,715.00
Developer's Fees - Orleans Litigation Deposits	SB-6	1,425.88	1,425.88
Developer's Fees - Traffic Impact	SB-6	104,437.50	104,437.50
Reserve for Developer Fees - Hovnanian	SB-6	166.00	166.00
Reserve for Environmental - Kowalski	SB-6	250,000.00	250,000.00
New Jersey Unemployment Compensation			
Insurance Trust Fund	SB-6	287,986.96	284,688.02
Affordable Housing	SB-6	4,918,273.21	5,084,627.28
Affordable Housing - Low Income	SB-6	88,176.19	88,176.19
Fair Share Housing - Senior Citizens Housing	SB-6	81,248.99	81,086.67
Payroll Deductions Payable	SB-6	126,090.61	2,057.20
K-9 Fund	SB-6	28,482.15	25,032.41
Redemption of Tax Sale Certificates	SB-6	17,370.04	89,170.10
Redemption of Tax Sale Premiums	SB-6	664,600.00	1,050,400.00
Reserve for Length of Service Award Program	SB-6	610,136.21	641,499.44
Reserve for Community Development Escrow Deposits	SB-7	4,974,580.33	1,671,386.97
		14,896,475.52	12,322,968.88
		<u>\$ 31,442,527.29</u>	<u>\$ 33,812,929.75</u>

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

TOWNSHIP OF MOUNT LAUREL
MUNICIPAL OPEN SPACE TRUST FUND
 Statements of Operations and Changes in Reserve for Use - Regulatory Basis
 For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
REVENUE REALIZED:		
Amount to be Raised by Taxation	\$ 4,629,001.42	\$ 4,638,407.23
Reserve Funds	14,000,000.00	
Reserve for Payment of Debt		5,847.91
Miscellaneous Revenue Not Anticipated	588,197.05	124,609.51
	<hr/>	<hr/>
Total Income	19,217,198.47	4,768,864.65
	<hr/>	<hr/>
EXPENDITURES:		
Budget Appropriations:		
Development of Land	4,886,534.95	
Acquisition of Land	5,539,241.15	
Debt Service	1,330,140.28	1,373,362.50
Reserved for Future Use		88,516.64
	<hr/>	<hr/>
Total Expenditures	11,755,916.38	1,461,879.14
	<hr/>	<hr/>
Statutory Excess to Reserve For Future Use	7,461,282.09	3,306,985.51
	<hr/>	<hr/>
RESERVE FOR FUTURE USE:		
Balance January 1	18,120,418.06	14,813,432.55
	<hr/>	<hr/>
	25,581,700.15	18,120,418.06
	<hr/>	<hr/>
Decreased by:		
Utilized as Revenue	14,000,000.00	
	<hr/>	<hr/>
Balance December 31	\$ 11,581,700.15	\$ 18,120,418.06
	<hr/>	<hr/>

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

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

	Anticipated <u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Amount to be Raised by Taxation	\$ 4,620,773.51	\$ 4,629,001.42	\$ 8,227.91
Reserve Funds	14,000,000.00	14,000,000.00	
Miscellaneous Revenue Not Anticipated		588,197.05	588,197.05
	<u>\$ 18,620,773.51</u>	<u>\$ 19,217,198.47</u>	<u>\$ 596,424.96</u>

Analysis of Realized Revenues

Amount to be Raised by Taxation	
Current Year Levy	\$ 4,620,773.51
Added and Omitted Taxes	<u>8,227.91</u>
	<u>\$ 4,629,001.42</u>
Miscellaneous Revenue Not Anticipated:	
Community Gardens Rentals	\$ 1,980.00
Green Acres	337,500.00
Interest on Deposits	<u>248,717.05</u>
	<u>\$ 588,197.05</u>

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

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

	<u>Appropriations</u>		<u>Expended</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Canceled</u>
Development of Lands:				
Other Expenses	\$ 9,000,000.00	\$ 9,000,000.00	\$ 4,886,534.95	\$ 4,113,465.05
Acquisition of Lands	8,000,000.00	8,000,000.00	5,539,241.15	2,460,758.85
Debt Service:				
Payment of Bond Principal	785,000.00	785,000.00	785,000.00	
Interest on Bonds	545,140.28	545,140.28	545,140.28	
Reserve for Future Use	290,633.23	290,633.23		290,633.23
	<u>\$ 18,620,773.51</u>	<u>\$ 18,620,773.51</u>	<u>\$ 11,755,916.38</u>	<u>\$ 6,864,857.13</u>
Disbursed			\$ 11,452,235.82	
Budget Refunds			(1,425.80)	
Prior Year Encumbrances Canceled			(29,602.57)	
Reserve for Encumbrances Charged and Canceled			<u>334,708.93</u>	
			<u>\$ 11,755,916.38</u>	

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

TOWNSHIP OF MOUNT LAUREL
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>	<u>2017</u>
Cash	SC-1	\$ 12,970,566.67	\$ 18,506,233.78
Deferred Charges to Future Taxation - Funded	SC-3	16,660,000.00	19,630,000.00
Deferred Charges to Future Taxation - Unfunded	SC-4	25,548,218.00	25,948,253.06
Due from Current Fund	SC-6	50,876.82	
		<u>\$ 55,229,661.49</u>	<u>\$ 64,084,486.84</u>
 <u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>			
Capital Improvement Fund	C	\$ 17,038.00	\$ 17,038.00
Reserve for Payment of Bonds and Bond Anticipation Notes	SC-5	1,987,121.89	1,736,793.78
Due Current Fund	SC-6		36,990.59
Improvement Authorizations:			
Funded	SC-7	207,934.47	829,590.31
Unfunded	SC-7	8,062,983.04	12,879,929.06
Contracts Payable	SC-8	2,562,257.86	1,522,631.05
Reserve for Encumbrances	SC-8	37,646.95	1,286,034.77
Bond Anticipation Notes	SC-9	25,548,218.00	25,934,218.00
Serial Bonds	SC-10	16,660,000.00	19,630,000.00
Reserve for Capital Projects	C-1		83,836.73
Reserve for Purchase of Building and Equipment	C-1		1,549.16
Reserve for Preliminary Expenses - Rancocas Study	C-1		2,055.00
Reserve for CDBG - Burnam Wood Drive/Court	SC-5		64,800.00
Fund Balance	C-1	146,461.28	59,020.39
		<u>\$ 55,229,661.49</u>	<u>\$ 64,084,486.84</u>

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

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

Balance Dec. 31, 2017		\$ 59,020.39
Increased by:		
Cancellation of Reserve for Capital Projects	\$ 83,836.73	
Cancellation of Reserve for Purchase of Building and Equipment	1,549.16	
Cancellation of Reserve for Preliminary Expenses - Rancocas Study	<u>2,055.00</u>	
		<u>87,440.89</u>
Balance Dec. 31, 2018		<u><u>\$ 146,461.28</u></u>

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

	Balance <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2018</u>
General Fixed Assets:				
Land	\$ 41,687,296.00	\$ 3,731,410.64		\$ 45,418,706.64
Building	30,186,578.60	6,498,275.41	\$ 2,447,912.84	34,236,941.17
Equipment	2,036,410.13	193,356.57	300,586.70	1,929,180.00
Vehicles	7,608,986.47	735,873.88	458,184.80	7,886,675.55
	<u>\$ 81,519,271.20</u>	<u>\$ 11,158,916.50</u>	<u>\$ 3,206,684.34</u>	<u>\$ 89,471,503.36</u>
Investment in General Fixed Assets:				
General Capital Func	<u>\$ 81,519,271.20</u>	<u>\$ 11,158,916.50</u>	<u>\$ 3,206,684.34</u>	<u>\$ 89,471,503.36</u>

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

TOWNSHIP OF MOUNT LAUREL
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 Mount Laurel (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature on March 7, 1872 from portions of Evesham Township. The Township, located in Burlington County, New Jersey, has a total area of approximately twenty-two square miles, and is located approximately fifteen miles from the City of Philadelphia. The Township borders Moorestown Township, Maple Shade Township, Cherry Hill Township, Medford Township, Hainesport Township, Lumberton Township, Westampton Township, Willingboro Township and Evesham Township. According to the 2010 census, the population is 41,864.

The Township is governed under the Faulkner Act System using Council-Manager form of government, with a five-member Council. The Council is elected directly by the voters in partisan elections to serve four-year terms of office on a staggered basis, with two or three seats coming up for election in odd-numbered years. At an annual reorganization meeting, the Council selects one of its members to serve as Mayor and another as Deputy Mayor. The Township Manager oversees the daily functions of the Township.

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

Mount Laurel Municipal Utilities Authority
1201 S. Church Street
Mount Laurel, New Jersey 08054

Mount Laurel Public Library
100 Walt Whitman Avenue
Mount Laurel, New Jersey 08054

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd) - 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.

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

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

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

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

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

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

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.

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

Cash, Cash Equivalents and Investments (Cont'd) – All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

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

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

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

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

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

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.

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

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

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

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

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

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Burlington, the Township of Mount Laurel School District, the Lenape Regional High School District, the Township of Mount Laurel Open Space Fund, the Mount Laurel Library and the Township of Mount Laurel Fire District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Mount Laurel School District and the Lenape Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district and the regional high school district 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 Mount Laurel Fire District. 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.

Open Space Taxes - Currently, the Township assesses, by referendum, all taxable property at 8 cents per \$100.00 of assessed value for the acquisition and improvements of land for open space preservation, historic preservation, parks and recreation and maintenance of open space property within the Township.

Library Taxes - The municipality is responsible for levying, collecting and remitting library taxes for the Mount Laurel Public Library. The tax is a separate local levy tax, the amount of which is in accordance with New Jersey statutes based on 1/3 of a mil of the Township's equalized valuation of the prior year. The tax is remitted to the Library through the municipal budget.

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

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 bonds and notes are provided on the cash basis.

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

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

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

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

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

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental

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

Custodial Credit Risk Related to Deposits (Cont'd) - 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 \$73,643,450.16 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 67,798,627.98
Uninsured and Uncollateralized	<u>5,844,822.18</u>
Total	<u>\$ 73,643,450.16</u>

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate	<u>\$ 2.861</u>	<u>\$ 2.787</u>	<u>\$ 2.745</u>	<u>\$ 2.713</u>	<u>\$ 2.686</u>
Apportionment of Tax Rate:					
Municipal	\$.347	\$.347	\$.342	\$.343	\$.337
Municipal Library	.036	.036	.036	.035	.036
Municipal Open Space					
Preservation Trust Fund	.080	.080	.080	.080	.080
County	.382	.362	.364	.360	.370
County Open Space					
Preservation Trust Fund	.028	.044	.044	.043	.017
Local School	1.108	1.081	1.064	1.040	1.021
Regional School	.713	.677	.671	.669	.682
Special District Rates:					
Fire District	.167	.160	.144	.143	.143

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2018	\$ 5,775,966,890.00
2017	5,764,242,792.00
2016	5,763,738,392.00
2015	5,790,653,194.00
2014	5,786,157,100.00

Note 3: PROPERTY TAXES (CONT'D)

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

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2018	\$ 165,526,385.57	\$ 163,999,235.87	99.08%
2017	161,531,375.37	159,996,948.86	99.05%
2016	159,826,997.23	158,034,048.00	98.88%
2015	157,689,639.55	155,973,141.86	98.91%
2014	156,157,707.62	154,140,219.35	98.71%

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	\$ 90,409.19	\$ 1,299,143.99	\$ 1,389,553.18	0.84%
2017	70,198.75	1,123,036.58	1,193,235.33	0.74%
2016	92,841.21	1,496,678.13	1,589,519.34	0.99%
2015	178,215.44	1,181,934.18	1,360,149.62	0.86%
2014	136,065.37	2,165,611.76	2,301,677.13	1.47%

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

<u>Year</u>	<u>Number</u>
2018	23
2017	13
2016	14
2015	22
2014	23

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2018	\$ 1,267,196.00
2017	1,834,100.00
2016	1,834,100.00
2015	1,207,100.00
2014	1,317,700.00

Note 5: FUND BALANCES APPROPRIATED

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

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	\$ 16,776,691.02	\$ 6,450,000.00	38.45%
2017	14,677,568.94	6,300,000.00	42.92%
2016	10,568,839.13	6,300,000.00	59.61%
2015	8,829,465.92	6,000,000.00	67.95%
2014	7,807,354.16	5,600,000.00	71.73%

Note 6: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 268,288.29	\$ 50,876.82
Trust - Assessment		186,146.88
Trust - Animal Control		31,550.22
Trust - Other		50,591.19
General Capital	50,876.82	
Totals	<u>\$ 319,165.11</u>	<u>\$ 319,165.11</u>

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

Note 7: PENSION PLANS

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

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

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

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

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

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

Tier Definition

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65.

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

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

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

The following represents the membership tiers for PFRS:

Tier Definition

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

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

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable.

A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

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

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

Public Employees' Retirement System (Cont'd) - 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 13.79% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2018, the Township's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$622,037.00, 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 \$555,882.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$343,133.35.

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

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

The Township's contractually required contribution rate for the year ended December 31, 2018 was 29.80% 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 \$1,896,930.00, 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 \$1,622,174.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$644,447.10.

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

Police and Firemen's Retirement System (Cont'd) - The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2018 was 3.32% 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 \$211,215.00, 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 \$158,488.00, which was paid on April 1, 2018.

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

For the year ended December 31, 2018, employee contributions totaled \$3,484.68, and the Township's contributions were \$1,900.88. There were no forfeitures during the year.

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

Public Employees' Retirement System - At December 31, 2018, the Township's proportionate share of the PERS net pension liability was \$12,313,149.00. 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 0.0625366218%, which was an increase of 0.0025316184% 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 \$729,754.00. 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 \$555,882.00, and was paid on April 1, 2018.

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

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	\$ 26,255,470.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>3,566,371.00</u>
	<u>\$ 29,821,841.00</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 0.1940300900%, which was an increase of 0.0107374157% 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 0.1940300900%, which was an increase of 0.0107374157% 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 \$2,292,237.00. 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 \$1,622,174.00, 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 \$422,431.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

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

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

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 234,814.00	\$ 267,115.00	\$ 501,929.00	\$ 63,490.00	\$ 108,651.00	\$ 172,141.00
Changes of Assumptions	2,029,003.00	2,253,679.00	4,282,682.00	3,937,090.00	6,728,824.00	10,665,914.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	115,498.00	143,641.00	259,139.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	633,844.00	2,315,657.00	2,949,501.00	425,016.00	1,086,218.00	1,511,234.00
Township Contributions Subsequent to the Measurement Date	311,019.00	948,465.00	1,259,484.00	-	-	-
	<u>\$ 3,208,680.00</u>	<u>\$ 5,784,916.00</u>	<u>\$ 8,993,596.00</u>	<u>\$ 4,541,094.00</u>	<u>\$ 8,067,334.00</u>	<u>\$ 12,608,428.00</u>

\$311,019.00 and \$948,465.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2019. These amounts were based on an estimated April 1, 2020 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2018 to the Township's year end of December 31, 2018.

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

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

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

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

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2019	\$ 128,181.00	\$ 473,858.00	\$ 602,039.00
2020	(122,433.00)	(489,858.00)	(612,291.00)
2021	(826,276.00)	(1,833,075.00)	(2,659,351.00)
2022	(651,299.00)	(1,168,818.00)	(1,820,117.00)
2023	(171,606.00)	(212,990.00)	(384,596.00)
	<u>\$ (1,643,433.00)</u>	<u>\$ (3,230,883.00)</u>	<u>\$ (4,874,316.00)</u>

Actuarial Assumptions

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

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

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).

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

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:

<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>	

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

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.

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>\$ 15,482,366.00</u>	<u>\$ 12,313,149.00</u>	<u>\$ 9,654,379.00</u>

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

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	\$ 35,139,688.00	\$ 26,255,470.00	\$ 18,927,608.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	4,773,145.02	3,566,371.00	2,571,002.25
	<u>\$ 39,912,833.02</u>	<u>\$ 29,821,841.00</u>	<u>\$ 21,498,610.25</u>

Pension Plan Fiduciary Net Position

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

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.

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information*****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	0.0625366218%	0.0600050034%	0.0609092781%
Township's Proportionate Share of the Net Pension Liability	\$ 12,313,149.00	\$ 13,968,206.00	\$ 18,039,581.00
Township's Covered Payroll (Plan Measurement Period)	\$ 4,318,780.00	\$ 4,007,952.00	\$ 3,904,004.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	285.11%	348.51%	462.08%
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	0.0630380571%	0.0648472196%	0.0610033341%
Township's Proportionate Share of the Net Pension Liability	\$ 14,150,781.00	\$ 12,141,173.00	\$ 11,658,949.00
Township's Covered Payroll (Plan Measurement Period)	\$ 4,013,668.00	\$ 4,104,736.00	\$ 3,819,180.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	352.56%	295.78%	305.27%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

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

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Contractually Required Contribution	\$ 622,037.00	\$ 555,882.00	\$ 541,109.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(622,037.00)</u>	<u>(555,882.00)</u>	<u>(541,109.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 4,510,916.00	\$ 4,396,886.00	\$ 4,093,353.00
Township's Contributions as a Percentage of Covered Payroll	13.79%	12.64%	13.22%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 541,958.00	\$ 534,591.00	\$ 459,648.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(541,958.00)</u>	<u>(534,591.00)</u>	<u>(459,648.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 3,903,433.00	\$ 3,998,793.00	\$ 4,034,733.00
Township's Contributions as a Percentage of Covered Payroll	13.88%	13.37%	11.39%

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

	<u>Measurement Date Ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Proportion of the Net Pension Liability	0.1940300900%	0.1832926743%	0.1893315521%
Township's Proportionate Share of the Net Pension Liability	\$ 26,255,470.00	\$ 28,296,845.00	\$ 36,167,169.00
State's Proportionate Share of the Net Pension Liability associated with the Township	3,566,371.00	3,169,485.00	3,037,145.00
Total	<u>\$ 29,821,841.00</u>	<u>\$ 31,466,330.00</u>	<u>\$ 39,204,314.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 6,352,560.00	\$ 5,901,648.00	\$ 6,008,508.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	413.31%	479.47%	601.93%
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	0.1779534352%	0.1913154771%	0.1841119754%
Township's Proportionate Share of the Net Pension Liability	\$ 29,640,839.00	\$ 24,065,713.00	\$ 24,476,026.00
State's Proportionate Share of the Net Pension Liability associated with the Township	2,599,402.00	2,591,473.00	2,281,463.00
Total	<u>\$ 32,240,241.00</u>	<u>\$ 26,657,186.00</u>	<u>\$ 26,757,489.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 5,635,452.00	\$ 5,899,404.00	\$ 5,778,048.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	525.97%	407.93%	423.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

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

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Contractually Required Contribution	\$ 1,896,930.00	\$ 1,622,174.00	\$ 1,543,697.00
Township's Contribution in Relation to the Contractually Required Contribution	(1,896,930.00)	(1,622,174.00)	(1,543,697.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 6,365,598.00	\$ 6,151,390.00	\$ 5,944,839.00
Township's Contributions as a Percentage of Covered Payroll	29.80%	26.37%	25.97%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 1,446,496.00	\$ 1,469,435.00	\$ 1,343,240.00
Township's Contribution in Relation to the Contractually Required Contribution	(1,446,496.00)	(1,469,435.00)	(1,343,240.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 5,907,397.00	\$ 5,680,094.00	\$ 5,714,809.00
Township's Contributions as a Percentage of Covered Payroll	24.49%	25.87%	23.50%

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.

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

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

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

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

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

Changes in Assumptions

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

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

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

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

Note 8: LENGTH OF SERVICE AWARDS PROGRAM

Plan Description - The Township's length of service awards program (the "Plan"), which is a defined contribution plan reported in the Township's trust fund, was created by a Township Ordinance adopted on June 20, 2005 pursuant to Section 457(e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The accumulated assets of the Plan are not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*.

The voters of the Township approved the adoption of the Plan at the general election held on November 5, 2005, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2006. The Plan provides tax deferred income benefits to active emergency medical service volunteers, and is administered by Lincoln National Life Insurance Company ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The Township's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator. The tax deferred income benefits for emergency service volunteers of the Emergency Medical Services, Inc., consisting of the volunteer first aid organization, come from contributions made solely by the governing body of the Township, on behalf of those volunteers who meet the criteria of the Plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

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

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

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

The Township elected to contribute between \$116.15 and \$1,150.00 for the year ended December 31, 2018, per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The Township has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator.

For the year ended December 31, 2018, the Township's total expenditure to the Plan was \$38,309.16 and there were plan forfeitures of \$6,232.54.

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

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

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

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

Payment of Benefits (Cont'd) - In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals.

Forfeited Accounts - For the year ended December 31, 2018, two accounts, totaling \$6,232.54 were forfeited.

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

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

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

Plan Description and Benefits Provided - 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.

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

Plan Description and Benefits Provided (Cont'd) - 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.

The Township was billed monthly by the Plan and paid \$487,459.35 for the year ended December 31, 2018, representing 4.48% of the Township's covered payroll. During the year ended December 31, 2018, no contributions were required from retirees.

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, these employers are 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 local participating employers do 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 notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

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 \$628,855.00 for the year ended December 31, 2018 representing 5.78% of the Township's covered payroll.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

OPEB Liability - At December 31, 2018 the Township's and State's proportionate share of the net OPEB liability were as follows:

Township's Proportionate Share of Net OPEB Liability	\$ 18,909,451.00
State of New Jersey's Proportionate Share of Net OPEB Liability Associated with the Township	20,774,063.00
	<u>\$ 39,683,514.00</u>

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 Township's proportion of the net OPEB liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2017 through June 30, 2018. For the June 30, 2018 measurement date, the Township's proportion was 0.120699% which was an increase of 0.000604% from its proportion measured as of the June 30, 2017 measurement date.

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 0.334319% which was an increase of 0.000207% from its proportion measured as of the June 30, 2017 measurement date.

OPEB Expense - At December 31, 2018, the Township's proportionate share of the OPEB expense, calculated by the Plan as of the June 30, 2018 measurement date is \$383,390.00. 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 made contributions to the Plan totaling \$487,459.35.

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 \$628,855.00. 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)**OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (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 the OPEB liability from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ 3,839,293.00
Changes of Assumptions	-	4,796,630.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	9,993.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	120,149.00	2,231,091.00
Township Contributions Subsequent to the Measurement Date	-	-
	<u>\$ 130,142.00</u>	<u>\$ 10,867,014.00</u>

The Township will amortize the above deferred outflow of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions		
Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04
June 30, 2018	-	8.14
Net Difference between Projected and Actual Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions		
Year of OPEB Plan Deferral:		
June 30, 2017	8.04	8.04
June 30, 2018	8.14	8.14

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (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 the OPEB liability will be recognized in future periods as follows:

Year Ending Dec. 31,	
2019	\$ (1,619,161.00)
2020	(1,619,161.00)
2021	(1,619,161.00)
2022	(1,620,217.00)
2023	(1,621,923.00)
Thereafter	(2,637,249.00)
	<u>\$ (10,736,872.00)</u>

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.

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

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.

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 a portion of 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, for the Township and the State of New Jersey, 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 (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Township's Proportionate Share of the Net OPEB Liability	\$ 22,185,785.00	\$ 18,909,451.00	\$ 16,292,401.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	24,373,468.00	20,774,063.00	17,898,953.00
	<u>\$ 46,559,253.00</u>	<u>\$ 39,683,514.00</u>	<u>\$ 34,191,354.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The Township's and State's proportionate share of 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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Township's Proportionate Share of the Net OPEB Liability	\$ 15,773,514.00	\$ 18,909,451.00	\$ 22,967,819.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>17,328,899.00</u>	<u>20,774,063.00</u>	<u>25,232,617.00</u>
	<u>\$ 33,102,413.00</u>	<u>\$ 39,683,514.00</u>	<u>\$ 48,200,436.00</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>.

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

Schedule of the Township's Proportionate Share of the net OPEB Liability (Last 2 Years)

	<u>Measurement Date Ended June 30,</u>	
	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net OPEB Liability	0.120699%	0.120095%
Township's Proportionate Share of the Net OPEB Liability	\$ 18,909,451.00	\$ 24,518,341.00
State's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>20,774,063.00</u>	<u>29,052,419.00</u>
Total	<u>\$ 39,683,514.00</u>	<u>\$ 53,570,760.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 10,672,328.00	\$ 10,387,856.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	177.18%	236.03%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.97%	1.03%

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

	<u>Year Ended December 31,</u>	
	<u>2018</u>	<u>2017</u>
Township's Required Contributions	\$ 487,459.35	\$ 435,260.50
Township's Contributions in Relation to the Required Contribution	<u>(487,459.35)</u>	<u>(435,260.50)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 10,876,514.00	\$ 10,548,276.00
Township's Contributions as a Percentage of Covered Payroll	4.48%	4.13%

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**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, full-time 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.

The Township compensates employees for unused sick leave and vacation days upon termination if they have ten years of service or retirement. The current contract provides for compensated pay of 20%, 30%, 33% or 50% of sick days accumulated with a maximum pay-out of thirty or forty days' pay or \$15,000.00 depending on which contract. All unused vacation days are paid out upon termination or retirement. Compensation is paid at the rate of pay upon termination or retirement.

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 \$1,201,616.51.

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: CAPITAL DEBT**General Improvement Bonds**

Open Space Bonds, Series A 2011 - On April 7, 2011, the Township issued \$18,600,000.00 of open space bonds, with interest rates ranging from 4.0% to 4.5%. The purpose of the bonds is to fund various capital ordinances. The callable portion of these bonds were advanced refunded during 2017. The final maturity of the noncallable portion of the bonds is April 15, 2021.

General Obligation Refunding Bonds, Series B 2011 - On April 7, 2011, the Township issued \$8,805,000.00 of general obligation refunding bonds, with interest rates ranging from 2.0% to 3.0% to advance refund \$8,658,000.00 outstanding 1998, 2001 and 2002 general improvement bonds with interest rates of 3.375% to 4.750%. The final maturity of the bonds was August 1, 2018.

General Obligation Refunding Bonds, Series 2014 - On December 10, 2014, the Township issued \$9,190,000.00 in general improvement refunding bonds, with interest rates ranging from 1.0% to 4.0%, to advance refund \$9,550,000.00 outstanding 2004, 2005 and 2006 general improvement bonds with interest rates of 3.750 to 4.300%. The final maturity of the bonds is September 1, 2022.

Open Space Refunding Bonds, Series 2017 - On October 26, 2017 the Township issued \$10,660,000.00 in general improvement refunding bonds, with interest rates ranging from 3.0% to 5.0% to advance refund \$11,105,000.00 outstanding 2011 Open Space Bonds, Series A with interest rates ranging from 4% to 4.50%. The final maturity of the bonds is April 15, 2031.

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	\$ 1,560,000.00	\$ 137,600.00	\$ 1,697,600.00
2020	770,000.00	75,200.00	845,200.00
2021	770,000.00	44,400.00	814,400.00
2022	340,000.00	13,600.00	353,600.00
Totals	<u>\$ 3,440,000.00</u>	<u>\$ 270,800.00</u>	<u>\$ 3,710,800.00</u>

The following schedule represents the remaining debt service, through maturity, for the Open Space Bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 825,000.00	\$ 526,400.00	\$ 1,351,400.00
2020	850,000.00	492,900.00	1,342,900.00
2021	885,000.00	458,200.00	1,343,200.00
2022	890,000.00	427,150.00	1,317,150.00
2023	925,000.00	395,300.00	1,320,300.00
2024-2028	5,215,000.00	1,363,225.00	6,578,225.00
2029-2031	3,630,000.00	239,025.00	3,869,025.00
Totals	<u>\$ 13,220,000.00</u>	<u>\$ 3,902,200.00</u>	<u>\$ 17,122,200.00</u>

Note 12: CAPITAL DEBT (CONT'D)**General Improvement Bonds (Cont'd)**

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 42,208,218.00	\$ 45,564,218.00	\$ 41,930,243.00
Total Issued	42,208,218.00	45,564,218.00	41,930,243.00
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	-	14,035.06	19,795,242.62
Total Authorized but not Issued	-	14,035.06	19,795,242.62
Total Issued and Authorized but not Issued	42,208,218.00	45,578,253.06	61,725,485.62
<u>Deductions</u>			
General:			
Reserve for Payment of Bonds	6,363,473.98	4,840,745.87	3,760,883.13
Total Deductions	6,363,473.98	4,840,745.87	3,760,883.13
Net Debt	<u>\$ 35,844,744.02</u>	<u>\$ 40,737,507.19</u>	<u>\$ 57,964,602.49</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of .566%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Purposes	\$ 38,095,000.00	\$ 38,095,000.00	
Regional School Purposes	17,654,903.38	17,654,903.38	
General	42,208,218.00	6,363,473.98	\$ 35,844,744.02
	<u>\$ 97,958,121.38</u>	<u>\$ 62,113,377.36</u>	<u>\$ 35,844,744.02</u>

Net debt \$35,844,744.02 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$6,331,799,424.67, equals .566%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 221,612,979.86
Less: Net Debt	<u>35,844,744.02</u>
Remaining Borrowing Power	<u>\$ 185,768,235.84</u>

A revised annual debt statement should be filed by the Chief Financial Officer.

Note 13: DEFEASED DEBT

In prior years, the Township defeased certain general obligation bonds by placing the proceeds of new bonds in a separate irrevocable trust fund. The investments and fixed interest earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt is considered defeased and therefore removed as a liability from the Township's financial statements. As of December 31, 2018, the total amount of defeased debt outstanding, but removed from the Township's financial statements, is \$11,105,000.00.

Note 14: SCHOOL TAXES

Mount Laurel Local 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:

	Balance December 31,	
	<u>2018</u>	<u>2017</u>
Balance of Tax	\$ 31,990,898.00	\$ 31,153,958.50
Deferred	<u>27,305,565.35</u>	<u>27,305,565.35</u>
Taxes Payable	<u>\$ 4,685,332.65</u>	<u>\$ 3,848,393.15</u>

Lenape 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:

	Balance December 31,	
	<u>2018</u>	<u>2017</u>
Balance of Tax	\$ 20,582,911.16	\$ 19,528,706.86
Deferred	<u>18,165,286.57</u>	<u>18,165,286.57</u>
Taxes Payable	<u>\$ 2,417,624.59</u>	<u>\$ 1,363,420.29</u>

Note 15: RISK MANAGEMENT

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

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

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

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	-	\$ 17,585.02	\$ 28.94	\$ 14,315.02	\$ 287,986.96
2017	\$ 100.00	17,284.79	26.33	4,051.19	284,688.02
2016	-	16,272.48	118.78	4,369.00	271,328.09

It is estimated that there are no unreimbursed payments on behalf of the Township at December 31, 2018.

Note 15: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool - The Township of Mount Laurel 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

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Workers' Compensation
 Excess General Liability
 Non-Owned Aircraft Liability
 Excess Auto Liability
 Fidelity and Performance (Blanket)
 Excess Property including Boiler and Machinery
 Crime including Excess Public Employee and Public Official Coverage

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 for the year ended December 31, 2018, which can be obtained from:

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

Note 16: DEBT SERVICE AGREEMENT (FINANCIAL GUARANTEE)

On June 11, 2018, the Township entered into a debt service agreement to guarantee the thirty-year, \$3,600,000.00 general obligation bond issuance of the Township of Mount Laurel Municipal Utilities Authority, *a component unit of the Township*. The bonds mature annually through February 1, 2049, with semiannual interest payments. In the event that the Authority is unable to make a payment, the Township is required to make that payment. The Authority is obligated, by the agreement, to repay to the Township all advances paid on their behalf, contingent upon the financial ability to do so. At December 31, 2018, the Authority had \$3,600,000.00 in authorized but not issued outstanding debt covered by this agreement.

Note 17: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 3, 1998, November 6, 2001 and November 5, 2002 pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township authorized the establishment of the Township of Mount Laurel Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 1999, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the three referendums, the Township currently levies a tax not to exceed eight cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. In 2007, the voters of the Township extended the yearly provisions of the 1998 and 2001 referendums. In 2017, the voters of the Township approved an amendment to the purpose of the open space tax to include the improvements of recreation sites within the Township. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Mount Laurel Open Space, Recreation and Farmland Preservation Trust Funds.

Note 18: 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 19: 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 20: SUBSEQUENT EVENTS

Tax Appeals - As of December 31, 2018, several tax appeals were on file against the Township. Based upon information provided by the tax assessor, if such appeals are not settled in favor of the Township, the estimated impact of the tax refunds could be material. However, the Township has 2018 appropriation reserves of \$333,227.28 and budgeted \$300,000.00 in the 2019 budget. In the event there are insufficient funds to settle any of these appeals, the Township has the ability to raise the funds in the budget subsequent to 2019 and may, depending upon approval from the New Jersey State Local Finance Board, borrow to fund the payment of appeals.

Authorization of Debt – Subsequent to December 31, the Township authorized the sale of \$25,545,000.00 of General Obligation Bonds to fund the amount of Bond Anticipation Notes outstanding as of December 31, 2018. In addition, the Township authorized additional bonds and notes as follows:

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
General Improvements		
Various Capital Improvements and Related Expenses	05/20/19	<u>\$ 5,172,309.00</u>

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

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

	<u>Regular</u>	<u>Federal, State and Local Grant Fund</u>
Balance Dec. 31, 2017	\$ 30,866,993.93	\$ 497,809.20
Increased by Receipts:		
Tax Collector	\$ 160,316,604.23	
Energy Receipts Tax (P.L. 1997, Ch 162 & 167)	2,825,561.00	
Municipal Occupancy Tax	2,383,684.95	
Contribution from Municipal Utility Authority	388,002.00	
Due Mount Laurel Library	350,000.00	
Miscellaneous Revenue not Anticipated	398,608.07	
Revenue Accounts Receivable	4,871,426.20	
Due State - DCA & Marriage License Fees	102,287.00	
Due Trust - Other Funds	56,300.00	
Due General Capital Fund	25,894,142.00	
Federal, State and Local Grant Funds Receivable		<u>\$ 550,691.46</u>
	<u>197,586,615.45</u>	<u>550,691.46</u>
	228,453,609.38	1,048,500.66
Decreased by Disbursements:		
2018 Budget Appropriations	31,208,847.99	
2017 Appropriation Reserves	913,546.52	
Special District Taxes	9,635,002.00	
County Taxes	23,619,408.83	
Due County for Added and Omitted Taxes	137,032.10	
Local District School Tax	63,144,872.50	
Regional High School Tax	40,111,617.50	
Due State - DCA & Marriage License Fees	95,714.00	
Due Trust - Open Space Fund	4,629,001.42	
Due Trust - Other Funds	162.23	
Due General Capital Fund	25,548,218.00	
Tax Overpayments	147,193.68	
Change Funds	150.00	
Refund of Prior Year Revenue	6,987.70	
Federal, State and Local Grants - Appropriated		<u>404,195.49</u>
	<u>199,197,754.47</u>	<u>404,195.49</u>
Balance Dec. 31, 2018	<u><u>\$ 29,255,854.91</u></u>	<u><u>\$ 644,305.17</u></u>

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

Receipts:

Taxes Receivable	\$ 158,281,380.91
Due State of New Jersey - Senior Citizens' and Veterans' Deductions	359,000.00
Interest and Costs on Taxes	280,102.02
Tax Title Liens	40,970.70
Prepaid Taxes	1,086,351.07
Tax Overpayments	240,340.21
Revenue Accounts Receivable	<u>28,459.32</u>

160,316,604.23

Decreased by Disbursements:

Payments to Treasurer	<u><u>\$ 160,316,604.23</u></u>
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TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Change Funds
For the Year Ended December 31, 2018

<u>Office</u>	Balance <u>Dec. 31, 2017</u>	<u>Disbursements</u>	Balance <u>Dec. 31, 2018</u>
Tax Collector	\$ 300.00		\$ 300.00
Court Clerk	150.00		150.00
Township Clerk	100.00		100.00
Community Development	<u>100.00</u>	<u>\$ 150.00</u>	<u>250.00</u>
	<u>\$ 650.00</u>	<u>\$ 150.00</u>	<u>\$ 800.00</u>

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Due State of New Jersey
Senior Citizens' and Veterans' Deductions
For the Year End December 31, 2018

Balance Dec. 31, 2017		\$ 17,244.63
Increased by:		
Accrued in 2018:		
Senior Citizens' Deductions per Billing	\$ 67,500.00	
Veterans' Deductions per Billing	<u>300,500.00</u>	
	368,000.00	
Allowed by Collector:		
Senior Citizens' and Veterans Deductions - Current Year	<u>20,500.00</u>	
		\$ 388,500.00
Deduct:		
Disallowed by Collector:		
Senior Citizens' and Veterans Deductions	<u>3,750.00</u>	
		384,750.00
Deduct:		
Disallowed by Collector:		
Prior Year Senior Citizens' Deductions and Veterans' Deductions		
2017 Taxes	<u>22,750.00</u>	
		<u>362,000.00</u>
		379,244.63
Decreased by:		
Collections - Collector		<u>359,000.00</u>
Balance Dec. 31, 2018		<u><u>\$ 20,244.63</u></u>

Exhibit SA-5

CURRENT FUND
Statement of Property Maintenance Liens Receivable
For the Year End December 31, 2018

Balance Dec. 31, 2017		\$ 1,982.96
Increased by:		
Liens Billed	<u>1,596.02</u>	
		3,578.98
Decreased by:		
Receipts in Miscellaneous Revenue Not Anticipated	<u>1,445.76</u>	
Balance Dec. 31, 2018		<u><u>\$ 2,133.22</u></u>

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

	Balance Dec. 31, 2017	2018 Levy	Added	<u>C o l l e c t e d</u>		Due from State of New Jersey	Transferred To Overpayments	Canceled	Transferred To Tax Title Liens	Balance Dec. 31, 2018
				2017	2018					
2016	\$ 5,550.72				\$ 4.86		\$ 87,288.26	\$ 87,288.26		\$ 5,545.86
2017	1,117,485.86		\$ 22,750.00		1,011,777.60			101,758.51	\$ 21,138.25	5,561.50
	1,123,036.58	-	22,750.00	-	1,011,782.46	-	87,288.26	189,046.77	21,138.25	11,107.36
2018		\$ 165,526,385.57		\$ 6,344,887.42	157,269,598.45	\$ 384,750.00		204,081.45	35,031.62	1,288,036.63
	<u>\$ 1,123,036.58</u>	<u>\$ 165,526,385.57</u>	<u>\$ 22,750.00</u>	<u>\$ 6,344,887.42</u>	<u>\$ 158,281,380.91</u>	<u>\$ 384,750.00</u>	<u>\$ 87,288.26</u>	<u>\$ 393,128.22</u>	<u>\$ 56,169.87</u>	<u>\$ 1,299,143.99</u>

Analysis of 2018 Property Tax Levy

Tax Yield

General Purpose	\$ 150,994,646.36
Special District Tax	9,635,002.00
Municipal Open Space Tax	4,620,773.51
Added Taxes	<u>275,963.70</u>

\$ 165,526,385.57

Tax Levy

Local District School Tax	\$ 63,981,812.00
Regional High School	41,165,822.00
Special District Tax	9,635,002.00
County Taxes:	
County Tax	\$ 23,619,408.83
Due County for Added and Omitted Taxes	<u>42,119.15</u>

23,661,527.98

Local Open Space Tax	4,620,773.51
Due Municipal Open Space Trust Fund for Added and Omitted Taxes	<u>8,227.91</u>

4,629,001.42

Local Tax for Municipal Purposes	20,042,605.10
Minimum Library Tax	2,134,428.28
Add: Additional Tax Levied	<u>276,186.79</u>

22,453,220.17

\$ 165,526,385.57

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

Balance Dec. 31, 2017		\$ 70,198.75
Increased by:		
Tax Sale Costs	\$ 5,011.27	
Transfers from Taxes Receivable	<u>56,169.87</u>	
		<u>61,181.14</u>
		131,379.9
Decreased by:		
Receipts		<u>40,970.70</u>
Balance Dec. 31, 2018		<u><u>\$ 90,409.19</u></u>

Exhibit SA-8

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Property Acquired for Taxes - Assessed Valuation
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 1,834,100.00
Increased by:		
Gain on Sale		<u>2,120.00</u>
		1,836,220.00
Decreased by:		
Receipts in Miscellaneous Revenue Not Anticipated	\$ 13,820.00	
Adjustment to Assessed Valuation	<u>555,204.00</u>	
		<u>569,024.00</u>
Balance Dec. 31, 2018		<u><u>\$ 1,267,196.00</u></u>

TOWNSHIP OF MOUNT LAUREL
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>Collected</u>	<u>Due from</u> <u>Trust - Animal</u> <u>Control Fund</u>	<u>Due from</u> <u>Trust -</u> <u>Assessment</u> <u>Fund</u>	<u>Due from</u> <u>Trust - Other</u> <u>Funds</u>	<u>Due from</u> <u>General</u> <u>Capital</u> <u>Fund</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Clerk:								
Licenses:								
Alcoholic Beverage		\$ 111,900.00	\$ 111,900.00					
Other		130,905.00	130,905.00					
Fees and Permits--Other		186.00	186.00					
Registrar of Vital Statistics:								
Licenses - Other		5,092.00	5,092.00					
Fees and Permits - Other		15,600.00	15,600.00					
Planning Board:								
Fees and Permits - Other		15,114.00	15,114.00					
Zoning Board of Adjustment:								
Fees and Permits - Other		34,030.30	34,030.30					
Police Department:								
Fees and Permits - Other		4,130.59	4,130.59					
EMS Department:								
Service Billings		1,338,763.92	1,338,763.92					
Road Opening Inspection Fees		2,474.00	2,474.00					
Tax Collector:								
Miscellaneous Revenue Not Anticipated								
Duplicate Tax Bills		333.00	333.00					
Tax Searches		1,390.00	1,390.00					
Property Certifications		692.75	692.75					
6% Year-End Penalty Tax		22,973.53	22,973.53					
Miscellaneous		3,070.04	3,070.04					
Construction Code Official:								
Uniform Construction Code Fees		1,463,811.00	1,463,811.00					
Municipal Court:								
Fines and Costs	\$ 43,122.55	701,937.09	694,982.76					\$ 50,076.88 (A)
Interest on Bail and Regular	117.41	2,552.89	2,424.57					245.73 (A)
Cable Television Act - Franchise Fees		219,157.82	219,157.82					
Spectra Tower Rental		47,498.88	47,498.88					
Rental Registration Fees		325,755.00	325,755.00					
Interest on Investments and Deposits		754,192.04	459,600.36	\$ 6.56	\$ 344.32	\$ 36,184.21	\$ 258,056.59	
	<u>\$ 43,239.96</u>	<u>\$ 5,201,559.85</u>	<u>\$ 4,899,885.52</u>	<u>\$ 6.56</u>	<u>\$ 344.32</u>	<u>\$ 36,184.21</u>	<u>\$ 258,056.59</u>	<u>\$ 50,322.61</u>
Tax Collector			\$ 28,459.32					
Treasurer			4,871,426.20					
			<u>\$ 4,899,885.52</u>					

(A) Dec. 2018

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Due State of New Jersey - Marriage Licenses & DCA Fees
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 26,193.00
Increased by:	
Receipts	<u>102,287.00</u>
	128,480.00
Decreased by:	
Payments	<u>95,714.00</u>
Balance Dec. 31, 2018	<u><u>\$ 32,766.00</u></u>
<u>Analysis of Balance Dec. 31, 2018</u>	
DCA Fees	\$ 31,741.00
Marriage License Fees	<u>1,025.00</u>
	<u><u>\$ 32,766.00</u></u>

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

	<u>Balance Dec. 31, 2017</u>		<u>Balance</u>		<u>Balance</u>
	<u>Encumbered</u>	<u>Appropriation Reserves</u>	<u>After Transfers</u>	<u>Disbursed</u>	<u>Lapsed</u>
Department of Legislative and Executive					
Mayor and Council					
Salaries and Wages		\$ 0.48	\$ 0.48		\$ 0.48
Other Expenses		3,639.53	3,639.53		3,639.53
Township Manager and Office of Township Clerk					
Salaries and Wages					
Manager		23,086.43	23,086.43		23,086.43
Clerk		4,305.30	4,305.30		4,305.30
Other Expenses					
Manager	\$ 15,302.25	10,230.83	25,533.08	\$ 15,247.00	10,286.08
Clerk	749.99	25,842.37	26,592.36	574.24	26,018.12
Insurance					
General Liability		590.07	590.07		590.07
Employee Group Health		388,630.93	388,630.93	1,437.19	387,193.74
Workers Compensation		468.68	468.68		468.68
Township Solicitor:					
Other Expenses	15,532.50	111,061.20	126,593.70	20,227.78	106,365.92
Other Legal Services and Costs					
Other Expenses	1,864.00	17,988.45	19,852.45	9,536.00	10,316.45
Department of Administration and Finance					
Director of Finance					
Salaries and Wages		23,588.12	23,588.12		23,588.12
Other Expenses	33.96	19,175.06	19,209.02	49.35	19,159.67
Tax Assessor					
Salaries and Wages		629.77	629.77		629.77
Other Expenses	12,228.37	49,729.58	61,957.95	12,252.86	49,705.09
Tax Collector					
Salaries and Wages		3,973.79	3,973.79		3,973.79
Other Expenses	3.99	10,705.60	10,709.59	3.99	10,705.60
Municipal Court					
Salaries and Wages		10,601.84	10,601.84		10,601.84
Other Expenses	297.71	6,966.73	7,264.44	297.71	6,966.73
Department of Public Safety					
Police Department					
Salaries and Wages		228,250.78	228,250.78		228,250.78
Other Expenses	100,352.74	13,181.56	113,534.30	100,656.03	12,878.27
Emergency Management Services					
Salaries and Wages		0.02	0.02		0.02
Other Expenses	695.00	577.10	1,272.10	545.00	727.10
Aid to First Aid Organizations					
Mount Laurel EMS					
Salaries and Wages		11,265.74	11,265.74		11,265.74
Other Expense	12,329.40	12,789.36	25,118.76	13,092.20	12,026.56
Other Expenses - Billing	4,359.47	25,789.43	30,148.90	4,359.47	25,789.43
Department of Public Works					
Road Repairs and Maintenance					
Salaries and Wages		110,673.42	110,673.42		110,673.42
Other Expenses	2,518.21	84,800.95	87,319.16	2,244.21	85,074.95
Garbage and Trash Removal					
Other Expenses	63,103.12	80,235.06	143,338.18	63,103.12	80,235.06
Municipal Services Act (N.J.S.A. 40:67-23.2 et seq.)					
Other Expense	96,023.73	42,328.11	138,351.84	62,757.91	75,593.93
Public Buildings and Grounds					
Salaries and Wages		10,257.44	10,257.44		10,257.44
Other Expenses	10,792.35	9,066.41	19,858.76	11,424.79	8,433.97

(Continued)

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

	<u>Balance Dec. 31, 2017</u>		<u>Balance</u>		<u>Balance</u>
	<u>Encumbered</u>	<u>Appropriation Reserves</u>	<u>After Transfers</u>	<u>Disbursed</u>	<u>Lapsed</u>
Department of Public Works (Cont'd)					
Maintenance of Motor Vehicles					
Salaries and Wages		\$ 12,651.33	\$ 12,651.33		\$ 12,651.33
Other Expenses	\$ 1,573.25	53,217.81	54,791.06	\$ 1,260.08	53,530.98
Municipal Engineer					
Other Expenses	12,641.80	19,473.74	32,115.54	8,906.02	23,209.52
Sanitary Landfill--Contractual	127,084.81	301,477.82	428,562.63	127,084.81	301,477.82
Department of Public Health and Welfare					
Public Assistance					
Other Expenses		100.00	100.00		100.00
Animal Control					
Other Expenses	266.00	2,228.55	2,494.55	266.00	2,228.55
Department of Parks and Recreation					
Salaries and Wages		11,197.60	11,197.60		11,197.60
Other Expenses	3,014.57	41,135.34	44,149.91	3,110.41	41,039.50
Maintenance of Parks					
Salaries and Wages		8,311.61	8,311.61		8,311.61
Other Expenses	14,707.33	149,758.42	164,465.75	12,910.54	151,555.21
Department of Community Development					
Planning Board					
Salaries and Wages		2,713.57	2,713.57		2,713.57
Other Expenses	3,295.93	24,031.61	27,327.54	3,295.93	24,031.61
Zoning Board					
Salaries and Wages		1,486.85	1,486.85		1,486.85
Other Expenses		9,465.99	9,465.99		9,465.99
Housing Enforcement					
Salaries and Wages		22,078.43	22,078.43		22,078.43
Other Expenses		2,740.70	2,740.70		2,740.70
Uniform Construction Code--Appropriations Offset by					
Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Construction Code Official					
Salaries and Wages		39,611.05	39,611.05		39,611.05
Other Expenses	494.55	9,926.66	10,421.21	328.60	10,092.61
Utilities:					
Gasoline	4,651.80	210,002.71	214,654.51	8,268.15	206,386.36
Street Lighting	40,086.44	122,072.61	162,159.05	37,207.56	124,951.49
Fuel Oil		1,500.00	1,500.00		1,500.00
Telephone	283.48	15,157.44	15,440.92	4,301.09	11,139.83
Electricity	29,486.60	130,159.49	159,646.09	20,537.11	139,108.98
Water	810.24	5,581.10	6,391.34	810.24	5,581.10
Sewer	784.55	2,016.96	2,801.51	784.55	2,016.96
Traffic Lights	3,984.34	39,437.42	43,421.76	3,357.42	40,064.34
Contingent		2,000.00	2,000.00		2,000.00
Deferred and Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		8,098.76	8,098.76		8,098.76
Public Employees Retirement System		353.76	353.76		353.76
Defined Contribution Retirement Plan		1,990.82	1,990.82		1,990.82
Judgements		100.00	100.00		100.00
Reserve for Tax Appeals		325,000.00	325,000.00	325,000.00	
Length of Service Award Program					
Other Expenses		60,000.00	60,000.00	38,309.16	21,690.84
	<u>\$ 579,352.48</u>	<u>\$ 2,975,508.29</u>	<u>\$ 3,554,860.77</u>	<u>\$ 913,546.52</u>	<u>\$ 2,641,314.25</u>

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

Balance Dec. 31, 2017 (2018 Taxes)		\$ 6,344,887.42
Increased by:		
Collections - Collector	\$ 1,086,351.07	
Canceled Taxes - Refund of Prior Year Revenue	507.83	
Transferred from Overpayments	<u>157,371.27</u>	
		<u>1,244,230.17</u>
		7,589,117.59
Decreased by:		
Application to Taxes Receivable		<u>6,344,887.42</u>
Balance Dec. 31, 2018 (2019 Taxes)		<u><u>\$ 1,244,230.17</u></u>

Exhibit SA-13

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

Balance Dec. 31, 2017		\$ 307,251.63
Increased by:		
Collections - Collector	\$ 240,340.21	
Transferred from Taxes	<u>87,288.26</u>	
		<u>327,628.47</u>
		634,880.10
Decreased by:		
Canceled	28,539.36	
Transferred to Prepaid Taxes	157,371.27	
Refunded	<u>147,193.68</u>	
		<u>333,104.31</u>
Balance Dec. 31, 2018		<u><u>\$ 301,775.79</u></u>

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND
Statement of Due Trust - Municipal Open Space Taxes Payable
For the Year Ended December 31, 2018

2018 Open Space Tax Levy	\$ 4,620,773.51	
Added and Omitted Taxes	<u>8,227.91</u>	
		\$ 4,629,001.42
Decreased by:		
Payments		<u><u>\$ 4,629,001.42</u></u>

Exhibit SA-15

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

2018 Fire District Tax Levy	\$ 9,635,002.00
Decreased by:	
Payments	<u><u>\$ 9,635,002.00</u></u>

Exhibit SA-16

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

2018 Tax Levy:		
General County	\$ 22,024,353.06	
County Open Space Preservation	<u>1,595,055.77</u>	
		\$ 23,619,408.83
Decreased by:		
Payments		<u><u>\$ 23,619,408.83</u></u>

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

Balance Dec. 31, 2017:

2015 Rollback Assessments	\$ 24,696.33
2016 Rollback, Omitted and Added Assessments	25,489.98
2017 Rollback and Added Assessments	<u>86,845.79</u>

\$ 137,032.10

Increased by:

County Share of 2016 Levy:	
Rollback Assessments (R.S.54:4-63.1 et seq.)	1,987.01
County Share of 2017 Levy:	
Rollback, Omitted and Added Assessments (R.S.54:4-63.1 et seq.)	3,991.37
County Share of 2018 Levy:	
Rollback and Added Assessments (R.S.54:4-63.1 et seq.)	<u>36,140.77</u>

42,119.15

179,151.25

Decreased by:

Payment	<u>137,032.10</u>
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Balance Dec. 31, 2018:

2016 Rollback Assessments	1,987.01
2017 Rollback, Omitted and Added Assessments	3,991.37
2018 Rollback and Added Assessments	<u>36,140.77</u>

\$ 42,119.15

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

Balance Dec. 31, 2017:		
School Tax Payable	\$ 3,848,393.15	
School Tax Deferred	<u>27,305,565.35</u>	
		\$ 31,153,958.50
Increased by:		
Levy - School Year July 1, 2018 to June 30, 2019		<u>63,981,812.00</u>
		95,135,770.50
Decreased by:		
Payments		<u>63,144,872.50</u>
Balance Dec. 31, 2018:		
School Tax Payable	4,685,332.65	
School Tax Deferred	<u>27,305,565.35</u>	
		<u>\$ 31,990,898.00</u>
2018 Liability for Local District School Tax:		
Tax Paid		\$ 63,144,872.50
Add: Tax Payable Dec. 31, 2018		<u>4,685,332.65</u>
		67,830,205.15
Less: Tax Payable Dec. 31, 2017		<u>3,848,393.15</u>
Amount Charged to 2018 Operations		<u>\$ 63,981,812.00</u>

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

Balance Dec. 31, 2017:		
School Tax Payable	\$ 1,363,420.09	
School Tax Deferred	<u>18,165,286.57</u>	
		\$ 19,528,706.66
Increased by:		
Levy - School Year July 1, 2018 to June 30, 2019		<u>41,165,822.00</u>
		60,694,528.66
Decreased by:		
Payments		<u>40,111,617.50</u>
Balance Dec. 31, 2018:		
School Tax Payable	2,417,624.59	
School Tax Deferred	<u>18,165,286.57</u>	
		<u>\$ 20,582,911.16</u>
2018 Liability for Regional High School Tax:		
Tax Paid		\$ 40,111,617.50
Add: Tax Payable Dec. 31, 2018		<u>2,417,624.59</u>
		42,529,242.09
Less: Tax Payable Dec. 31, 2017		<u>1,363,420.09</u>
Amount Charged to 2018 Operations		<u>\$ 41,165,822.00</u>

TOWNSHIP OF MOUNT LAUREL
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>Received</u>	<u>Balance Dec. 31, 2018</u>
Federal Grants:				
Emergency Management Grant	\$ 19,400.00		\$ 9,400.00	\$ 10,000.00
Distracted Driving Crackdown		\$ 6,600.00	6,600.00	
Bulletproof Vest Partnership Grant	7,836.10	6,679.20	2,504.70	12,010.60
Total Federal Grants	27,236.10	13,279.20	18,504.70	22,010.60
State Grants:				
New Jersey Department of Transportation:				
Ramblewood Parkway - 2014	48,750.00			48,750.00
Union Mill - 2016	55,000.00		55,000.00	
Pleasant Valley - 2017	196,000.00			196,000.00
Union Mill - 2018		255,000.00		255,000.00
Clean Communities Program		81,277.86	81,277.86	
Drunk Driving Enforcement Fund		12,569.37	12,569.37	
Highway Safety Grant - Safe Corridors		29,429.33	29,429.33	
Safe and Secure Communities Program		120,000.00	90,000.00	30,000.00
Total State Grants	299,750.00	498,276.56	268,276.56	529,750.00
Local Grants:				
Burlington County Parks Grant - Elbo	100,000.00		100,000.00	
Burlington County Parks Grant - Devonshire	200,000.00		126,410.20	73,589.80
Burlington County Parks Grant - Thunderbird	37,500.00		37,500.00	
Total Local Grants	337,500.00	-	263,910.20	73,589.80
	\$ 664,486.10	\$ 511,555.76	\$ 550,691.46	\$ 625,350.40

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

<u>Program</u>	<u>Balance Dec. 31, 2017</u>	<u>Grants Receivable</u>	<u>Realized as Miscellaneous Revenue</u>	<u>Balance Dec. 31, 2018</u>
Federal Grants:				
Bullet Proof Vest Partnership Grant		\$ 6,679.20	\$ 6,679.20	
Distracted Driving Crackdown		6,600.00	6,600.00	
Total Federal Grants	-	13,279.20	13,279.20	-
State Grants:				
NJ Department of Transportation - Union Mill		255,000.00	255,000.00	
Clean Communities Program		81,277.86	81,277.86	
Drunk Driving Enforcement Fund		12,569.37	12,569.37	
Highway Safety Grant - Safe Corridors		29,429.33	29,429.33	
Recycling Tonnage Grant	\$ 51,580.16		51,580.16	
Safe and Secure Communities Program		120,000.00	60,000.00	\$ 60,000.00
Total State Grants	51,580.16	498,276.56	489,856.72	60,000.00
	\$ 51,580.16	\$ 511,555.76	\$ 503,135.92	\$ 60,000.00

TOWNSHIP OF MOUNT LAUREL
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 Dec. 31, 2017</u>	<u>Transferred from 2018 Budget Appropriation</u>	<u>Reserve for Encumbrances Canceled</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2018</u>
Federal Grants:					
Click it or Ticket Grant	\$ 4,000.00				\$ 4,000.00
Emergency Management Grant	17,000.00				17,000.00
Distracted Driving Crackdown		\$ 6,600.00		\$ 6,600.00	
Drive Sober or Get Pulled Over Grant	2,900.00				2,900.00
Over the Limit Under Arrest Grant	3,650.00				3,650.00
Bullet Proof Vest Partnership Grant	7,001.20	6,679.20		5,009.40	8,671.00
Assistance to Firefighters/EMS Grant	1,235.00				1,235.00
Total Federal Grants	35,786.20	13,279.20	-	11,609.40	37,456.00
State Grants:					
NJ Department of Transportation:					
Union Mill - 2016	220,000.00				220,000.00
Pleasant Valley - 2017	196,000.00				196,000.00
Union Mill - 2018		255,000.00			255,000.00
Clean Communities Program	309,311.63	81,277.86		159,896.71	230,692.78
Drunk Driving Enforcement Fund	16,821.63	12,569.37		14,714.24	14,676.76
Hepatitis B Grant	5,601.74				5,601.74
Municipal Alliance Grant	11,286.44				11,286.44
Municipal Court Alcohol Education and Rehabilitation Fund	13,046.50				13,046.50
Highway Safety Grant - Safe Corridors	4,291.46	29,429.33		526.25	33,194.54
Recycling Tonnage Grant	64,313.12	51,580.16	\$ 5,600.00	22,572.40	98,920.88
Safe and Secure Communities Program	5,808.54	60,000.00		60,780.45	5,028.09
Total State Grants	846,481.06	489,856.72	5,600.00	258,490.05	1,083,447.73

(Continued)

TOWNSHIP OF MOUNT LAUREL
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 Dec. 31, 2017</u>	<u>Transferred from 2018 Budget Appropriation</u>	<u>Reserve for Encumbrances Canceled</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2018</u>
Local Grants:					
Burlington Municipal Parks Grant	\$ 16,359.54			\$ 16,359.54	
Burlington County Park Grant - 2014 Memorial	6,488.34				\$ 6,488.34
Burlington County Park Grant - 2017 Devonshire	200,000.00			160,990.00	39,010.00
Total Local Grants	222,847.88	-	-	177,349.54	45,498.34
	<u>\$ 1,105,115.14</u>	<u>\$ 503,135.92</u>	<u>\$ 5,600.00</u>	<u>\$ 447,448.99</u>	<u>\$ 1,166,402.07</u>
Budget		\$ 141,009.49			
Appropriation by 40A:4-87		<u>362,126.43</u>			
		<u>\$ 503,135.92</u>			
Disbursements				\$ 404,195.49	
Reserve for Encumbrances				<u>43,253.50</u>	
				<u>\$ 447,448.99</u>	

TOWNSHIP OF MOUNT LAUREL
FEDERAL, STATE AND LOCAL GRANT FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 5,600.00
Increased by:	
Encumbrances Placed	<u>43,253.50</u>
	48,853.50
Decreased by:	
Canceled to Reserve for Federal, State and Local Grants - Appropriated	<u>5,600.00</u>
Balance Dec. 31, 2018	<u><u>\$ 43,253.50</u></u>

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF MOUNT LAUREL
TRUST FUND
Statement of Trust Cash
Per N.J.S. 40A:5-5 - Treasurer
For the Year Ended December 31, 2018

	Animal Control Fund	Assessment Fund	Municipal Open Space Fund	Other Funds
Balance Dec. 31, 2017	\$ 52,130.61	\$ 24.70	\$ 21,253,972.72	\$ 11,679,511.98
Increased by Receipts:				
Due State of New Jersey	\$ 1,962.60			
Due Current Fund	6.56	\$ 2,289.34	\$ 4,629,001.42	\$ 37,028.05
Reserve for Animal Control Expenditures	17,415.40			
Reserve for Municipal Open Space Trust Fund			589,622.85	
Reserve for Payment of Debt			1,272,400.00	
Payroll Deductions Receivable				1,957.46
Reserves and Special Deposits:				
Municipal Recreation: Summer Camp				206,200.00
Municipal Recreation: Concert Series				4,000.00
Municipal Recreation: Fall Festival				36,194.50
Municipal Recreation: Senior Center				8,950.00
Municipal Recreation: Storm Recovery Trust				453,040.00
Municipal Recreation: Men's Basketball				1,280.00
Municipal Recreation: Softball				1,200.00
Recycling Trust Fund				4,763.30
Special Law Enforcement Trust Fund				23,415.32
Street Opening Deposits				3,519.00
Parking Offense Adjudication Act				156.00
Public Defender Fees				32,540.50
Outside Police Employment				457,610.65
New Jersey Unemployment Compensation				
Insurance Trust Fund				17,585.02
Affordable Housing				691,350.42
Fair Share Housing - Senior Citizens Housing				162.32
Payroll				13,891,082.67
K-9 Fund				17,730.86
Redemption of Tax Sale Certificates				735,871.48
Redemption of Tax Sale Premiums				740,100.00
Assessments Receivable		27,173.34		
Reserve for Community Development Escrow Fees				4,305,522.16
	<u>19,384.56</u>	<u>29,462.68</u>	<u>6,491,024.27</u>	<u>21,671,259.71</u>
	71,515.17	29,487.38	27,744,996.99	33,350,771.69

(Continued)

TOWNSHIP OF MOUNT LAUREL
TRUST FUND
Statement of Trust Cash
Per N.J.S. 40A:5-5 - Treasurer
For the Year Ended December 31, 2018

	Animal Control Fund	Assessment Fund	Municipal Open Space Fund	Other Funds
Decreased by Disbursements:				
Expenditures Under R.S.4:19-15.11	\$ 2,413.65			
Due Current Fund				\$ 56,300.00
Due State of New Jersey	1,957.80			
Reserve for Municipal Open Space			\$ 11,452,235.82	
Reserves and Special Deposits:				
Municipal Recreation: Summer Camp				159,334.31
Municipal Recreation: Concert Series				2,149.00
Municipal Recreation: Fall Festival				31,273.84
Municipal Recreation: Senior Center				6,750.00
Municipal Recreation: Snow Recovery Trust				722,243.55
Municipal Recreation: Softball				637.38
Special Law Enforcement Trust Fund				1,790.00
Street Opening Deposits				100.00
Public Defender Fees				9,100.00
Outside Police Employment				479,830.14
Developer's Fees - Spring Valley				4,700.00
New Jersey Unemployment Compensation				
Insurance Trust Fund				14,286.08
Affordable Housing				865,266.87
Payroll				13,767,049.26
K-9 Fund				13,847.37
Redemption of Tax Sale Certificates				807,483.54
Redemption of Tax Sale Premiums				1,082,100.00
Reserve for Community Development Escrow Fees				1,040,191.04
	<u>\$ 4,371.45</u>		<u>\$ 11,452,235.82</u>	<u>\$ 19,064,432.38</u>
Balance Dec. 31, 2018	<u>\$ 67,143.72</u>	<u>\$ 29,487.38</u>	<u>\$ 16,292,761.17</u>	<u>\$ 14,286,339.31</u>

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

Balance Dec. 31, 2017		\$ 37,082.90
Increased by:		
Receipts:		
Animal Control Fees:		
Dog Fees	\$ 15,920.40	
Cat Fees	<u>1,495.00</u>	
		<u>17,415.40</u>
		54,498.30
Decreased by:		
Statutory Excess - Due Current Fund	16,495.95	
Expenditures Under R.S.4:19-15.11	<u>2,413.65</u>	
		<u>18,909.60</u>
Balance Dec. 31, 2018		<u><u>\$ 35,588.70</u></u>

Animal Control License Fees Collected:

	<u>Amount</u>
2017	\$ 17,644.00
2016	<u>17,944.70</u>
	<u><u>\$ 35,588.70</u></u>

TOWNSHIP OF MOUNT LAUREL
ANIMAL CONTROL TRUST FUND
Statement of Due Current Fund
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 15,047.71
Increased by:		
Received:		
Interest Earned	\$ 6.56	
Statutory Excess Due Current Fund	<u>16,495.95</u>	
		<u>16,502.51</u>
Balance Dec. 31, 2018		<u><u>\$ 31,550.22</u></u>

Exhibit SB-4

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

Receipts		\$ 1,962.60
Decreased by:		
Disbursements		<u>1,957.80</u>
Balance Dec. 31, 2018		<u><u>\$ 4.80</u></u>

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

	<u>Total</u>	<u>Escrow Funds</u>	<u>Miscellaneous</u>	<u>Unemployment</u>	<u>Payroll Deductions Payable</u>	<u>Tax Title Lien Redemption</u>	<u>Municipal Recreation</u>	<u>Parks & Recreation</u>	<u>Recycling</u>
Balance Dec. 31, 2017	\$ 26,063.14	\$ 118.57	\$ 313.62	\$ 6.85	\$ 10,697.19	\$ 13,599.97	\$ 400.21	\$ 926.39	\$ 0.34
Increased by:									
Receipts:									
Interest Earned	36,184.21	464.33	1,953.00	28.94	3,160.87	16,348.34	8,275.01	5,952.13	1.59
Canceled Outstanding Checks	681.61				681.61				
Receipts from Current Fund	162.23				162.23				
	37,028.05	464.33	1,953.00	28.94	4,004.71	16,348.34	8,275.01	5,952.13	1.59
Foreclosed Premiums	43,800.00					43,800.00			
	80,828.05	464.33	1,953.00	28.94	4,004.71	60,148.34	8,275.01	5,952.13	1.59
	106,891.19	582.90	2,266.62	35.79	14,701.90	73,748.31	8,675.22	6,878.52	1.93
Decreased by:									
Disbursements:									
Disbursed to Current Fund	56,300.00	-	-	-	-	56,300.00	-	-	-
Balance Dec. 31, 2018	\$ 50,591.19	\$ 582.90	\$ 2,266.62	\$ 35.79	\$ 14,701.90	\$ 17,448.31	\$ 8,675.22	\$ 6,878.52	\$ 1.93

TOWNSHIP OF MOUNT LAUREL
TRUST OTHER FUND
Statement of Reserves and Special Deposits
For the Year Ended December 31, 2018

	Balance Dec. 31, 2017	Receipts	Unrealized Loss on Fair Value of Investments	Disbursements	Decreased	Encumbrances Canceled	Due Current	Balance Dec. 31, 2018
Developers' Recreation	\$ 334,293.35							\$ 334,293.35
Bulletproof Vest Partnership	52.78							52.78
Municipal Recreation: Summer Camp	119,432.90	\$ 206,200.00		\$ 159,334.31				166,298.59
Municipal Recreation: Concert Series	1,800.00	4,000.00		2,149.00				3,651.00
Municipal Recreation: Fall Festival	74,776.16	36,194.50		31,273.84		\$ 225.00		79,921.82
Municipal Recreation: Senior Center	18,186.55	8,950.00		6,750.00	\$ 960.00			19,426.55
Municipal Recreation: Special Events	848.94							848.94
Municipal Recreation: Storm Recovery Trust	1,095,519.94	453,040.00		722,243.55	5,000.00	249,450.00		1,070,766.39
Municipal Recreation: Women's Basketball	280.00							280.00
Municipal Recreation: Men's Basketball	1,080.00	1,280.00						2,360.00
Municipal Recreation: Softball	1,073.00	1,200.00		637.38				1,635.62
Municipal Recreation Trust	4,701.00							4,701.00
Recycling Trust Fund	13,834.98	4,763.30						18,598.28
Special Law Enforcement Trust Fund	59,161.38	23,415.32		1,790.00				80,786.70
Street Opening Deposits	4,270.00	3,519.00		100.00				7,689.00
Low Income Housing	5,860.75							5,860.75
Parking Offense Adjudication Act	3,758.62	156.00						3,914.62
Public Defender Fees	14,000.00	32,540.50		9,100.00	21,878.00			15,562.50
Outside Police Employment	66,171.75	457,610.65		479,830.14	32,788.28	4,712.67		15,876.65
Developer's Fees - Spring Valley	114,134.03			4,700.00				109,434.03
Reserve for Sidewalks	89,715.00							89,715.00
Developer's Fees - Orleans Litigation Deposits	1,425.88							1,425.88
Developer's Fees - Traffic Impact	104,437.50							104,437.50
Reserve for Developer Fees - Hovnanian	166.00							166.00
Reserve for Environmental - Kowalski	250,000.00							250,000.00
Unemployment Compensation Insurance Trust Fund	284,688.02	17,585.02		14,286.08				287,986.96
Affordable Housing	5,084,627.28	691,350.42		865,266.87	8,512.10	16,074.48		4,918,273.21
Affordable Housing - Low Income	88,176.19							88,176.19
Fair Share Housing - Senior Citizens Housing	81,086.67	162.32						81,248.99
Payroll Deductions Payable	2,057.20	13,891,082.67		13,767,049.26				126,090.61
K-9 Fund	25,032.41	17,730.86		13,847.37	445.33	11.58		28,482.15
Redemption of Tax Sale Certificates	89,170.10	735,871.48		807,483.54	188.00			17,370.04
Redemption of Tax Sale Premiums	1,050,400.00	740,100.00		1,082,100.00			\$ 43,800.00	664,600.00
Length of Service Award Program	641,499.44	38,309.16	\$ 20,789.02	48,883.37				610,136.21
	<u>\$ 9,725,717.82</u>	<u>\$ 17,365,061.20</u>	<u>\$ 20,789.02</u>	<u>\$ 18,016,824.71</u>	<u>\$ 69,771.71</u>	<u>\$ 270,473.73</u>	<u>\$ 43,800.00</u>	<u>\$ 9,210,067.31</u>
Due to New Jersey Crime Compensation Board					\$ 19,778.00			
Encumbrances					<u>49,993.71</u>			
					<u>\$ 69,771.71</u>			

TOWNSHIP OF MOUNT LAUREL
TRUST OTHER FUND
Statement of Reserve for Community Development Escrow Deposits
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 1,671,386.97
Increased by:		
Receipts	\$ 4,305,522.16	
Prior Year Encumbrances Canceled	368,072.48	
		<u>4,673,594.64</u>
		6,344,981.61
Decreased by:		
Disbursements	1,040,191.04	
Encumbrances	330,210.24	
		<u>1,370,401.28</u>
Balance Dec. 31, 2018		<u><u>\$ 4,974,580.33</u></u>

Exhibit SB-8

TRUST OTHER FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 638,546.21
Increased by Encumbrances Placed:		
Reserves and Special Deposits	\$ 49,993.71	
Reserve for Community Development Escrow Deposits	330,210.24	
		<u>380,203.95</u>
		1,018,750.16
Decreased by Canceled:		
Reserves and Special Deposits	270,473.73	
Reserve for Community Development Escrow Deposits	368,072.48	
		<u>638,546.21</u>
Balance Dec. 31, 2018		<u><u>\$ 380,203.95</u></u>
<u>Analysis of Balance Dec. 31, 2018</u>		
Reserves and Special Deposits		\$ 49,993.71
Reserve for Community Development Escrow Deposits		<u>330,210.24</u>
		<u><u>\$ 380,203.95</u></u>

TOWNSHIP OF MOUNT LAUREL
MUNICIPAL OPEN SPACE TRUST FUND
Statement of Reserve for Municipal Open Space Trust Fund
For the Year Ended December 31, 2018

Balance Dec. 31, 2016			\$ 18,120,418.06
Increased By:			
Receipts:			
Community Garden	\$ 1,980.00		
Green Acres	337,500.00		
Interest Earned	<u>248,717.05</u>		
		\$ 588,197.05	
Due from Current Fund:			
2018 Municipal Tax Levy	4,620,773.51		
Added/Omitted Tax Levy	<u>8,227.91</u>		
		4,629,001.42	
Reserve for Future Use:			
Acquisition of Land Refund	1,425.80		
Prior Year Encumbrances Canceled	<u>29,602.57</u>		
		<u>31,028.37</u>	
			<u>5,248,226.84</u>
			23,368,644.90
Decreased By:			
Disbursements:			
Budgetary Expenditures			
Development of Land	4,581,428.59		
Acquisition of Land	5,540,666.95		
Payment of Bond Principal	785,000.00		
Interest on Bonds	<u>545,140.28</u>		
		11,452,235.82	
Reserve for Encumbrances		<u>334,708.93</u>	
			<u>11,786,944.75</u>
Balance Dec. 31, 2018			<u><u>\$ 11,581,700.15</u></u>

TOWNSHIP OF MOUNT LAUREL
MUNICIPAL OPEN SPACE TRUST FUND
Statement of Reserve for Payment of Debt
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 3,103,952.09
Increased by:		
Receipts		
County Appropriation	\$ 122,400.00	
Green Acres	<u>1,150,000.00</u>	
		<u>1,272,400.00</u>
Balance Dec. 31, 2018		<u><u>\$ 4,376,352.09</u></u>

Exhibit SB-11

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

2018 Taxes Allocated to Open Space	\$ 4,620,773.51	
2018 Added/Omitted Taxes Allocated to Open Space	<u>8,227.91</u>	
		\$ 4,629,001.42
Decreased by:		
Receipts		<u><u>\$ 4,629,001.42</u></u>

TOWNSHIP OF MOUNT LAUREL
TRUST ASSESSMENT FUND
 Analysis of Assessment Cash
 For the Year Ended December 31, 2018

	Balance <u>Dec. 31, 2017</u>	<u>Receipts</u>	Balance <u>Dec. 31, 2018</u>
Current Fund:			
Assessments Receivable		\$ 27,173.34	\$ 27,173.34
Interest Earned	\$ 24.70	344.32	369.02
Interest and Costs on Assessments		1,945.02	1,945.02
	<u>\$ 24.70</u>	<u>\$ 29,462.68</u>	<u>\$ 29,487.38</u>

Exhibit SB-13

TRUST ASSESSMENT FUND
Statement of Due Current Fund
 For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 183,857.54
Increased by:	
Receipts:	
Interest Earned on Deposits	\$ 344.32
Interest and Costs on Assessments	<u>1,945.02</u>
	<u>2,289.34</u>
Balance Dec. 31, 2018	<u>\$ 186,146.88</u>

TOWNSHIP OF MOUNT LAUREL
TRUST ASSESSMENT FUND
Statement of Assessments Receivable
For the Year Ended December 31, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	<u>Annual Installments</u>	<u>Due Dates</u>	<u>Balance Dec. 31, 2017</u>	<u>Receipts</u>	<u>Balance Dec. 31, 2018</u>
2004-15	Construction of Laurel Knoll Project	12-07-09	20	3/1/10-30	<u>\$ 183,832.84</u>	<u>\$ 27,173.34</u>	<u>\$ 156,659.50</u>

TOWNSHIP OF MOUNT LAUREL
TRUST OTHER FUND
Statement of Investments - Length of Service Award Program
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 641,499.44
Increased by:		
Contributions		<u>38,309.16</u>
		679,808.60
Decreased by:		
Benefits Paid to Participants	\$ 39,420.22	
Benefits Forfeited	6,232.54	
Administration Expenses	<u>3,230.61</u>	
	48,883.37	
Unrealized Loss on Fair Value of Investments	<u>20,789.02</u>	
		<u>69,672.39</u>
Balance Dec. 31, 2018		<u><u>\$ 610,136.21</u></u>

Schedule of Investments December 31, 2018

<u>Description</u>	<u>Amount</u>
Fixed Annuity Contract	\$ 207,450.32
Money Market Funds	363.58
Pooled Separate Accounts	<u>402,322.31</u>
	<u><u>\$ 610,136.21</u></u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

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

Balance Dec. 31, 2017		\$ 18,506,233.78
Increased by Receipts:		
Due Current Fund		<u>272,091.65</u>
		18,778,325.43
Decreased by Disbursements:		
Improvement Authorizations	\$ 5,457,758.76	
Reserve for Payment of Debt	<u>350,000.00</u>	
		<u>5,807,758.76</u>
Balance Dec. 31, 2018		<u><u>\$ 12,970,566.67</u></u>

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

	Balance (Deficit) Dec. 31, 2017	Receipts Miscellaneous	Disbursements Improvement Authorizations	Miscellaneous	Transfers From	To	Balance (Deficit) Dec. 31, 2018
Fund Balance	\$ 59,020.39					\$ 87,440.89	\$ 146,461.28
Due Current Fund	36,990.59	\$ 272,091.65			\$ 359,959.06		(50,876.82)
Capital Improvement Fund	17,038.00						17,038.00
Reserve for Payment of Bonds and Notes	1,736,793.78			\$ 350,000.00		600,328.11	1,987,121.89
Reserve for Encumbrances	1,286,034.77				1,286,034.77	37,646.95	37,646.95
Contracts Payable	1,522,631.05				1,522,631.05	2,562,257.86	2,562,257.86
Reserve for Capital Projects	83,836.73				83,836.73		
Reserve for Purchase of Buildings and Equipment	1,549.16				1,549.16		
Reserve for Preliminary Expenses - Rancocas Study	2,055.00				2,055.00		
Reserve for CDBG - Burnam Wood Drive/Court	64,800.00				64,800.00		
Improvement Authorizations: Ordinance Number							
2000-4 Certain Improvements	189,604.11				189,604.11		
2000-11 Certain Improvements	5,218.00		\$ 5,218.00				
2000-17 Certain Improvements	(8,187.25)					8,187.25	
2001-5 Certain Improvements	8,649.24		175.20				8,474.04
2003-18 Various Capital Improvements	15,403.18		15,403.18				
2004-16 Various Capital Improvements	280,142.55		267,965.25		10,276.28	15,098.98	17,000.00
2005-27 Various Capital Improvements	182,460.43						182,460.43
2007-4 Acquisition of Real Property	(5,847.81)					5,847.81	
2008-18 Various Capital Improvements	148,112.80		148,112.80				
2011-12 Various Capital Improvements	530,626.96		73,171.06		6,079.24	1,650.00	453,026.66
2014-4 Various Capital Improvements	2,103,982.13		421,930.53		139,148.44	40,476.42	1,583,379.58
2016-5 Various Capital Improvements	3,959,362.48		1,855,081.54		75,265.72	1,529,978.23	3,558,993.45
2017-12 Various Capital Improvements	6,285,957.49		2,670,701.20		2,369,135.13	1,221,462.19	2,467,583.35
	<u>\$ 18,506,233.78</u>	<u>\$ 272,091.65</u>	<u>\$ 5,457,758.76</u>	<u>\$ 350,000.00</u>	<u>\$ 6,110,374.69</u>	<u>\$ 6,110,374.69</u>	<u>\$ 12,970,566.67</u>

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

Balance Dec. 31, 2017	\$ 19,630,000.00
Decreased by:	
2018 Current Fund Budget Appropriation	<u>2,970,000.00</u>
Balance Dec. 31, 2018	<u><u>\$ 16,660,000.00</u></u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2017	Funded by Budget Appropriation	Balance Dec. 31, 2018	Analysis of Balance, Dec. 31, 2018		
					Financed by Bond Anticipation Notes	Expended	Unexpended Improvement Authorization
	General Improvements:						
2000-17	Certain Improvements	\$ 8,187.25	\$ 8,187.25				
2007-4	Acquisition of Real Property	5,847.81	5,847.81				
2009-21	Various Capital Improvements	341,940.00		\$ 341,940.00	\$ 341,940.00		
2011-12	Various Capital Improvements	2,241,580.00	181,000.00	2,060,580.00	2,060,580.00		
2014-4	Various Capital Improvements	7,287,448.00	205,000.00	7,082,448.00	7,082,448.00		
2016-5	Various Capital Improvements	8,715,000.00		8,715,000.00	8,715,000.00		
2017-12	Various Capital Improvements	7,348,250.00		7,348,250.00	7,348,250.00		
		25,948,253.06	400,035.06	25,548,218.00	25,548,218.00	-	-
		<u>\$ 25,948,253.06</u>	<u>\$ 400,035.06</u>	<u>\$ 25,548,218.00</u>	<u>\$ 25,548,218.00</u>	<u>\$ -</u>	<u>\$ -</u>
Improvement Authorizations - Unfunded							\$ 8,062,983.04
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:							
	2011-12				\$ 453,026.66		
	2014-4				1,583,379.58		
	2016-5				3,558,993.45		
	2017-12				2,467,583.35		
							<u>\$ 8,062,983.04</u>
Budget Appropriation:							
	Payment of Bond Anticipation Notes		\$ 386,000.00				
	Deferred Charges to Future Taxation Ordinance 2000-17		8,187.25				
	Deferred Charges to Future Taxation Ordinance 2007-4		5,847.81				
			<u>\$ 400,035.06</u>				

TOWNSHIP OF MOUNT LAUREL
GENERAL CAPITAL FUND
Statement of Reserve for Payment of Bonds and Bond Anticipation Notes
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 1,736,793.78
Increased by:		
Cancellation of Funded Improvement Authorizations	\$ 189,604.11	
Cancellation of Reserve for CDBG - Burnam Wood Drive/Court	64,800.00	
Premiums Received in the Current Fund	<u>345,924.00</u>	
		<u>600,328.11</u>
		2,337,121.89
Decreased by:		
Due to Current Fund - Anticipated as Revenue in Current Fund Budget		<u>350,000.00</u>
Balance Dec. 31, 2018		<u><u>\$ 1,987,121.89</u></u>

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

Balance Dec. 31, 2017 (Due to)		\$ 36,990.59
Increased by:		
Receipts:		
Interest Earned on Investments	\$ 258,056.59	
Interfund Loans Received	<u>14,035.06</u>	
		\$ 272,091.65
Current Fund Disbursed on Behalf of General Capital Fund		
Bond Anticipation Notes	<u>25,548,218.00</u>	
		<u>25,820,309.65</u>
		25,857,300.24
Decreased by:		
Deferred Charges Raised in the Budget	14,035.06	
Current Fund Received on Behalf of General Capital Fund		
Premiums	345,924.00	
Bond Anticipation Notes	<u>25,548,218.00</u>	
		<u>25,908,177.06</u>
Balance Dec. 31, 2018 (Due from)		<u><u>\$ 50,876.82</u></u>

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

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2017		Paid or Charged	Canceled	Prior Year Charges Canceled	Balance Dec. 31, 2018	
				Funded	Unfunded				Funded	Unfunded
General Improvements:										
2000-4	Certain Improvements	4-17-00	\$ 3,000,000.00	\$ 189,604.11			\$ 189,604.11			
2000-11	Certain Improvements	8-7-00	6,445,000.00	5,218.00		\$ 5,218.00				
2001-5	Certain Improvements	6-18-01	9,891,000.00	8,649.24		175.20			\$ 8,474.04	
2003-18	Various Capital Improvements	8-4-03	5,484,000.00	15,403.18		15,403.18				
2004-16	Various Capital Improvements	10-4-04	4,350,500.00	280,142.55		278,241.53		\$ 15,098.98	17,000.00	
2005-27	Various Capital Improvements	8-1-05	9,497,000.00	182,460.43					182,460.43	
2008-18	Various Capital Improvements	12-1-08	1,580,900.00	148,112.80		148,112.80				
2011-12	Various Capital Improvements	12-5-11	2,936,400.00		\$ 530,626.96	79,250.30		1,650.00		\$ 453,026.66
2014-4	Various Capital Improvements	6-9-14	7,671,000.00		2,103,982.13	561,078.97		40,476.42		1,583,379.58
2016-5	Various Capital Improvements	7-18-16	9,265,000.00		3,959,362.48	1,930,347.26		1,529,978.23		3,558,993.45
2017-12	Various Capital Improvements	8-14-17	7,735,000.00		6,285,957.49	5,039,836.33		1,221,462.19		2,467,583.35
				<u>\$ 829,590.31</u>	<u>\$ 12,879,929.06</u>	<u>\$ 8,057,663.57</u>	<u>\$ 189,604.11</u>	<u>\$ 2,808,665.82</u>	<u>\$ 207,934.47</u>	<u>\$ 8,062,983.04</u>
Disbursements						\$ 5,457,758.76				
Reserve for Encumbrances						37,646.95		\$ 1,286,034.77		
Contracts Payable						<u>2,562,257.86</u>		<u>1,522,631.05</u>		
						<u>\$ 8,057,663.57</u>		<u>\$ 2,808,665.82</u>		

TOWNSHIP OF MOUNT LAUREL
GENERAL CAPITAL FUND
Statement of Reserve for Encumbrances and Contracts Payable
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 2,808,665.82
Increased by:	
2018 Charges to Improvement Authorizations	<u>2,599,904.81</u>
	5,408,570.63
Decreased by:	
Canceled to Improvement Authorizations	<u>2,808,665.82</u>
Balance Dec. 31, 2018	<u><u>\$ 2,599,904.81</u></u>
 <u>Analysis of Balance Dec. 31, 2018:</u>	
Reserve for Encumbrances	\$ 37,646.95
Contracts Payable	<u>2,562,257.86</u>
	<u><u>\$ 2,599,904.81</u></u>

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2018</u>
General Improvements:									
2009-21	Various Capital Improvements	11-09-17	11-09-17 03-06-18	03-07-18 03-05-19	2.00% 3.00%	\$ 341,940.00	\$ 341,940.00	\$ 341,940.00	\$ 341,940.00
2011-12	Various Capital Improvements	03-15-12	03-07-17 03-06-18	03-07-18 03-05-19	2.00% 3.00%	2,241,580.00	2,060,580.00	2,241,580.00	2,060,580.00
2014-04	Various Capital Improvements	06-17-15	03-07-17 03-06-18	03-07-18 03-05-19	2.00% 3.00%	7,287,448.00	7,082,448.00	7,287,448.00	7,082,448.00
2016-05	Various Capital Improvements	08-18-16	03-07-17 03-06-18	03-07-18 03-05-19	2.00% 3.00%	8,715,000.00	8,715,000.00	8,715,000.00	8,715,000.00
2017-12	Various Capital Improvements	11-09-17	11-09-17 03-06-18	03-07-18 03-05-19	2.00% 3.00%	7,348,250.00	7,348,250.00	7,348,250.00	7,348,250.00
						<u>\$ 25,934,218.00</u>	<u>\$ 25,548,218.00</u>	<u>\$ 25,934,218.00</u>	<u>\$ 25,548,218.00</u>
Renewals - Due Current Fund							\$ 25,548,218.00	\$ 25,548,218.00	
Paid by Budget Appropriation								386,000.00	
							<u>\$ 25,548,218.00</u>	<u>\$ 25,934,218.00</u>	

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance	Paid by Budget	Balance
			Outstanding Dec. 31, 2018					
			Date	Amount				
General Obligation - Open Space Bonds - Series A 2011	04-07-11	\$ 18,600,000.00	4-15-2019	\$ 825,000.00	4.00%			
			4-15-2020	850,000.00	4.00%			
			4-15-2021	885,000.00	4.00%	\$ 3,345,000.00	\$ 785,000.00	\$ 2,560,000.00
General Obligation - Refunding Bonds - Series B 2011	04-07-11	8,805,000.00				665,000.00	665,000.00	
General Obligation - Refunding Bonds - Series 2014	12-10-14	9,190,000.00	9-1-2019	1,560,000.00	4.00%			
			9-1-2020	770,000.00	4.00%			
			9-1-2021	770,000.00	4.00%			
			9-1-2022	340,000.00	4.00%	4,960,000.00	1,520,000.00	3,440,000.00
General Obligation - Open Space Refunding Bonds Series 2017	10-26-17	10,660,000.00	4-15-2022	890,000.00	3.00%			
			4-15-2023	925,000.00	4.00%			
			4-15-2024	960,000.00	4.00%			
			4-15-2025	1,000,000.00	4.00%			
			4-15-2026	1,040,000.00	4.00%			
			4-15-2027	1,085,000.00	5.00%			
			4-15-2028	1,130,000.00	4.00%			
			4-15-2029	1,170,000.00	4.00%			
			4-15-2030	1,215,000.00	5.00%			
			4-15-2031	1,245,000.00	4.00%	10,660,000.00		10,660,000.00
								\$ 19,630,000.00

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2017</u>	<u>Funded by Budget Appropriation</u>
	General Improvements:		
2000-17	Certain Improvements	\$ 8,187.25	\$ 8,187.25
2007-4	Acquisition of Real Property	5,847.81	5,847.81
		<u>\$ 14,035.06</u>	<u>\$ 14,035.06</u>

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

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township of Mount Laurel
Township of Mount Laurel
Mount Laurel, New Jersey 08054

Report on Compliance for Each Major State Program

We have audited the Township of Mount Laurel's, in the County of Burlington, State of New Jersey, compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the Township's major state programs for the year ended December 31, 2018. The Township's major state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, and State of New Jersey Circular 15-08-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

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

Report on Internal Control over Compliance

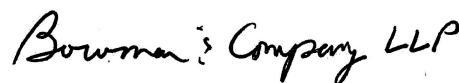
Management of the Township of Mount Laurel, in the County of Burlington, State of New Jersey, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Mount Laurel's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State of New Jersey Circular 15-08-OMB. Accordingly, this report 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
August 16, 2019

TOWNSHIP OF MOUNT LAUREL
Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2018

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance Dec. 31, 2017	Receipts or Revenue Recognized	Expenditures	Encumbered	Passed Through to Subrecipients	Adjustments	Balance Dec. 31, 2018	(Memo Only) Cumulative	
			From	To								Cash Receipts	Cumulative Expenditures
<u>State Department of Environmental Protection</u>													
Clean Communities Program	765-042-4900-004	\$ 71,730.55	01-01-14	Completion	\$ 37,075.79		\$ 37,075.79					\$ 71,730.55	\$ 71,730.55
Clean Communities Program	765-042-4900-004	87,309.96	01-01-15	Completion	87,309.96		87,309.96					87,309.96	87,309.96
Clean Communities Program	765-042-4900-004	99,983.56	01-01-16	Completion	99,983.56		30,016.82	\$ 5,494.14			\$ 64,472.60	99,983.56	30,016.82
Clean Communities Program	765-042-4900-004	84,942.32	01-01-17	Completion	84,942.32						84,942.32	84,942.32	
Clean Communities Program	765-042-4900-004	81,277.86	01-01-18	Completion		\$ 81,277.86					81,277.86	81,277.86	
Recycling Tonnage Grant	752-042-4900-001	65,856.94	01-01-16	Completion	7,888.10		7,888.10					65,856.94	65,856.94
Recycling Tonnage Grant	752-042-4900-001	56,425.02	01-01-17	Completion	56,425.02		11,504.74	3,179.56		\$ 5,600.00 (1)	47,340.72	56,425.02	11,504.74
Recycling Tonnage Grant	752-042-4900-001	51,580.16	01-01-18	Completion		51,580.16					51,580.16	51,580.16	
Green Acres Grant	582-042-4800-002	337,500.00	03-23-98	03-14-15		337,500.00	337,500.00					337,500.00	337,500.00
Green Acres Grant	582-042-4800-002	487,500.00	04-18-06	01-13-18		487,500.00	487,500.00					487,500.00	487,500.00
Green Acres Grant	533-042-4800-003	662,500.00	04-18-06	01-13-18		662,500.00	662,500.00					662,500.00	662,500.00
					<u>373,624.75</u>	<u>1,620,358.02</u>	<u>1,661,295.41</u>	<u>8,673.70</u>	<u>-</u>	<u>5,600.00</u>	<u>329,613.66</u>	<u>2,086,606.37</u>	<u>1,753,919.01</u>
<u>State Department of Treasury</u>													
Passed Through the County of Burlington: Municipal Drug Alliance Program	Unavailable	21,539.50	01-01-13	Completion	11,286.44	-	-	-	-	-	11,286.44	21,539.50	10,253.06
<u>State Department of Health</u>													
Alcohol Education and Rehabilitation	760-098-9735-001	5,315.16	01-01-09	Completion	4,862.68						4,862.68	5,315.16	452.48
Alcohol Education and Rehabilitation	760-098-9735-001	5,379.22	01-01-11	Completion	5,379.22						5,379.22	5,379.22	
Alcohol Education and Rehabilitation	760-098-9735-001	539.35	01-01-12	Completion	539.35						539.35	539.35	
Alcohol Education and Rehabilitation	760-098-9735-001	52.77	01-01-13	Completion	52.77						52.77	52.77	
Alcohol Education and Rehabilitation	760-098-9735-001	2,212.48	01-01-14	Completion	2,212.48						2,212.48	2,212.48	
Hepatitis B Inoculation Fund	100-846-4750-241	4,680.00	01-01-02	Completion	2,474.50						2,474.50	4,680.00	2,205.50
Hepatitis B Inoculation Fund	100-846-4750-241	1,117.04	01-01-04	Completion	1,117.04						1,117.04	1,117.04	
Hepatitis B Inoculation Fund	100-046-4230-241	2,010.20	01-01-14	Completion	2,010.20						2,010.20	2,010.20	
					<u>18,648.24</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,648.24</u>	<u>21,306.22</u>	<u>2,657.98</u>
<u>State Department of Law and Public Safety</u>													
Drunk Driving Enforcement Grant	100-078-6400-XXX	11,927.91	01-01-16	Completion	4,248.24		4,248.24					11,927.91	11,927.91
Drunk Driving Enforcement Grant	100-078-6400-XXX	12,573.39	01-01-17	Completion	12,573.39		10,466.00				2,107.39	12,573.39	10,466.00
Drunk Driving Enforcement Grant	100-078-6400-XXX	12,569.37	01-01-18	Completion		12,569.37					12,569.37	12,569.37	
DMV Inspection Grant	100-078-6400-XXX	863.25	01-01-18	12-31-18		863.25	863.25					863.25	863.25
Safe and Secure Communities Program	100-066-1020-232	60,000.00	04-04-16	04-03-17	5,808.54		5,808.54					60,000.00	60,000.00
Safe and Secure Communities Program	100-066-1020-232	60,000.00	04-04-17	04-03-18		60,000.00	54,971.91				5,028.09	60,000.00	54,971.91
Safe and Secure Communities Program	100-066-1020-232	60,000.00	04-04-18	04-03-19		60,000.00					60,000.00	60,000.00	
					<u>22,630.17</u>	<u>133,432.62</u>	<u>76,357.94</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,704.85</u>	<u>217,933.92</u>	<u>138,229.07</u>
<u>New Jersey Department of Transportation</u>													
Highway Safety Grant (Safe Corridors)	100-078-6100-051	34,172.22	01-01-17	Completion	4,291.46		526.25				3,765.21	34,172.22	30,407.01
Highway Safety Grant (Safe Corridors)	100-078-6100-051	29,429.33	01-01-18	Completion		29,429.33					29,429.33	29,429.33	
NJDOT - Union Mill	480-078-6320-AMA	220,000.00	01-01-16	Completion	165,000.00	55,000.00					220,000.00	220,000.00	
NJDOT - Union Mill	480-078-6320-10-AMI-6010	255,000.00	01-01-18	Completion		255,000.00					255,000.00		
NJDOT - Pleasant Valley	480-078-6320-AMP	196,000.00	01-01-17	Completion	196,000.00						196,000.00		
					<u>365,291.46</u>	<u>339,429.33</u>	<u>526.25</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>704,194.54</u>	<u>283,601.55</u>	<u>30,407.01</u>
Total State Financial Assistance					<u>\$ 791,481.06</u>	<u>\$ 2,093,219.97</u>	<u>\$ 1,738,179.60</u>	<u>\$ 8,673.70</u>	<u>\$ -</u>	<u>\$ 5,600.00</u>	<u>\$ 1,143,447.73</u>	<u>\$ 2,630,987.56</u>	<u>\$ 1,935,466.13</u>
Analysis of Balance Dec. 31, 2018													
Federal and State Grant Fund - Appropriated Reserves											\$ 1,083,447.73		
Federal and State Grant Fund - Unappropriated Reserves											60,000.00		
											\$ 1,143,447.73		

(1) Encumbrances Canceled

The accompanying Notes to the Financial Statements and Notes to the Schedule of Expenditures of State Financial Assistance are an integral part of this schedule.

TOWNSHIP OF MOUNT LAUREL
Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2018

Note 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance (the "schedule") includes state award activity of the Township of Mount Laurel (hereafter referred to as the "Township") under programs of the state government for the year ended December 31, 2018. The Township is defined in note 1 to the financial statements. The information in this schedule is presented in accordance with the requirements of the State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies, are included on the schedule. Because this schedule presents only a selected portion of the operations of the Township, it is not intended to and does not present the financial position and changes in operations of the Township.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. This basis of accounting is described in note 1 to the financial statements. Such expenditures are recognized following the cost principles contained in State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3: RELATIONSHIP TO STATE FINANCIAL REPORTS

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

Note 4: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent prior year encumbrances canceled in the current year.

Note 5: MAJOR PROGRAMS

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

PART III

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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

Section 1- Summary of Auditor's Results

Financial Statements

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

Federal Awards **Not Applicable**

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

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

Dollar threshold used to determine Type A programs	\$
Auditee qualified as low-risk auditee?	_____ yes _____ no

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

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

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

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

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

Identification of major programs:

GMIS Number(s)

_____ 582-042-4800-002 _____

_____ 533-042-4800-003 _____

Name of State Program

_____ Green Acres Grant _____

_____ Green Acres Grant _____

Dollar threshold used to determine Type A programs _____ \$750,000.00 _____

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

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

Section 2 - Schedule of Financial Statement Findings

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

None

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

Section 3 - Schedule of Federal Award Findings and Questioned Costs

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

Not Applicable

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

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

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

None

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

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

FINANCIAL STATEMENT FINDINGS

None

FEDERAL AWARDS

Not Applicable

STATE FINANCIAL ASSISTANCE PROGRAMS

Not Applicable

TOWNSHIP OF MOUNT LAUREL
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>
Richard Van Noord	Mayor	\$950,000.00 (B)
Dennis Riley	Deputy Mayor	950,000.00 (B)
Linda Bobo	Member of Council	950,000.00 (B)
Irwin Edelson	Member of Council	950,000.00 (B)
Kurt Folcher	Member of Council	950,000.00 (B)
Stephen Riedener	Chief of Police	1,000,000.00 (A,B)
Timothy M. Prime	Solicitor	950,000.00 (B)
George Morris	Solicitor	950,000.00 (B)
William Long	Engineer	950,000.00 (B)
Dennis DeKlerk	Tax Assessor	1,000,000.00 (A,B)
Meredith Tomczyk	Township Manager (From March 2018)	
	Chief Financial Officer (Through March 2018)	
	Township Clerk, Registrar of Vital Statistics,	
	Acting Township Manager (Through March 2018)	1,000,000.00 (A,B)
Brett Solomen	Deputy Chief Financial Officer	1,000,000.00 (A,B)
Tara Krueger	Treasurer	1,000,000.00 (A,B)
	Chief Financial Officer (From March 2018)	1,000,000.00 (AB)
Stephanie Sago	Deputy Tax Collector	1,000,000.00 (A,B)
Carol Modugno	Deputy Municipal Clerk,	
	Deputy Registrar of Vital Statistics	1,000,000.00 (A,B)
Kim Muchowski	Tax Collector	1,000,000.00 (A,B)
Peter C. Lange	Judge of the Municipal Court	1,000,000.00 (A,B)
Valerie Brothers	Municipal Court Administrator	1,000,000.00 (A,B)
Rhonda Clayton	Deputy Court Administrator	1,000,000.00 (A,B)
Judy Metzger	Deputy Court Administrator	1,000,000.00 (A,B)
George Dittmar	Construction Official (Through March 2018)	1,000,000.00 (A,B)
David Godbolt	Construction Official (March – August 2018)	1,000,000.00 (A,B)
Salvatore Massaro	Construction Official (September - October 2018)	1,000,000.00 (A,B)
Bryant Curry	Construction Official (From November 2018)	1,000,000.00 (A,B)

(A) Faithful Performance Blanket Position Bond with Statewide Insurance Company.

(B) Non-Individual surety bonds with Municipal Excess Liability Joint Insurance Fund, per loss for public employee dishonesty and faithful performance coverage.

All of the bonds were examined and were properly executed.

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, reading "Robert L. Mamore". The signature is written in a cursive style with a large, stylized 'R' and 'M'.

Certified Public Accountant
Registered Municipal Accountant