

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

YEAR ENDED

DECEMBER 31, 2017

Oliwa & Company
Certified Public Accountants

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended December 31, 2017

Table of Contents

Part I

Independent Auditor's Report	<u>Pages</u> 1-3
Independent Auditor's 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	4-5
<u>Financial Statements</u>	<u>Exhibit</u>
<u>Current Fund</u>	
Comparative Balance Sheet - Regulatory Basis	A
Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	A-1
Statement of Revenues - Regulatory Basis	A-2
Statement of Expenditures - Regulatory Basis	A-3
<u>Trust Fund</u>	
Comparative Balance Sheet - Regulatory Basis	B
Comparative Statement of Other Trust Fund Balance - Regulatory Basis	B-1
<u>General Capital Fund</u>	
Comparative Balance Sheet - Regulatory Basis	C
Comparative Statement of General Capital Fund Balance - Regulatory Basis	C-1
<u>Water Utility Fund</u>	
Comparative Balance Sheet - Regulatory Basis	D
Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	D-1
Comparative Statement of Fund Balance - Regulatory Basis	D-2
Statement of Revenues - Regulatory Basis	D-3
Statement of Expenditures - Regulatory Basis	D-4

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended December 31, 2017

Table of Contents

Part I
(Continued)

<u>Financial Statements</u>	<u>Exhibit</u>
<u>General Fixed Assets Account Group</u>	
Comparative Balance Sheet - Regulatory Basis	E
<u>Notes to Financial Statements</u>	<u>Pages</u> 6-30

Part II

<u>Supplementary Schedules</u>	<u>Schedule</u>
<u>Current Fund</u>	
Schedule of Cash	A-4
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-5
Schedule of Tax Title Liens	A-6
Schedule of Miscellaneous Receivables	A-7
Schedule of Appropriation Reserves	A-8
Schedule of Revenue Accounts Receivable	A-9
Schedule of County Taxes Payable	A-10
Schedule of Regional High School Tax Payable	A-11
Schedule of Regional School Tax Payable	A-12
Schedule of Special District Taxes Payable	A-13
Schedule of Grants Receivable - Federal and State Grant Fund	A-14
Schedule of Appropriated Reserves - Federal and State Grant Fund	A-15
Schedule of Unappropriated Reserves - Federal and State Grant Fund	A-16

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended December 31, 2017

Table of Contents

Part II
(Continued)

<u>Supplementary Schedules</u>	<u>Schedule</u>
 <u>Trust Fund</u>	
Schedule of Cash	B-2
Schedule of Assessments Receivable - Assessment Fund	B-3
Schedule of Reserve for Animal Control Fund Expenditures	B-4
Schedule of Due to State of New Jersey - Animal Control Fund	B-5
Schedule of Reserve for Open Space - Open Space Fund	B-6
Schedule of Various Reserves - Other Trust Fund	B-7
Schedule of Reserve for Assessments - Assessment Fund	B-8
Schedule of Length of Service Award Program Fund Investments	B-9
Schedule of Reserve for Length of Service Award Program Fund	B-10
 <u>General Capital Fund</u>	
Schedule of Cash	C-2
Schedule of Analysis of General Capital Fund Cash	C-3
Schedule of Deferred Charges to Future Taxation - Funded	C-4
Schedule of Deferred Charges to Future Taxation - Unfunded	C-5
Schedule of Capital Improvement Fund	C-6
Schedule of Improvement Authorizations	C-7
Schedule of General Serial Bonds	C-8
Schedule of Bond Anticipation Notes	C-9
Schedule of Grants Receivable	C-10
Schedule of Bonds and Notes Authorized but Not Issued	C-11

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended December 31, 2017

Table of Contents

Part II
(Continued)

Supplementary Schedules

Schedule

Water Utility Fund

Schedule of Cash	D-5
Schedule of Appropriation Reserves	D-6
Schedule of Analysis of Water Utility Capital Fund Cash	D-7
Schedule of Fixed Capital	D-8
Schedule of Accrued Interest Payable	D-9
Schedule of Serial Bonds	D-10
Schedule of Capital Improvement Fund	D-11
Schedule of Reserve for Amortization	D-12
Schedule of Reserve for Capital Projects	D-13
Schedule of Improvement Authorizations	D-14
Schedule of Fixed Capital Authorized and Uncompleted	D-15
Schedule of Deferred Reserve for Amortization	D-16

General Fixed Assets Account Group

Schedule of Investment in General Fixed Assets	E-1
--	-----

Part III

Comments Section

Pages
31-37

Part IV

Comments and Recommendations

Page
38

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART I

INDEPENDENT AUDITOR'S REPORTS

FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

Oliwa & Company

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Township Committee
Township of Manalapan
County of Monmouth
Manalapan, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and the account group of the Township of Manalapan, County of Monmouth, State of New Jersey (the "Township") as of December 31, 2017 and 2016, and the related statements of operations and change in fund balance - regulatory basis for the years then ended, the related statements of fund balance - regulatory basis for the years then ended, the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements listed as financial statement exhibits 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 audits. We conducted our audits 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 the audit requirements 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 of 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

Auditor's Responsibility (continued)

significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the Township prepares its financial statements in accordance with 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. 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 U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" 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 as of December 31, 2017 and 2016, or the changes in its financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Qualified Opinion on the Trust Fund

The financial statements of the Length of Service Award Program ("LOSAP") Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit the LOSAP Fund financial statements as part of our audit of the Township's financial statements. The LOSAP Fund financial activities are included in the Township's Trust Fund, and represent 3.94% and 3.92% of the assets, and liabilities, reserves and fund balance of the Township's Trust Fund as of December 31, 2017 and 2016, respectively.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion on the Trust Fund paragraph, the financial statements referred to above present fairly, in all material respects, the balance sheets - regulatory basis of the Trust Fund of the Township as of December 31, 2017 and 2016, and related statements of fund balance - regulatory basis for the years then ended, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the balance sheets - regulatory basis of the Current Fund, General Capital Fund, Water Utility Fund and the General Fixed Assets Account Group of the Township as of December 31, 2017 and 2016, the

Unmodified Opinions on Regulatory Basis of Accounting (continued)

statements of operations and change in fund balance - regulatory basis for the years then ended, the statements of fund balance - regulatory basis for the years then ended, the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis of the individual funds for the year ended December 31, 2017 in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

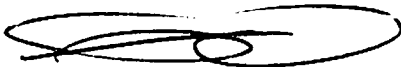
Other Matters

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's financial statements. The supplementary schedules and comments section 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 part of the basic financial statements.

The supplementary schedules and comments section 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. The 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, except for the LOSAP Fund supplementary schedules, the information is fairly stated, in all material respects in relation to the basic financial statements as a whole, based on the accounting principles and practices of the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 15, 2018 on our consideration of the Township's 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 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 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's internal control over financial reporting and compliance.



Robert S. Oliwa
Certified Public Accountant
Registered Municipal Accountant #414

Oliwa & Company

Freehold, New Jersey
June 15, 2018

**INDEPENDENT AUDITOR'S 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**

To the Honorable Mayor and
Members of the Township Committee
Township of Manalapan
County of Monmouth
Manalapan, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the regulatory basis financial statements of the Township of Manalapan, County of Monmouth, State of New Jersey (the "Township") as of and for the year ended December 31, 2017, and the related notes to the regulatory basis financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated June 15, 2018, in which we expressed an adverse opinion on the conformity of the regulatory basis financial statements with accounting principles generally accepted in the United States of America, due to the differences between those principles and the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. We expressed unmodified opinions on the regulatory basis financial statements of the Current Fund, General Capital Fund, Water Utility Fund and the General Fixed Assets Account Group as to conformity with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and since the Length of Service Award Program Fund was not audited, a qualified opinion on the Trust Fund.

Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory basis financial statements, we considered the Township'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 regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township'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.

Internal Control Over Financial Reporting (Continued)

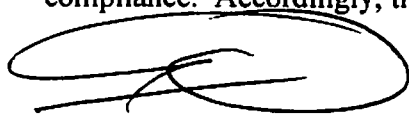
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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's regulatory basis financial statements are free of 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.

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 in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Robert S. Oliwa
Certified Public Accountant
Registered Municipal Accountant #414

Oliwa & Company

Freehold, New Jersey
June 15, 2018

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Assets</u>			
Cash and Cash Equivalents:			
Cash	A-4	\$25,976,951.08	\$17,254,867.75
Change Funds		825.00	825.00
		<u>25,977,776.08</u>	<u>17,255,692.75</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	1,147,130.78	1,054,010.04
Tax Title Liens Receivable	A-6	163,749.34	150,208.53
Miscellaneous Receivables	A-7	9,039.30	3,082.09
Property Acquired for Taxes - Assessed Valuation		264,800.00	264,800.00
Delinquent Penalties Receivable		17,771.49	12,032.20
Revenue Accounts Receivable	A-9	31,487.66	44,426.23
Prepaid Regional School Tax	A-12		7,759.00
Due from Animal Control Fund			19,405.11
Due from General Capital Fund			108.57
Due from Other Trust Fund			675.54
	A	<u>1,633,978.57</u>	<u>1,556,507.31</u>
		<u>27,611,754.65</u>	<u>18,812,200.06</u>
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-4	182,240.08	192,435.94
Due from Current Fund			21,208.95
Grants Receivable	A-14	27,095.00	33,250.00
		<u>209,335.08</u>	<u>246,894.89</u>
		<u>\$27,821,089.73</u>	<u>\$19,059,094.95</u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Liabilities:			
Appropriation Reserves	A-3:A-8	\$1,264,157.19	\$1,607,761.52
Reserve for Encumbrances	A-3:A-8	299,795.96	405,838.92
Accounts Payable		14,392.97	4,119.55
Prepaid Taxes		9,127,826.45	764,065.17
Tax Overpayments		118,323.93	73,361.64
County Taxes Payable	A-10	85,698.70	23,464.51
Regional High School Tax Payable	A-11	7,874,215.09	7,561,483.09
Due to State of New Jersey (PL 1971, Ch.20)		48,866.21	30,505.58
Due to Federal and State Grant Fund			21,208.95
Due to State of New Jersey for:			
Marriage License Fees		1,175.00	1,025.00
Training Fees		12,953.25	7,849.25
Reserve for:			
Polling Places		3,600.00	3,600.00
Tax Appeals		225,000.00	150,000.00
Park Improvements		210,402.42	171,360.00
Federal Emergency Management Agency		387,280.56	387,280.56
		<u>19,673,687.73</u>	<u>11,212,923.74</u>
Reserves for Receivables and Other Assets	A	1,633,978.57	1,556,507.31
Fund Balance	A-1	<u>6,304,088.35</u>	<u>6,042,769.01</u>
		<u>27,611,754.65</u>	<u>18,812,200.06</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-15	143,154.03	199,257.77
Unappropriated Reserves	A-16	39,874.73	4,910.92
Reserve for Encumbrances	A-15	26,306.32	42,726.20
		<u>209,335.08</u>	<u>246,894.89</u>
		<u><u>\$27,821,089.73</u></u>	<u><u>\$19,059,094.95</u></u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$3,750,000.00	\$3,825,000.00
Miscellaneous Revenue Anticipated	A-2	7,985,735.06	7,919,882.09
Receipts from Delinquent Taxes	A-2	1,048,862.58	1,044,172.92
Receipts from Current Taxes	A-2	131,837,254.33	128,026,845.53
Non-Budget Revenues	A-2	226,356.80	148,438.24
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-8	835,872.51	467,570.99
Interfunds Returned		20,189.22	20.40
Cancelled Appropriated Grant Reserves	A-15	236.57	1,062.53
Prepaid Regional School Taxes		7,759.00	
Accounts Payable Cancelled		1,184.55	
Total Income		<u>145,713,450.62</u>	<u>141,432,992.70</u>
Expenditures:			
Budget Appropriations within "CAPS":			
Operations:			
Salaries and Wages	A-3	12,425,367.00	12,226,068.00
Other Expenses	A-3	11,675,587.00	11,457,491.57
Deferred Charges and Statutory Expenditures	A-3	3,186,948.03	3,016,656.00
Budget Appropriations Excluded from "CAPS":			
Operations:			
Salaries and Wages	A-3	73,674.00	67,653.00
Other Expenses	A-3	877,792.50	977,568.50
Capital Improvements	A-3	285,000.00	175,000.00
Municipal Debt Service	A-3	2,525,280.92	2,539,507.98
Judgments			7,000.00
County Taxes	A-10	18,779,254.56	18,901,721.92
Regional High School Tax	A-11	26,713,143.00	26,061,624.00
Regional School Tax	A-12	60,804,614.00	58,772,613.00
Special District Taxes	A-13	3,068,865.00	2,665,895.00
Local Municipal Open Space Taxes		1,286,385.27	1,264,302.13
Tax Appeals			2,030.14
Prepaid Regional School Taxes			7,759.00
FEMA Overpayment			151.62
Interfunds Advanced			784.11
Grants Receivable Cancelled	A-14	220.00	
Total Expenditures		<u>141,702,131.28</u>	<u>138,143,825.97</u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Excess in Revenue		\$4,011,319.34	\$3,289,166.73
Fund Balance January 1	A	<u>6,042,769.01</u>	<u>6,578,602.28</u>
		10,054,088.35	9,867,769.01
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>3,750,000.00</u>	<u>3,825,000.00</u>
Fund Balance December 31	A	<u><u>\$6,304,088.35</u></u>	<u><u>\$6,042,769.01</u></u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2017

	<u>Ref.</u>	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
		<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Fund Balance Anticipated	A-1	\$3,750,000.00		\$3,750,000.00	
Miscellaneous Revenues:					
Alcoholic Beverage Licenses	A-9	27,500.00		33,126.00	\$5,626.00
Other Licenses	A-9	30,000.00		38,463.00	8,463.00
Fees and Permits	A-9	1,450,000.00		1,752,706.37	302,706.37
Fines and Costs - Municipal Court	A-9	550,000.00		453,273.03	(96,726.97)
Interest and Costs on Taxes	A-9	175,000.00		267,386.93	92,386.93
Payment in Lieu of Taxes - Heritage Village	A-9	125,000.00		165,232.33	40,232.33
Energy Receipts Tax (P.L. 1997, Ch. 62 & 67)	A-9	3,853,949.00		3,853,949.00	
Garden State Trust Fund	A-9	14,704.00		14,704.00	
Uniform Construction Code Fees	A-9	575,000.00		856,509.45	281,509.45
Shared Services Agreement - Animal Control Services	A-9	106,374.00		106,373.00	(1.00)
Recycling Tonnage	A-14	45,028.00		45,028.00	
Clean Communities Program	A-14		\$81,672.78	81,672.78	
ANJEC Grant	A-14		1,495.00	1,495.00	
Office on Aging	A-14	20,000.00	2,000.00	22,000.00	
NJ Body Armor	A-14	4,910.92		4,910.92	
Federal Body Armor	A-14		3,406.57	3,406.57	
NJACCHO-LHD Mini Grant	A-14		2,320.00	2,320.00	

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2017

	<u>Ref.</u>	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
		<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Miscellaneous Revenues (continued):					
Click it or Ticket	A-14		\$5,500.00	\$5,500.00	
PHEP-MRC POD/CERT	A-14		4,600.00	4,600.00	
U Text U Drive U Pay	A-14	\$5,500.00		5,500.00	
MRC/CERT POD Training	A-14	12,600.00		12,600.00	
Reserve for Park Improvements	A-9	110,000.00		110,000.00	
Uniform Fire Safety Act	A-9	100,000.00		144,978.68	\$44,978.68
	A-1	7,205,565.92	100,994.35	7,985,735.06	679,174.79
Receipts from Delinquent Taxes	A-1:A-2	750,000.00		1,048,862.58	298,862.58
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-5	21,824,013.69		23,615,545.79	1,791,532.10
Budget Totals		33,529,579.61	100,994.35	36,400,143.43	\$2,769,569.47
Non-Budget Revenues	A-1:A-2			226,356.80	
		<u>\$33,529,579.61</u>	<u>\$100,994.35</u>	<u>\$36,626,500.23</u>	
	<u>Ref.</u>	A-3	A-3		

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2017

	<u>Ref.</u>	
<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1:A-5	\$131,837,254.33
Allocated to School, County, Special District and Local Open Space Taxes		<u>110,652,261.83</u>
Balance for Support of Municipal Budget Appropriations		21,184,992.50
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>2,430,553.29</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$23,615,545.79</u></u>
<u>Receipts from Delinquent Taxes</u>		
Delinquent Tax Collections	A-2:A-5	<u><u>\$1,048,862.58</u></u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2017

Analysis of Non-Budget Revenues

DMV - State Collection Inspection Fees	\$68,635.20
Return of Non-Vested LOSAP Funds	21,193.68
Interest on Investments	54,242.61
Prior Year Refunds	19,448.54
Recycling	12,534.70
Clean-Up Liens	9,936.95
Ceremony Fees Marriage/Civil Union Fees	5,800.00
Clothing Bin Payment	5,000.00
Sale of Assets	4,574.00
Bankruptcy Proceeds	4,527.14
Senior Citizens and Veterans Administrative Fee	4,509.01
Copies/Map	3,344.59
Escrow Close Out	3,246.16
Englishtown Borough Vehicle Maintenance Interlocal	2,572.18
Mobile Stage Rentals	2,500.00
Miscellaneous	2,226.84
Mailing of Rebate Bill Reimbursements	1,525.20
Returned Check Fees	540.00
	<u>\$226,356.80</u>
<u>Ref.</u>	<u>A-1:A-2:A-4</u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

A-3
Sheet 1 of 11

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2017

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$311,500.00	\$311,500.00	\$306,823.57	\$4,676.43	
Other Expenses	24,050.00	24,050.00	15,444.06	8,605.94	
Governing Body:					
Salaries and Wages	36,546.00	36,546.00	36,546.00		
Municipal Clerk:					
Salaries and Wages	186,650.00	186,650.00	180,490.33	6,159.67	
Other Expenses	45,725.00	45,725.00	35,571.79	10,153.21	
Financial Administration:					
Salaries and Wages	368,000.00	367,250.00	361,641.38	5,608.62	
Other Expenses	68,700.00	68,700.00	49,938.54	18,761.46	
Audit Services:					
Other Expenses	26,250.00	26,250.00	26,250.00		
Central Computer Office:					
Other Expenses	15,000.00	15,000.00	5,346.56	9,653.44	
Collection of Taxes:					
Salaries and Wages	175,750.00	176,500.00	173,332.70	3,167.30	
Other Expenses	25,600.00	25,600.00	16,287.92	9,312.08	
Assessment of Taxes:					
Salaries and Wages	146,700.00	140,950.00	135,353.65	5,596.35	
Other Expenses	96,970.00	96,970.00	67,912.13	29,057.87	
Assessment Demonstration Program	80,000.00	80,000.00	65,500.00	14,500.00	

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

A-3
Sheet 2 of 11

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2017

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
Legal Services and Costs:					
Other Expenses	\$190,000.00	\$190,000.00	\$134,657.12	\$55,342.88	
Engineering Services and Costs:					
Other Expenses	70,000.00	70,000.00	30,625.75	39,374.25	
Economic Development:					
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	23,000.00	24,150.00	23,618.36	531.64	
Other Expenses	37,800.00	37,800.00	22,372.04	15,427.96	
Zoning Board:					
Salaries and Wages	23,000.00	21,850.00	20,800.00	1,050.00	
Other Expenses	33,550.00	33,550.00	1,683.67	31,866.33	
INSURANCE					
General Liability	581,649.00	581,649.00	581,647.98	1.02	
Workers Compensation	150,000.00	170,000.00	166,394.50	3,605.50	
Employee Group	3,868,626.00	3,839,876.00	3,708,940.40	130,935.60	
Unemployment	15,000.00	15,000.00	13,751.18	1,248.82	
Health Benefits Waiver	102,500.00	105,750.00	103,476.69	2,273.31	

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

A-3
Sheet 3 of 11

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2017

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	\$7,074,646.00	\$6,884,646.00	\$6,862,878.86	\$21,767.14	
Other Expenses	290,735.00	290,735.00	267,103.05	23,631.95	
Public Information Officer					
Other Expenses	17,000.00	17,000.00	16,982.89	17.11	
Emergency Management:					
Salaries and Wages	5,000.00	5,000.00	5,000.00		
Other Expenses	1,925.00	1,925.00	370.47	1,554.53	
Uniform Fire Safety Act:					
Salaries and Wages	167,500.00	169,500.00	168,146.93	1,353.07	
Other Expenses	5,120.00	5,120.00	3,315.55	1,804.45	
Municipal Prosecutor:					
Salaries and Wages	30,000.00	30,000.00	27,500.00	2,500.00	
Volunteer Incentive Award Program:					
Other Expenses	7,500.00	7,500.00	5,936.29	1,563.71	
Municipal Court:					
Salaries and Wages	277,000.00	277,000.00	266,724.39	10,275.61	
Other Expenses	15,412.00	15,412.00	8,513.26	6,898.74	
Public Defender:					
Salaries and Wages	2,500.00	2,500.00	2,500.00		

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

A-3
Sheet 4 of 11

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2017

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget after Modification	Paid or Charged	Reserved	
<u>Operations Within "CAPS"</u>					
PUBLIC WORKS					
Streets and Roads:					
Salaries and Wages	\$1,705,000.00	\$1,695,750.00	\$1,646,114.63	\$49,635.37	
Other Expenses	190,500.00	190,500.00	183,384.30	7,115.70	
Snow Removal:					
Salaries and Wages	5,000.00	5,000.00	5,000.00		
Other Expenses	100,000.00	200,000.00	195,000.00	5,000.00	
Sanitation/Solid Waste Collection:					
Other Expenses	1,673,000.00	1,673,000.00	1,659,000.00	14,000.00	
Buildings and Grounds:					
Salaries and Wages					
Other Expenses	327,750.00	327,750.00	303,873.44	23,876.56	
Recycling:					
Other Expenses	50,000.00	50,000.00	46,638.29	3,361.71	
Vehicle Maintenance:					
Salaries and Wages	306,500.00	306,500.00	304,156.58	2,343.42	
Other Expenses	224,500.00	224,500.00	202,927.26	19,072.74	\$2,500.00
Community/Condominium Services Act:					
Other Expenses	225,000.00	225,000.00	191,573.74	23,426.26	10,000.00
Shade Tree Commission:					
Salaries and Wages	9,325.00	9,325.00	6,951.37	2,373.63	
Other Expenses	3,100.00	3,100.00	2,705.00	395.00	

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

A-3
Sheet 5 of 11

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2017

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget after Modification	Paid or Charged	Reserved	
<u>Operations Within "CAPS"</u>					
HEALTH AND HUMAN SERVICES					
Public Health Services:					
Salaries and Wages	\$347,000.00	\$347,000.00	\$323,765.66	\$11,234.34	\$12,000.00
Other Expenses	41,100.00	41,100.00	32,085.06	9,014.94	
Environmental Commission:					
Other Expenses	500.00	500.00	499.10	0.90	
Community Alliance:					
Other Expenses	7,500.00	7,500.00	4,896.54	2,603.46	
Animal Control Services:					
Salaries and Wages	15,500.00	15,500.00	9,979.09	5,520.91	
PARKS AND RECREATION					
Recreation Commission and Open Space:					
Salaries and Wages	305,250.00	305,250.00	281,205.93	19,044.07	5,000.00
Other Expenses	38,350.00	38,350.00	34,936.78	3,413.22	
Senior Citizen Advisory Council:					
Other Expenses	1,500.00	1,500.00		1,500.00	
Senior Citizen Center:					
Salaries and Wages	92,750.00	92,750.00	\$90,297.32	2,452.68	
Other Expenses	68,165.00	68,165.00	48,052.75	20,112.25	

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

A-3
Sheet 6 of 11

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2017

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
OTHER COMMON OPERATING FUNCTIONS					
Provision for Accumulated Sick & Vacation:					
Other Expenses	\$40,000.00	\$130,000.00	\$125,000.00	\$5,000.00	
Postage:					
Other Expenses	50,000.00	50,000.00	46,817.18	3,182.82	
Energy Saving Implementation Plan (ESIP):					
Principal	48,599.94	48,599.94	48,599.94		
Interest	28,960.06	28,960.06	28,960.06		
STATE UNIFORM CONSTRUCTION CODE					
Construction Official:					
Salaries and Wages	786,500.00	784,500.00	770,926.92	13,573.08	
Other Expenses	16,050.00	16,050.00	11,240.61	4,809.39	
Code Enforcement/Zoning:					
Salaries and Wages	124,000.00	124,000.00	120,530.10	3,469.90	
Other Expenses	5,150.00	5,150.00	4,411.25	738.75	

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

A-3
Sheet 7 of 11

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2017

	<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>Reserved</u>	<u>Balance</u> <u>Canceled</u>
<u>Operations Within "CAPS"</u>					
UTILITIES AND BULK PURCHASES					
Gasoline and Diesel Fuels	\$250,000.00	\$250,000.00	\$151,525.65	\$80,974.35	\$17,500.00
Electricity	275,000.00	275,000.00	220,927.46	54,072.54	
Telephone and Telegraph	122,000.00	122,000.00	89,427.32	32,572.68	
Natural Gas	70,000.00	70,000.00	38,217.71	31,782.29	
Heating/Fuel Oil	14,000.00	14,000.00	9,099.24	4,900.76	
Street Lighting	430,000.00	430,000.00	389,401.62	40,598.38	
Water	64,000.00	64,000.00	50,540.55	13,459.45	
Sewer	10,000.00	10,000.00	8,568.00	1,432.00	
Telecommunication Costs	24,000.00	24,000.00	22,588.17	1,411.83	
Landfill Disposal Costs	1,500,000.00	1,500,000.00	1,243,631.81	231,368.19	25,000.00
Total Operations - Within "CAPS"	24,192,454.00	24,171,954.00	22,872,834.44	1,227,119.56	72,000.00
Contingent	1,000.00	1,000.00	254.87	745.13	
Total Operations Including Contingent - Within "CAPS"	24,193,454.00	24,172,954.00	22,873,089.31	1,227,864.69	72,000.00
Detail:					
Salaries and Wages	12,627,117.00	12,425,367.00	12,233,760.46	174,606.54	
Other Expenses (including Contingent)	11,566,337.00	11,747,587.00	10,639,328.85	1,053,258.15	72,000.00

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

A-3
Sheet 8 of 11

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2017

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Deferred Charges and Statutory Expenditures Within "CAPS"</u>					
STATUTORY EXPENDITURES					
Contribution to:					
Public Employees' Retirement System of N.J.	\$18,375.00	\$18,375.00	\$18,375.00		
Social Security System (O.A.S.I.)	885,000.00	903,000.00	893,827.59	\$9,172.41	
Public Employees' Retirement System of N.J.	630,360.00	630,360.00	630,360.00		
Police and Firemen's Retirement System of N.J.	1,686,442.06	1,686,442.06	1,623,213.03		\$63,229.03
Defined Contribution Retirement Program	9,500.00	12,000.00	10,813.83	1,186.17	
Deferred Charges and Statutory Expenditures Within "CAPS"	<u>3,229,677.06</u>	<u>3,250,177.06</u>	<u>3,176,589.45</u>	<u>10,358.58</u>	<u>63,229.03</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>\$27,423,131.06</u>	<u>\$27,423,131.06</u>	<u>\$26,049,678.76</u>	<u>\$1,238,223.27</u>	<u>\$135,229.03</u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

A-3
Sheet 9 of 11

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2017

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Excluded from "CAPS"</u>					
Length of Service Awards Program:					
Other Expenses	\$28,350.00	\$28,350.00	\$28,350.00		
Stormwater & Water Pollution:					
Other Expenses	15,000.00	15,000.00	9,000.00	\$6,000.00	
Recycling Tax	65,000.00	65,000.00	47,347.40	17,652.60	
SFSP Fire District Payments	10,522.00	10,522.00	10,522.00		
Reserve for Tax Appeals	75,000.00	75,000.00	75,000.00		
	<u>193,872.00</u>	<u>193,872.00</u>	<u>170,219.40</u>	<u>23,652.60</u>	
Total Other Operations - Excluded from "CAPS"					
	<u>193,872.00</u>	<u>193,872.00</u>	<u>170,219.40</u>	<u>23,652.60</u>	
SHARED SERVICE AGREEMENTS					
Animal Control Services:					
Salaries and Wages	73,674.00	73,674.00	73,674.00		
Other Expenses	32,700.00	32,700.00	30,418.68	2,281.32	
Monmouth County 911:					
Other Expenses	345,513.23	345,513.23	345,513.23		
Interlocal Monmouth Public Health Consortium:					
Other Expenses	11,377.00	\$11,377.00	11,377.00		
Interlocal - Information Technology:					
Other Expenses	105,297.00	105,297.00	105,297.00		
	<u>568,561.23</u>	<u>568,561.23</u>	<u>566,279.91</u>	<u>2,281.32</u>	
Total Shared Service Agreements					
	<u>568,561.23</u>	<u>568,561.23</u>	<u>566,279.91</u>	<u>2,281.32</u>	

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

A-3
Sheet 10 of 11

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2017

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Canceled</u>
<u>Operations Excluded from "CAPS"</u>					
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Clean Communities Program (40A:4-87, \$81,672.78+)		\$81,672.78	\$81,672.78		
Body Armor Replacement - State of NJ	\$4,910.92	4,910.92	4,910.92		
Office on Aging (40A:4-87, \$2,000.00+)	20,000.00	22,000.00	22,000.00		
Recycling Tonnage	45,028.00	45,028.00	45,028.00		
ANJEC Grant (40A:4-87, \$1,495.00+)		1,495.00	1,495.00		
PHEP-MRC/CERT (40A:4-87, \$4,600.00+)		4,600.00	4,600.00		
Federal Body Armor (40A:4-87, \$3,406.57+)		3,406.57	3,406.57		
NJACCHO-LHD Mini Grant (40A:4-87, \$2,320.00+)		2,320.00	2,320.00		
Matching Funds for Grants	15,000.00	15,000.00			\$15,000.00
Click It or Ticket (40A:4-87, \$5,500.00+)		5,500.00	5,500.00		
MRC/CERT POD Training	12,600.00	12,600.00	12,600.00		
U Text U Drive Pay	5,500.00	5,500.00	5,500.00		
Total Public and Private Programs Offset by Revenues	103,038.92	204,033.27	189,033.27		15,000.00
Total Operations - Excluded from "CAPS"	865,472.15	966,466.50	925,532.58	\$25,933.92	15,000.00
Detail:					
Salaries and Wages	73,674.00	73,674.00	73,674.00		
Other Expenses	791,798.15	892,792.50	851,858.58	25,933.92	15,000.00
<u>Capital Improvements - Excluded from "CAPS"</u>					
Capital Improvement Fund	175,000.00	175,000.00	175,000.00		
Park Improvements - Playground	110,000.00	110,000.00	110,000.00		
	285,000.00	285,000.00	285,000.00		

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

A-3
Sheet 11 of 11

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2017

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Municipal Debt Service Excluded from "CAPS"</u>					
Payment of Bond Principal	\$1,544,745.35	\$1,544,745.35	\$1,544,745.35		
Interest on Bonds	570,402.76	570,402.76	570,400.05		\$2.71
Capital Lease Obligations					
Principal	81,800.00	81,800.00	81,800.00		
Interest	4,090.00	4,090.00	4,083.90		6.10
Capital Lease Obligations					
Principal	283,000.00	283,000.00	283,000.00		
Interest	41,385.00	41,385.00	41,251.62		133.38
Total Municipal Debt Service Excluded from "CAPS"	<u>2,525,423.11</u>	<u>2,525,423.11</u>	<u>2,525,280.92</u>		<u>142.19</u>
Total General Appropriations Excluded from "CAPS"	<u>3,675,895.26</u>	<u>3,776,889.61</u>	<u>3,735,813.50</u>	<u>\$25,933.92</u>	<u>142.19</u>
Subtotal General Appropriations	31,099,026.32	31,200,020.67	29,785,492.26	1,264,157.19	150,371.22
Reserve for Uncollected Taxes	2,430,553.29	2,430,553.29	2,430,553.29		
Total General Appropriations	<u>\$33,529,579.61</u>	<u>\$33,630,573.96</u>	<u>\$32,216,045.55</u>	<u>\$1,264,157.19</u>	<u>\$150,371.22</u>
	<u>Ref.</u>				
	A-2		A-1	A:A-1	
Budget	A-3	\$33,529,579.61			
Appropriation by 40A:4-87	A-2	100,994.35			
		<u>\$33,630,573.96</u>			
Reserve for Uncollected Taxes	A-2		\$2,430,553.29		
Cash Disbursed	A-4		29,212,620.61		
Appropriated Reserves for Federal and State					
Grants	A-15		189,033.27		
Reserve for Park Improvements			9,042.42		
Tax Appeal Reserve			75,000.00		
Encumbrances Payable	A		299,795.96		
			<u>\$32,216,045.55</u>		

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2017 and 2016

<u>Assets</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Assessment Fund:			
Assessments Receivable	B-3	<u>\$1,923.00</u>	<u>\$1,923.00</u>
Animal Control Fund:			
Cash and Cash Equivalents	B-2	<u>102,733.67</u>	<u>110,688.51</u>
Open Space Fund:			
Cash and Cash Equivalents	B-2	<u>1,591,937.23</u>	<u>1,570,005.07</u>
Other Trust Fund:			
Cash and Cash Equivalents	B-2	<u>10,881,141.66</u>	<u>10,859,090.59</u>
Length of Service Award Program Fund (LOSAP) - Unaudited:			
Investments	B-9	494,994.56	490,274.76
Municipal Contributions Receivable		<u>20,700.00</u>	<u>21,850.00</u>
		<u>515,694.56</u>	<u>512,124.76</u>
		<u><u>\$13,093,430.12</u></u>	<u><u>\$13,053,831.93</u></u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Assessment Fund:			
Reserve for Assessments	B-8	<u>\$1,923.00</u>	<u>\$1,923.00</u>
Animal Control Fund:			
Due to State of New Jersey	B-5	70.20	28.20
Encumbrances Payable	B-4	41,462.32	
Due to Current Fund			19,405.11
Reserve for Animal Control Fund Expenditures	B-4	<u>61,201.15</u>	<u>91,255.20</u>
		<u>102,733.67</u>	<u>110,688.51</u>
Open Space Fund:			
Reserve for Open Space	B-6	<u>1,591,937.23</u>	<u>1,570,005.07</u>
Other Trust Fund:			
Various Reserves	B-7	10,878,004.51	10,855,277.90
Due to Current Fund			675.54
Fund Balance	B-1	<u>3,137.15</u>	<u>3,137.15</u>
		<u>10,881,141.66</u>	<u>10,859,090.59</u>
Length of Service Award Program Fund (LOSAP) - Unaudited:			
Reserve for Length of Service Award Program Fund	B-10	<u>515,694.56</u>	<u>512,124.76</u>
		<u>\$13,093,430.12</u>	<u>\$13,053,831.93</u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
COMPARATIVE STATEMENT OF OTHER TRUST FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Balance, January 1	B	\$3,137.15	\$3,137.15
Increased/(Decreased)		-	-
Balance, December 31	B	<u>\$3,137.15</u>	<u>\$3,137.15</u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Assets</u>			
Cash and Cash Equivalents	C-2	\$2,817,520.91	\$488,692.83
Deferred Charges to Future Taxation:			
Funded	C-4	15,001,000.00	17,296,441.00
Unfunded	C-5	5,813,606.00	2,986,363.00
Grants Receivable	C-10	250,000.00	372,500.00
		<u>\$23,882,126.91</u>	<u>\$21,143,996.83</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Capital Improvement Fund	C-6	\$53,288.01	\$27,091.01
Improvement Authorizations:			
Funded	C-7	947,575.49	1,555,684.89
Unfunded	C-7	1,104,124.53	803,514.22
Contracts Payable	C-7	498,919.41	1,041,347.67
General Serial Bonds	C-8	15,001,000.00	17,296,441.00
Bond Anticipation Notes	C-9	5,813,606.00	
Due to Current Fund			108.57
Reserve for Sidewalk Program		16,693.33	16,693.33
Reserve for Country Estates Section VI			
Improvements		18,128.17	18,128.17
Reserve for Field Improvements		51,597.00	43,722.00
Reserve for Debt Service		40,626.00	40,626.00
Reserve for Paving Projects		10,000.00	10,000.00
Fund Balance	C-1	326,568.97	290,639.97
		<u>\$23,882,126.91</u>	<u>\$21,143,996.83</u>

On December 31, 2017 and 2016, there were bonds and notes authorized but not issued of \$0.00 and \$2,986,363.00, respectively. (Schedule C-11)

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF GENERAL CAPITAL FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Balance, January 1	C	\$290,639.97	\$250,306.45
Increased by:			
Premiums on Serial Bonds Issued		-	6,355.88
Premium on Notes Issued	C-2	35,929.00	
Permanently Funded Improvement			
Authorizations Canceled		-	33,977.64
Balance, December 31	C	<u>\$326,568.97</u>	<u>\$290,639.97</u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Assets</u>			
Operating Fund:			
Cash and Cash Equivalents	D-5	\$160,580.48	\$140,050.32
Capital Fund:			
Cash and Cash Equivalents	D-5	645,704.89	109,297.39
Fixed Capital	D-8	1,281,739.63	1,281,739.63
Fixed Capital Authorized and Uncompleted	D-15	510,000.00	
Total Capital Fund		2,437,444.52	1,391,037.02
		<u>\$2,598,025.00</u>	<u>\$1,531,087.34</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4:D-6	\$8,282.19	\$291.75
Encumbrances Payable	D-4	79.50	
Accrued Interest Payable	D-9	75.00	98.16
		8,436.69	389.91
Fund Balance	D-1	152,143.79	139,660.41
Total Operating Fund		160,580.48	140,050.32
Capital Fund:			
Serial Bonds	D-10	20,000.00	25,559.00
Capital Improvement Fund	D-11	16,625.00	16,625.00
Reserve for Amortization	D-12	1,261,739.63	1,256,180.63
Reserve for Capital Projects	D-13	112,336.66	70,260.66
Improvement Authorizations:			
Funded	D-14	444,057.00	
Contracts Payable	D-14	50,274.50	
Reserve for Deferred Amortization	D-16	510,000.00	
Reserve for Debt Service		7,624.50	7,624.50
Fund Balance	D-2	14,787.23	14,787.23
Total Capital Fund		2,437,444.52	1,391,037.02
		<u>\$2,598,025.00</u>	<u>\$1,531,087.34</u>

On December 31, 2017 and 2016 there were no bonds and notes authorized but not issued.

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:			
Miscellaneous Revenue	D-3	\$30,905.43	\$71,473.08
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-6	291.75	
Total Revenue		<u>31,197.18</u>	<u>71,473.08</u>
Expenditures:			
Operating	D-4	12,000.00	12,000.00
Debt Service	D-4	<u>6,713.80</u>	<u>6,407.58</u>
Total Expenditures		<u>18,713.80</u>	<u>18,407.58</u>
Excess in Revenue		12,483.38	53,065.50
Fund Balance January 1	D	<u>139,660.41</u>	<u>86,594.91</u>
Fund Balance December 31	D	<u><u>\$152,143.79</u></u>	<u><u>\$139,660.41</u></u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Balance, January 1	D	\$14,787.23	\$14,787.23
Increased/(Decreased)		<u>-</u>	<u>-</u>
Balance, December 31	D	<u><u>\$14,787.23</u></u>	<u><u>\$14,787.23</u></u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY OPERATING FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2017

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Miscellaneous	D-1:D-3	<u>\$18,737.00</u>	<u>\$30,905.43</u>	<u>\$12,168.43</u>
	<u>Ref.</u>	D-4		
<u>Analysis of Miscellaneous</u>				
Water Volume Fees			\$29,749.43	
Application Fees			<u>1,156.00</u>	
	D-3:D-5		<u>\$30,905.43</u>	

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Other Expenses	\$12,000.00	\$12,000.00	\$3,717.81	\$8,282.19	
Debt Service:					
Payment of Bond Principal	5,559.00	5,559.00	5,559.00		
Interest on Bonds	1,178.00	1,178.00	1,154.80		\$23.20
Total Debt Service	6,737.00	6,737.00	6,713.80		23.20
	<u>\$18,737.00</u>	<u>\$18,737.00</u>	<u>\$10,431.61</u>	<u>\$8,282.19</u>	<u>\$23.20</u>
<u>Ref.</u>	D-3		D-1	D:D-1	
Disbursements	D-5		\$9,197.31		
Encumbrances Payable	D		79.50		
Accrued Interest on Bonds	D-9		1,154.80		
			<u>\$10,431.61</u>		

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Assets</u>			
General Fixed Assets:			
Land and Land Improvements		\$16,275,742.22	\$16,275,742.22
Buildings and Improvements		5,988,864.67	5,988,864.67
Machinery, Equipment and Vehicles		<u>11,816,315.17</u>	<u>11,545,227.38</u>
Total General Fixed Assets		<u><u>\$34,080,922.06</u></u>	<u><u>\$33,809,834.27</u></u>
<u>Reserves</u>			
Investment in General Fixed Assets	E-1	<u><u>\$34,080,922.06</u></u>	<u><u>\$33,809,834.27</u></u>

See Accompanying Notes

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the Township of Manalapan, County of Monmouth, State of New Jersey (the "Township"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township as required by N.J.S. 40A:5-5. The financial statements of the Township do not include the operations of the school boards and the fire districts, which are subject to separate audits.

The Governmental Accounting Standards Board ("GASB") established criteria to be used to determine if component units should be included in the financial statements of the oversight entity. These criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Township, by statute or other directive, report separately on their financial statements. The Township had no component units during 2017.

B. Description of Funds

The GASB is the recognized standard setting body for establishing governmental accounting and financial reporting principles generally accepted in the United States of America. The GASB codification establishes certain fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The accounting policies of the Township conform to the accounting principles and practices prescribed by the Division. Such principles and practices 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. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

Current Fund - used to record revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Animal Control Fund - used to record animal license revenues and expenditures.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Description of Funds (continued)

Assessment Fund - used to record transactions relative to the financing of local improvements deemed to benefit the properties against which assessments are levied.

Other Trust Fund - used to record assets held by the Township in a trustee capacity or as an agent for individuals and other governmental agencies.

Length of Service Award Program Fund - used to record municipal contributions, changes in market value and administrative charges for program-eligible volunteers.

Open Space Fund - used to record receipts and disbursements relative to open space acquisition and maintenance.

General Capital Fund - used to record resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

Water Utility Operating and Capital Funds - used to record the operations and acquisition of capital facilities of the Township's water utility. Bonds and notes payable of the Utility Fund are recorded in the Utility Capital Fund.

General Fixed Assets Account Group - used to record fixed assets utilized in general government operations.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. A modified accrual basis of accounting is followed with minor exceptions. The more significant differences are as follows:

Property Taxes and Other Revenues - Property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenues - Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. Federal and State grant revenues received for purposes of capital projects financed by capital ordinances are recognized when received. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

Expenditures - Unexpended or uncommitted appropriations at December 31 are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders at December 31 are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Until lapsed at the close of the succeeding year, appropriation reserves are available to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Deferred Charges - The regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the Current Fund and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the general fixed assets account group at its market value.

Interfunds - Advances in the Current Fund are reported as interfund receivables with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time of purchase. The costs of inventories are not included on the various balance sheets.

Sale of Municipal Assets - Cash proceeds from the sale of Township owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period when the terms of the sales contract become legally enforceable.

General Fixed Assets - In accordance with N.J.A.C. 5:30-5.6, issued by the Local Finance Board, Department of Community Affairs, State of New Jersey, which differs in certain respects from GAAP, the Township is required to develop a fixed assets accounting and reporting system.

Fixed assets used in governmental operations (general fixed assets) are required to be accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

For fixed assets acquired through December 31, 1985, valuation is required at historical cost or estimated historical cost if actual historical cost is not available. For assets acquired beginning on January 1, 1986, the required basis for valuation is historical cost. Depreciation is not required. GAAP requires fixed assets to be valued at cost and be depreciated.

D. Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in general purpose financial statements in accordance with GAAP. The Township presents its financial statements, as listed in the table of contents, as required by the Division, which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

E. Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the Division in accordance with applicable statutes.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include cash on hand, change funds, amounts on deposit and short-term investments with original maturities of three months or less.

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The Governmental Unit Deposit Protection Act ("GUDPA") is a supplemental insurance program set forth by the New Jersey Legislature to protect deposits of municipalities and local government agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. GUDPA requires public depositories to maintain collateral for deposit of public funds that exceed insurance limits. GUDPA requires that the market value of the collateral must equal five percent of the average daily balance of public funds; or if the public funds deposited exceed seventy-five percent of the capital funds of the depository, the depository must provide collateral having a market value equal to one hundred percent of the amount exceeding seventy-five percent. All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

Custodial Credit Risk - The custodial credit risk for deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. Although the Township does not have a formal deposit policy for 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 GUDPA. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2017 and 2016 the Township's bank balances were exposed to custodial credit risk as follows:

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Uninsured and Uncollateralized	\$5,621,295.02	\$5,571,970.93
GUDPA Insured and Collateralized		
with Securities Held by Pledging		
Financial Institutions	<u>33,878,587.44</u>	<u>24,924,307.11</u>
	<u>\$39,499,882.46</u>	<u>\$30,496,278.04</u>

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Deposits (continued)

In addition, as of December 31, 2017 and 2016, the Township had \$1,654,003.53 and \$1,865,005.61, respectively, on deposit in the New Jersey Cash Management Fund (the "Fund"). These deposits are not subject to custodial credit risk as described in this section. The operations of this Fund are governed by the provisions of State Investment Council Regulations for the purpose of determining authorized investments for the Fund.

Investments

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the Township may use available funds for the purchase of the following types of securities, which, if suitable for registry, may be registered, in the name of the Township:

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2) Government money market mutual funds.
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the Township, or bonds or other obligations of school districts of which the Township is a part or within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Local Government investment pools, subject to certain requirements.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P. L. 1977, c. 281; or
- (8) Agreements for the repurchase of fully collateralized securities, if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a GUDPA bank;
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Investments (continued)

- b. Any investment instruments in which the security is not physically held by the Township shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Township and prevent unauthorized use of such investments.
- c. Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Township does not have a formal investment policy for custodial credit risk for investments. Length of Service Award Program Fund investments were exposed to custodial credit risk and are invested at the discretion of each individual participant and not the Township. The fair value and book value of the Township's Length of Service Award Program Fund investments at December 31, 2017 and 2016 were \$494,994.56 and \$490,274.76, respectively.

Credit Risk

State law limits investments as described in prior sections of this note to the financial statements. As of December 31, 2017 and 2016 no such investments were held by the Township.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township does not have a formal investment policy for interest rate risk.

NOTE 3. TAXES COLLECTED IN ADVANCE

Taxes collected in advance and set forth as cash liabilities in the financial statements are as follows:

	Balance December 31,	
	2017	2016
Prepaid Taxes	\$9,127,826.45	\$764,065.17

NOTE 4. DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the regulatory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes (the “notes”) are issued to temporarily finance capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. No notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which the notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations. Tax anticipation notes are issued if cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

A. Long-Term Debt

The Township’s long-term bonded debt is summarized as follows:

<u>General Capital Bonds</u> <u>Purpose</u>	<u>Date of</u> <u>Issue</u>	<u>Original</u> <u>Issue</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Open Space	10/01/03	\$1,564,000.00	4.00%	\$140,000.00
Various Capital				
Improvements	4/23/08	2,351,000.00	5.25%	225,000.00
Open Space	4/23/08	1,798,000.00	5.25%	172,000.00
Various Capital				
Improvements	12/30/09	2,642,000.00	4.00%	439,000.00
General Improvements	1/24/11	1,300,000.00	5.00%	485,000.00
Open Space	1/24/11	2,555,000.00	5.00%	440,000.00
Various Capital				
Improvements	1/24/13	5,505,000.00	4.00%-5.00%	3,980,000.00
General Improvements	12/8/15	3,940,000.00	5.00%	3,375,000.00
Refunding Bonds	3/24/16	3,055,000.00	4.00%-5.00%	3,025,000.00
Open Space Refunding				
Bonds	3/24/16	370,000.00	4.00%-5.00%	365,000.00
Refunding Bonds	10/5/16	760,000.00	3.00%-4.00%	750,000.00
Open Space Refunding				
Bonds	10/5/16	1,625,000.00	3.00%-4.00%	1,605,000.00
				<u>\$15,001,000.00</u>
<u>Water Utility Capital Bonds</u> <u>Purpose</u>	<u>Date of</u> <u>Issue</u>	<u>Original</u> <u>Issue</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Refunding Bonds	3/24/16	\$20,000.00	4.00%-5.00%	<u>\$20,000.00</u>

NOTE 4. DEBT (continued)**A. Long-Term Debt (continued)**

Long-term bonded debt service requirements are as follows:

Year(s)	General Capital Fund		
	Principal	Interest	Total
2018	\$2,347,000.00	\$685,827.50	\$3,032,827.50
2019	2,304,000.00	581,285.00	2,885,285.00
2020	2,410,000.00	482,925.00	2,892,925.00
2021	1,890,000.00	371,550.00	2,261,550.00
2022	1,260,000.00	282,600.00	1,542,600.00
2023-2027	4,100,000.00	607,050.00	4,707,050.00
2028-2031	690,000.00	62,200.00	752,200.00
	<u>\$15,001,000.00</u>	<u>\$3,073,437.50</u>	<u>\$18,074,437.50</u>

Year	Water Utility Capital Fund		
	Principal	Interest	Total
2018	\$5,000.00	\$900.00	\$5,900.00
2019	5,000.00	700.00	5,700.00
2020	5,000.00	500.00	5,500.00
2021	5,000.00	250.00	5,250.00
	<u>\$20,000.00</u>	<u>\$2,350.00</u>	<u>\$22,350.00</u>

NOTE 4. DEBT (continued)**A. Long-Term Debt (continued)**

Long-term debt transactions for the years ended December 31, 2017 and 2016 are summarized as follows:

	Balance Dec. 31, 2016	Additions	Deductions	Balance Dec. 31, 2017
General Capital Fund:				
General Serial Bonds	\$17,296,441.00		\$2,295,441.00	\$15,001,000.00
Water Utility Capital Fund:				
Serial Bonds	25,559.00		5,559.00	20,000.00
	<u>\$17,322,000.00</u>	<u>-</u>	<u>\$2,301,000.00</u>	<u>\$15,021,000.00</u>
	Balance Dec. 31, 2015	Additions	Deductions	Balance Dec. 31, 2016
General Capital Fund:				
General Serial Bonds	\$19,516,142.00	\$5,810,000.00	\$8,029,701.00	\$17,296,441.00
Water Utility Capital Fund:				
Serial Bonds	35,859.00	20,000.00	30,300.00	25,559.00
	<u>\$19,552,001.00</u>	<u>\$5,830,000.00</u>	<u>\$8,060,001.00</u>	<u>\$17,322,000.00</u>

B. Short-Term Debt

At December 31, 2017, the Township's outstanding bond anticipation notes were as follows:

	Date of Issue	Date of Maturity	Balance Dec. 31, 2017	Interest Rate
General Capital Fund	6/29/17	1/30/18	\$5,813,606.00	2.25%

At December 31, 2016, there were no outstanding bond anticipation notes.

NOTE 4. DEBT (continued)

B. Short-Term Debt (continued)

Bond anticipation note transactions for the years ended December 31, 2017 and 2016 are summarized as follows:

	<u>Balance Dec. 31, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2017</u>
General Capital Fund: Bond Anticipation Notes	<u>\$0.00</u>	<u>\$5,813,606.00</u>	<u>-</u>	<u>\$5,813,606.00</u>
	<u>Balance Dec. 31, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2016</u>
General Capital Fund: Bond Anticipation Notes	<u>\$4,551,620.00</u>	<u>-</u>	<u>\$4,551,620.00</u>	<u>\$0.00</u>

C. Bonds and Notes Authorized but not Issued

At December 31, 2017 there were no authorized but not issued bonds and notes and at December 31, 2016 the Township had \$2,986,363.00 of authorized but not issued bonds and notes.

NOTE 5. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED

Upon the authorization of capital projects, the Township establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. In accordance with New Jersey Statutes the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

NOTE 6. UNEMPLOYMENT COMPENSATION INSURANCE

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance under N.J.S.A. 43:21-3 et. seq. The Township has elected to fund a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. The reserves for unemployment compensation insurance at December 31, 2017, 2016 and 2015 were \$192,512.67, \$162,121.31, and \$169,298.60, respectively.

NOTE 7. FUND BALANCES APPROPRIATED

Fund balances at December 31, 2017 and 2016, which were appropriated and included as anticipated revenue in budgets for the years ended December 31, 2018 and 2017 were as follows:

For the year ended December 31, 2018,

Current Fund	\$3,665,000.00
General Capital Fund	75,000.00
Water Utility Operating Fund	62,900.00

For the year ended December 31, 2017,

Current Fund	\$3,750,000.00
--------------	----------------

NOTE 8. FIXED ASSETS

Fixed assets activity for the years ended December 31, 2017 and 2016 was as follows:

	Balance Dec. 31, 2016	Additions	Dispositions	Balance Dec. 31, 2017
Land and Land Improvements	\$16,275,742.22			\$16,275,742.22
Buildings and Improvements	5,988,864.67			5,988,864.67
Machinery and Equipment	11,545,227.38	\$808,488.83	\$537,401.04	11,816,315.17
	<u>\$33,809,834.27</u>	<u>\$808,488.83</u>	<u>\$537,401.04</u>	<u>\$34,080,922.06</u>

	Balance Dec. 31, 2015	Additions	Dispositions	Balance Dec. 31, 2016
Land and Land Improvements	\$16,275,742.22			\$16,275,742.22
Buildings and Improvements	5,648,721.33	\$340,143.34		5,988,864.67
Machinery and Equipment	10,329,143.97	1,259,834.41	\$43,751.00	11,545,227.38
	<u>\$32,253,607.52</u>	<u>\$1,599,977.75</u>	<u>\$43,751.00</u>	<u>\$33,809,834.27</u>

NOTE 9. ACCRUED UNPAID SICK AND VACATION BENEFITS - UNAUDITED

As discussed in Note 1 and in accordance with accounting principles prescribed by the Division, the cash basis of accounting is followed for recording the Township's liability related to unused sick and vacation pay. The Township permits its employees to accumulate unused sick and vacation pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current costs of such unpaid compensation at December 31, 2017 and 2016 were \$381,649.51 and \$907,971.96, respectively. In accordance with accounting principles and practices prescribed by the Division, this amount is not reported as an expenditure or liability in the accompanying financial statements.

NOTE 10. ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the local unit tax assessor in each year and filed with the County Board of Taxation. Upon the filing of certified adopted budgets by the Township, Local School District, Regional School District, County and special districts, the tax rate is struck by the County Tax Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. New Jersey statutes require that each local unit provide for sufficient anticipated cash receipts equal to the "lawful yearly expenditure" which includes the total amount of property taxes to be raised by the local unit.

Taxes are levied on an annual basis and are due quarterly on February 1, May 1, August 1, and November 1. Any taxes not paid as of December 31 are subject to tax sale and lien in the subsequent year, with the exception of bankruptcies. The date of tax sale is at the discretion of the tax collector.

The Township is responsible for remitting one hundred percent of the school, county and special district taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the Township and not the school districts, county or special districts.

NOTE 11. SCHOOL TAXES

Regulations provide for deferral of not more than fifty percent of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Township raises its share of regional high school taxes on a school year basis and has elected to defer these taxes at December 31, 2017 and 2016 as follows:

	<u>Regional High School Tax</u>	
	<u>2017</u>	<u>2016</u>
Balance of tax	\$12,822,310.09	\$12,509,578.09
Deferred	4,948,095.00	4,948,095.00
Tax Payable	<u>\$7,874,215.09</u>	<u>\$7,561,483.09</u>

NOTE 12. PENSION PLANS

Description of Systems

The Township contributes to the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS") cost-sharing multiple employer defined benefit pension plans administered by the Division of Pensions and Benefits in the Department of the Treasury, State of New Jersey. The plans provide retirement, death, disability benefits and medical benefits to certain qualifying members and beneficiaries. PERS was established on January 1, 1955 under the provisions of N.J.S.A. 43:15A. PFRS was established on July 1, 1944, under the provisions of N.J.S.A. 43:16A. PERS and PFRS issue publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits.

Funding Policy

PERS employee contributions were 7.20% of base wages through June 30, 2017. Effective July 1, 2017 PERS employee contributions were 7.34% of base wages. PERS prosecutor employee contributions were 10.00% of base wages. PFRS employee contributions were 10.00% of base wages. The Division of Pensions actuarially determines employer's contributions annually.

Defined Contribution Retirement Program

The Defined Contribution Retirement Program ("DCRP") is a cost-sharing multiple employer defined contribution pension fund which was established in 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. DCRP provides eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Employee contributions to DCRP are 5.50% of base wages. Member contributions are matched by a 3.00% employer contribution.

Unfunded Net Pension Liability

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2017.

NOTE 12. PENSION PLANS (continued)

Public Employees Retirement System (PERS)

At June 30, 2017, the State reported a net pension liability of \$15,651,825.00 for the Township's proportionate share of the total net pension liability. The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2017, the Township's proportion was 0.0672375401 percent, which was a decrease of 0.0034642945 percent from its proportion measured as of June 30, 2016.

The pension expense recognized in the Township's financial statement based on the April 1, 2017 billing was \$648,735.00.

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015. These actuarial valuations used the following assumptions:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Inflation Rate	2.25%	3.08%
Salary Increases (based on age)		
Through 2026	1.65% - 4.15%	1.65% - 4.15%
Thereafter	2.65% - 5.15%	2.65% - 5.15%
Investment Rate of Return	7.00%	7.65%

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

NOTE 12. PENSION PLANS (continued)**Public Employees Retirement System (PERS) (continued)****Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 and June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2017</u>		<u>June 30, 2016</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash Equivalents	5.50%	1.00%	5.00%	0.87%
U.S. Treasuries	3.00%	1.87%	1.50%	1.74%
Investment Grade Credit	10.00%	3.78%	8.00%	1.79%
U.S. Equities	30.00%	8.19%	26.00%	8.53%
Emerging Market Equities	6.50%	11.64%	6.50%	9.95%
Absolute Return/Risk Mitigation	5.00%	5.51%		
Public High Yield	2.50%	6.82%		
Global Diversified Credit	5.00%	7.10%		
Credit Oriented Hedge Funds	1.00%	6.60%		
Debt Related Private Equity	2.00%	10.63%		
Debt Related Real Estate	1.00%	6.61%		
Private Real Estate	2.50%	11.83%		
Equity Related Real Estate	6.25%	9.23%		
Non-U.S. Developed Markets Equity	11.50%	9.00%		
Buyouts/Venture Capital	8.25%	13.08%		
Mortgages			2.00%	1.67%
High Yield Bonds			2.00%	4.56%
Inflation Indexed Bonds			1.50%	3.44%
Developed Foreign Markets			13.25%	6.83%
Private Equity			9.00%	12.40%
Hedge Funds/Absolute Returns			12.50%	4.68%
Real Estate (Property)			2.00%	6.91%
Commodities			0.50%	5.45%
Global Debt ex US			5.00%	-0.25%
REIT			5.25%	5.63%
	<u>100.00%</u>		<u>100.00%</u>	

NOTE 12. PENSION PLANS (continued)

Public Employees Retirement System (PERS) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.00% and 3.98% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, respectively, 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 rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2017, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower (4.00%) or 1 percentage point higher (6.00%) than the current rate:

	June 30, 2017		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>4.00%</u>	<u>5.00%</u>	<u>6.00%</u>
Township's proportionate share of the pension liability	\$19,417,151.00	\$15,651,825.00	\$12,514,841.00

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

NOTE 12. PENSION PLANS (continued)

Police and Firemen's Retirement System (PFRS)

At June 30, 2017, the State reported a net pension liability of \$27,830,748.00 for the Township's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Township's proportion was 0.1802735283 percent, which was a decrease of 0.009215872 percent from its proportion measured as of June 30, 2016.

The pension expense recognized in the Township's financial statement based on the April 1, 2017 billing was \$1,623,213.03.

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015. This actuarial valuation used the following assumptions:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Inflation Rate	2.25%	3.08%
Salary Increases		
Through 2026	2.10% - 8.98%	2.10% - 8.98%
Thereafter	3.10% - 9.98%	3.10% - 9.98%
Investment Rate of Return	7.00%	7.65%

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

NOTE 12. PENSION PLANS (continued)**Police and Firemen's Retirement System (PFRS) (continued)****Long Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2017 and June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2017</u>		<u>June 30, 2016</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash Equivalents	5.50%	1.00%	5.00%	0.87%
U.S. Treasuries	3.00%	1.87%	1.50%	1.74%
Investment Grade Credit	10.00%	3.78%	8.00%	1.79%
U.S. Equities	30.00%	8.19%	26.00%	8.53%
Emerging Market Equities	6.50%	11.64%	6.50%	9.95%
Absolute Return/Risk Mitigation	5.00%	5.51%		
Public High Yield	2.50%	6.82%		
Global Diversified Credit	5.00%	7.10%		
Credit Oriented Hedge Funds	1.00%	6.60%		
Debt Related Private Equity	2.00%	10.63%		
Debt Related Real Estate	1.00%	6.61%		
Private Real Estate	2.50%	11.83%		
Equity Related Real Estate	6.25%	9.23%		
Non-U.S. Developed Markets Equity	11.50%	9.00%		
Buyouts/Venture Capital	8.25%	13.08%		
Mortgages			2.00%	1.67%
High Yield Bonds			2.00%	4.56%
Inflation Indexed Bonds			1.50%	3.44%
Developed Foreign Markets			13.25%	6.83%
Private Equity			9.00%	12.40%
Hedge Funds/Absolute Returns			12.50%	4.68%
Real Estate (Property)			2.00%	6.91%
Commodities			0.50%	5.45%
Global Debt ex US			5.00%	-0.25%
REIT			5.25%	5.63%
	<u>100.00%</u>		<u>100.00%</u>	

NOTE 12. PENSION PLANS (continued)

Police and Firemen's Retirement System (PFRS) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.14% and 5.55% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.85% and 2.85% as of June 30, 2017 and 2016, respectively, 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 rate assumed that contributions from plan members will be made at the current member contribution rates and that contribution rate in the most recent fiscal year. 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the participating employers as of June 30, 2017, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower (5.14) or 1 percentage point higher (7.14%) than the current rate:

	June 30, 2017		
	1% Decrease <u>5.14%</u>	At Current Discount Rate <u>6.14%</u>	1% Increase <u>7.14%</u>
Township's proportionate share of the pension liability	\$35,885,708.00	\$27,830,748.00	\$21,262,412.00

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System.

NOTE 13. INTERFUND BALANCES

The balances of interfund receivables and payables at December 31, 2017 and 2016 are presented below:

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
<u>Receivables</u>		
Current Fund		\$20,189.22
Federal and State Grant Fund		<u>21,208.95</u>
	<u>-</u>	<u>\$41,398.17</u>
<u>Payables</u>		
Other Trust Fund		\$675.54
Current Fund		21,208.95
General Capital Fund		108.57
Animal Control Fund		<u>19,405.11</u>
	<u>-</u>	<u>\$41,398.17</u>

Interfund balances resulted either from the time lag between the dates that reimbursable expenditures occurred, revenue/receipts were collected or when payments were made between funds.

NOTE 14. LENGTH OF SERVICE AWARD PROGRAM FUND - UNAUDITED

The Township has established a Length of Service Award Program under the laws of the State of New Jersey with the intent that it meets requirements under Section 457(e)(11) of the Internal Revenue Code.

Annual Contributions - The annual contribution to be made by the Township for each active volunteer member shall be \$1,050.00 per year of active emergency service.

Appropriations - Appropriations for the purpose of funding the Township's Length of Service Award Program are included as a separate line item in the Township's budget.

Periodic Increases - Notwithstanding the provisions above, the annual contribution to be made by the Township for each active member shall be subject to periodic increases based upon the "consumer price index factor" pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

NOTE 15. DEFERRED COMPENSATION

The Township has adopted a Deferred Compensation Plan (the "Plan") in accordance with Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the statutes of the State of New Jersey.

The Plan enables the Township's employees to voluntarily authorize a portion of their salary to be withheld and invested in certain investments permitted under applicable regulations.

NOTE 16. POSTEMPLOYMENT RETIREMENT BENEFITS

In addition to the pension benefits described in Note 12, the Township provides postemployment health and dental care for all employees who meet certain service requirements. Benefits consist of full medical and dental coverage and costs are reported as they are paid.

Plan Description

The Township contributes to the State Health Benefits Program (“SHBP”), a cost sharing, multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey, Division of Pensions and Benefits. The SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et. seq., to provide health benefits to employees of the State of New Jersey, retirees, and their dependents. Rules governing the operation and administration of the SHBP are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. In 1991 the Township authorized participation in the SHBP through resolution number 91-243.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey, Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. The financial report of the SHBP may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits.

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Postemployment retirement health benefits under the SHBP have been funded on a pay-as-you-go basis since 1994. Prior to 1994, health benefits were funded on an actuarial basis.

Contributions to pay health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. The Township’s postemployment retirement health benefits contributions to the SHBP for the years ended December 31, 2017, 2016, and 2015 were \$1,710,362.62, \$1,583,230.14, and \$1,474,559.31, respectively, which equaled the required contributions for each year.

NOTE 17. CAPITAL LEASE OBLIGATIONS

The Township participates in the Capital Equipment Lease Program with the Monmouth County Improvement Authority (the "Authority"). The Authority issued revenue bonds in which the Township pays the debt service as part of the lease agreements. The minimum lease payments are raised annually in the current fund budget.

The Township's lease obligations payable are summarized as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Balance Dec. 31, 2017</u>
Capital Equipment	10/4/11	\$887,000.00	2.50%-5.00%	\$177,000.00
Capital Equipment	9/24/13	420,000.00	5.00%	92,000.00
Capital Equipment	10/8/15	577,000.00	5.00%	365,000.00
Capital Equipment	10/11/17	467,000.00	4.00%-5.00%	467,000.00
				<u>\$1,101,000.00</u>

Minimum lease payments due to the Authority are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$378,000.00	\$49,332.22	\$427,332.22
2019	239,000.00	34,970.00	273,970.00
2020	251,000.00	24,200.00	275,200.00
2021	130,000.00	11,650.00	141,650.00
2022	103,000.00	5,150.00	108,150.00
	<u>\$1,101,000.00</u>	<u>\$125,302.22</u>	<u>\$1,226,302.22</u>

NOTE 18. EQUIPMENT LEASE PURCHASE AGREEMENT

On June 24, 2011, the Township entered into a fifteen-year equipment lease purchase agreement with Green Campus Partners, LLC for equipment that will provide energy savings to the Township. The Township may exercise its option to purchase the equipment at any time on or after July 1, 2017. Lease payments for the equipment are as follows:

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$53,239.27	\$27,035.73	\$80,275.00
2019	58,157.30	24,927.70	83,085.00
2020	63,368.06	22,624.94	85,993.00
2021	68,887.15	20,115.85	89,003.00
2022	74,729.76	17,388.24	92,118.00
2023-2026	364,418.32	37,443.68	401,862.00
	<u>\$682,799.86</u>	<u>\$149,536.14</u>	<u>\$832,336.00</u>

NOTE 19. OPERATING LEASES

The Township leases various photocopy machines. The future minimum lease payments under the operating leases are as follows:

<u>Year</u>	<u>Amount</u>
2018	\$16,236.48
2019	16,236.48
2020	13,707.37
2021	4,054.69
	<u>\$50,235.02</u>

NOTE 20. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts, theft of, and damage to and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The Township has opted to retain risk, up to certain limits, for which reinsurance has been obtained, for workmen's compensation coverage. As of December 31, 2017 and 2016, the Township had reserves for workmen's compensation claims of \$608,724.58 and \$654,563.85, respectively. The Township is a member of the Monmouth Municipal Joint Insurance Fund (the "Fund"). The Fund is a public entity risk pool and is both an insured and self-administered group of public entities established for the purpose of insuring against property damage, general liability, and motor vehicles and equipment liability. The Fund contracts for excess liability insurance for property, general liability, auto liability, public official liability, and law enforcement liability. There were no settlements in excess of insurance coverage in the past three years.

NOTE 21. COMMITMENTS AND CONTINGENCIES**Grant Financial Assistance**

The Township receives certain financial assistance in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. The Township's administration anticipates that no material liabilities will result from such audits.

Legal Proceedings

In March 2017, a jury verdict involving the condemnation of property was rendered against the Township. The amount of the verdict was \$1,670,000.00 more than the amount previously paid by the Township to acquire the property. However, both the jury verdict and the rulings of the Monmouth County Superior Court are currently under appeal with the Appellate Division of Superior Court.

NOTE 21. COMMITMENTS AND CONTINGENCIES (continued)

Legal Proceedings (continued)

In the opinion of the Township's administration, the impact of the amount of the verdict will not have a material adverse effect on the Township's financial position or adversely affect the Township's ability to levy, collect, and enforce the collection of taxes or other revenue for the repayment of its bonds or other obligations.

NOTE 22. SUBSEQUENT EVENTS

On January 29, 2018, bond anticipation notes (the "Notes") of \$5,813,606.00 were purchased from the Township at an interest rate of 2.50% per annum. The Notes, dated January 29, 2018, will mature on January 29, 2019.

On May 9, 2018, the Township adopted an ordinance to authorize the issuance of bonds and notes of \$2,590,549.00 for various capital improvements and the acquisition of various capital equipment.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART II

SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2017

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF CASH
Year Ended December 31, 2017

	<u>Ref.</u>	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance, December 31, 2016	A	\$17,254,867.75	\$192,435.94
Increased by Receipts:			
Taxes Receivable	A-5	\$131,833,453.69	
State of New Jersey (P.L. 1971, Ch.20)		233,613.61	
Revenue Accounts Receivable	A-9	7,686,701.79	
Miscellaneous Revenue not Anticipated	A-2	226,356.80	
Petty Cash		450.00	
Prepaid Taxes		9,127,826.45	
Tax Overpayments		118,323.93	
Reserve for Park Improvements		140,000.00	
Reserve for Polling Places		3,600.00	
Due to the State of New Jersey:			
Marriage Licenses		3,650.00	
Burial Permits		15.00	
Construction Training Fees		59,960.00	
Interfunds		20,189.22	\$21,208.95
Grants Receivable	A-14		190,057.35
Cancelled Grants Receivable	A-14		220.00
Unappropriated Grant Reserves	A-16		39,874.73
		<u>149,454,140.49</u>	<u>251,361.03</u>
		166,709,008.24	443,796.97

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF CASH
Year Ended December 31, 2017

	<u>Ref.</u>	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Decreased by Disbursements:			
Budget Appropriations	A-3	\$29,212,620.61	
Appropriation Reserves	A-8	1,163,334.96	
County Taxes Payable	A-10	18,717,020.37	
Regional High School Tax Payable	A-11	26,400,411.00	
Regional School Tax Payable	A-12	60,796,855.00	
Special District Taxes Payable	A-13	3,068,865.00	
Accounts Payable		2,935.00	
Due to the State of New Jersey:			
Marriage Licenses		3,500.00	
Burial Permits		15.00	
Petty Cash		450.00	
Construction Training Fees		54,856.00	
Reserve for Polling Places		3,600.00	
Local Municipal Open Space Taxes		1,286,385.27	
Interfunds		21,208.95	
Cancelled Appropriated Reserves	A-15		236.57
Appropriated Reserves	A-15		261,320.32
		<u>\$140,732,057.16</u>	<u>\$261,556.89</u>
Balance, December 31, 2017	A	<u><u>\$25,976,951.08</u></u>	<u><u>\$182,240.08</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
Year Ended December 31, 2017

Year	Balance Dec. 31, 2016	2017 Levy	Collections		Senior Citizens and Veterans Deductions	Transferred to Tax Title Liens	Cancelled	Balance Dec. 31, 2017
Prior	\$10.59							\$10.59
2016	1,053,999.45			\$1,048,862.58			\$5,087.64	49.23
	1,054,010.04			1,048,862.58			5,087.64	59.82
2017		\$133,051,143.63	\$764,065.17	130,857,952.75	\$215,236.41	\$13,540.81	53,277.53	1,147,070.96
	<u>\$1,054,010.04</u>	<u>\$133,051,143.63</u>	<u>\$764,065.17</u>	<u>\$131,906,815.33</u>	<u>\$215,236.41</u>	<u>\$13,540.81</u>	<u>\$58,365.17</u>	<u>\$1,147,130.78</u>

Ref.

A

Ref.

A-6

A

Overpayments Applied
Cash Receipts

A-4

\$73,361.64
131,833,453.69
\$131,906,815.33

Analysis of 2017 Property Tax Levy

Tax Yield:

General Purpose Tax	\$129,377,403.75
Special District Taxes	3,068,865.00
Added Taxes	519,804.42
Omitted Taxes	85,070.46
	<u>\$133,051,143.63</u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
Year Ended December 31, 2017

	<u>Ref.</u>		
Tax Levy:			
Regional School Tax	A-12		\$60,804,614.00
Regional High School Tax	A-11		26,713,143.00
County Taxes:			
County Tax	A-10	\$16,560,365.21	
County Library Tax	A-10	1,160,356.36	
County Open Space Tax	A-10	972,839.19	
Amount Due County for Added and Omitted Taxes	A-10	<u>85,693.80</u>	
			18,779,254.56
Fire District No. 1 Tax (Amount Certified)	A-13	1,687,576.00	
Fire District No. 2 Tax (Amount Certified)	A-13	<u>1,381,289.00</u>	
			3,068,865.00
Local Municipal Open Space Tax		1,280,539.04	
Amount Due Municipal Open Space Fund for Added and Omitted Taxes		<u>5,846.23</u>	
			1,286,385.27
Local Tax for Municipal Purposes	A-2	21,824,013.69	
Add: Additional Tax Levied		<u>574,868.11</u>	
Local Tax for Municipal Purposes Levied			<u>22,398,881.80</u>
			<u><u>\$133,051,143.63</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
Year Ended December 31, 2017

	<u>Ref.</u>	
Balance, December 31, 2016	A	\$150,208.53
Increased by:		
Transfers from Taxes Receivable	A-5	<u>13,540.81</u>
Balance, December 31, 2017	A	<u><u>\$163,749.34</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF MISCELLANEOUS RECEIVABLES
Year Ended December 31, 2017

	<u>Ref.</u>	
Balance, December 31, 2016	A	\$3,082.09
Increased by:		
Clean-Up Liens Levied		15,894.16
		<u>18,976.25</u>
Decreased by:		
Collection of Clean-Up Liens		<u>9,936.95</u>
Balance, December 31, 2017	A	<u><u>\$9,039.30</u></u>
Analysis of Balance:		
Clean-Up Liens		<u><u>\$9,039.30</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>after Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
General Administration					
Salaries and Wages	\$16,164.68		\$17,164.68	\$17,131.00	\$33.68
Other Expenses	10,251.21	\$454.98	9,706.19	545.38	9,160.81
Municipal Clerk					
Salaries and Wages	5,878.19		5,878.19	5,531.34	346.85
Other Expenses	6,634.44	11,008.27	17,642.71	10,723.40	6,919.31
Finance Administration					
Salaries and Wages	12,798.08		13,798.08	13,584.82	213.26
Other Expenses	15,635.73	13,057.24	27,692.97	11,960.97	15,732.00
Central Computer Office					
Other Expenses	835.52	942.25	1,777.77	942.25	835.52
Collection of Taxes					
Salaries and Wages	1,957.55		1,957.55	1,645.02	312.53
Other Expenses	5,879.97	1,561.64	7,441.61	1,561.64	5,879.97
Assessment of Taxes					
Salaries and Wages	14,709.11		14,709.11	9,277.95	5,431.16
Other Expenses	15,621.62	75,237.99	90,859.61	71,375.91	19,483.70
Legal Services and Costs					
Other Expenses	16,809.53		16,809.53	14,591.37	2,218.16
Engineering Services and Costs					
Other Expenses	33,740.25	841.50	34,581.75	5,245.00	29,336.75
Streets and Roads					
Salaries and Wages	38,504.35		38,504.35	22,199.85	16,304.50
Other Expenses	6,854.50	35,518.69	42,373.19	33,684.76	8,688.43

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>after Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Planning Board					
Salaries and Wages	\$323.00		\$323.00		\$323.00
Other Expenses	29,321.87	\$1,339.50	30,661.37	\$2,876.46	27,784.91
Zoning Board					
Salaries and Wages	793.50		793.50	100.00	693.50
Other Expenses	26,269.41	582.50	26,851.91	3,425.81	23,426.10
Insurance					
General Liability	9,018.05		9,018.05	9,000.00	18.05
Workers Compensation	38,105.67	7,513.25	45,618.92	45,573.10	45.82
Employee Group	111,239.22	3,990.50	90,229.72	34,751.30	55,478.42
Unemployment	19,418.95		19,418.95	19,400.00	18.95
Health Benefit Waiver	11,351.53		11,351.53		11,351.53
Police Department					
Salaries and Wages	337,564.61		287,564.61	134,409.07	153,155.54
Other Expenses	40,062.91	33,229.83	53,292.74	43,397.88	9,894.86
Public Information Officer					
Other Expenses	1,279.57		1,279.57		1,279.57
Emergency Management					
Other Expenses	3,400.00		3,400.00		3,400.00
Uniform Fire Safety Act					
Salaries and Wages	2,146.40		2,146.40		2,146.40
Other Expenses	1,968.25	892.31	2,860.56	892.31	1,968.25
LOSAP		28,350.00	28,350.00	20,700.00	7,650.00
Volunteer Incentive Award Program					
Other Expenses	1,694.45	349.75	2,044.20	441.13	1,603.07

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>after Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Municipal Prosecutor					
Salaries and Wages	\$2,500.00		\$2,500.00	\$2,500.00	
Municipal Court					
Salaries and Wages	4,539.63		4,539.63	3,633.72	\$905.91
Other Expenses	4,140.52	\$3,137.50	7,278.02	2,619.78	4,658.24
Sanitation/Solid Waste Collection					
Other Expenses	26,447.94		26,447.94		26,447.94
Buildings and Grounds					
Salaries and Wages	337.59		337.59		337.59
Other Expenses	8,734.65	39,238.21	47,972.86	27,787.03	20,185.83
Recycling					
Other Expenses	14,066.23	4,326.00	18,392.23	3,813.00	14,579.23
Vehicle Maintenance					
Salaries and Wages	3,026.94		3,026.94	2,550.00	476.94
Other Expenses	29,004.39	32,976.80	61,981.19	30,120.73	31,860.46
Community/Condominium Services Act					
Other Expenses	72,040.58	46,536.00	118,576.58	68,439.90	50,136.68
Shade Tree Commission					
Salaries and Wages	729.38		729.38		729.38
Other Expenses	689.09	565.91	1,255.00		1,255.00
Public Health Services					
Salaries and Wages	6,110.73		6,110.73	4,921.44	1,189.29
Other Expenses	11,982.08	4,732.20	16,714.28	3,954.72	12,759.56
Environmental Commission					
Other Expenses	10.00		10.00		10.00

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>after Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Community Alliance					
Other Expenses	\$4,011.31	\$1,015.86	\$5,027.17	\$1,348.36	\$3,678.81
Animal Control Services					
Salaries and Wages	4,741.31		4,741.31	4,542.16	199.15
Recreation Commission and Open Space					
Salaries and Wages	4,853.42		4,853.42	1,628.61	3,224.81
Other Expenses	4,837.96	13,442.63	18,280.59	13,553.72	4,726.87
Senior Citizen Advisory Council					
Other Expenses	1,500.00		1,500.00		1,500.00
Senior Citizen Center					
Salaries and Wages	2,370.87		2,870.87	1,765.29	1,105.58
Other Expenses	14,633.63	7,725.91	21,859.54	6,455.93	15,403.61
Postage					
Other Expenses	3,937.90	16.14	3,954.04	16.14	3,937.90
Construction Official					
Salaries and Wages	2,882.72		2,882.72	2,032.55	850.17
Other Expenses	6,426.95		6,426.95		6,426.95
Code Enforcement/Zoning					
Salaries and Wages	7,603.11		7,603.11	7,203.83	399.28
Other Expenses	774.77	1,398.97	2,173.74	1,188.77	984.97
Utility Expenses and Bulk Purchases					
Gasoline and Diesel Fuels	48,785.49	15,290.38	39,075.87	15,201.39	23,874.48
Electricity	72,029.61	184.27	72,213.88	18,500.99	53,712.89
Telephone and Telegraph	6,726.17	388.56	9,114.73	7,664.31	1,450.42
Natural Gas	24,940.15	371.85	25,312.00	8,880.32	16,431.68
Heating/Fuel Oil	9,858.63		9,858.63		9,858.63

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>after Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Utility Expenses and Bulk Purchases					
Street Lighting	\$58,612.38	\$380.27	\$56,992.65	\$44,273.98	\$12,718.67
Water	11,089.74		11,089.74	1,601.43	9,488.31
Sewer	1,448.67		1,448.67		1,448.67
Telecommunication Costs	400.13		400.13		400.13
Landfill/Disposal Costs	220,075.03		120,075.03	111,701.62	8,373.41
Snow Removal					
Salaries and Wages		5,000.00	5,000.00	5,000.00	
Other Expenses			150,000.00	150,000.00	
Contingent	199.36		199.36		199.36
Social Security System (O.A.S.I.)	45,410.58		45,410.58	3,524.37	41,886.21
Stormwater and Water Pollution					
Other Expenses	8,050.00		8,050.00		8,050.00
Defined Contribution Retirement Program					
Other Expenses	1,228.54	1,814.58	3,043.12	1,380.19	1,662.93
Recycling Tax	17,028.90		17,028.90	4,277.47	12,751.43
Animal Control Services					
Other Expenses	2,712.32	2,856.90	5,569.22	1,109.44	4,459.78
Accumulated Leave Compensation		1,000.00	71,000.00	71,000.00	
Interlocal Information Technology		8,569.78	8,569.78	8,569.02	0.76
	<u>\$1,607,761.52</u>	<u>\$405,838.92</u>	<u>\$2,013,600.44</u>	<u>\$1,177,727.93</u>	<u>\$835,872.51</u>

Ref.

A

A

A-1

Ref.

Accounts Payable
Cash Disbursements

A-4

\$14,392.97
1,163,334.96
\$1,177,727.93

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
Year Ended December 31, 2017

	<u>Ref.</u>	<u>Balance Dec. 31, 2016</u>	<u>Accrued in 2017</u>	<u>Realized/ Collected</u>	<u>Balance Dec. 31, 2017</u>
Licenses - Alcoholic Beverage	A-2		\$33,126.00	\$33,126.00	
Licenses - Other	A-2		38,463.00	38,463.00	
Fees and Permits	A-2		1,752,706.37	1,752,706.37	
Fines and Costs - Municipal Court	A-2	\$44,426.23	440,334.46	453,273.03	\$31,487.66
Interest and Costs on Taxes	A-2		267,386.93	267,386.93	
Payment in Lieu of Taxes - Heritage Village	A-2		165,232.33	165,232.33	
Energy Receipts Tax (P.L. 1997, Ch. 62 & 67)	A-2		3,853,949.00	3,853,949.00	
Garden State Trust Fund	A-2		14,704.00	14,704.00	
Uniform Construction Code Fees	A-2		856,509.45	856,509.45	
Shared Services Agreement - Animal Control Services	A-2		106,373.00	106,373.00	
Uniform Fire Safety Act	A-2		144,978.68	144,978.68	
Reserve for Park Improvements	A-2		110,000.00	110,000.00	
		<u>\$44,426.23</u>	<u>\$7,783,763.22</u>	<u>\$7,796,701.79</u>	<u>\$31,487.66</u>
	<u>Ref.</u>	A			A
			<u>Ref.</u>		
		Revenue Realized		\$110,000.00	
		Cash Receipts	A-4	<u>7,686,701.79</u>	
				<u>\$7,796,701.79</u>	

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
Year Ended December 31, 2017

Balance, December 31, 2016	<u>Ref.</u> A		\$23,464.51
Increased by:			
County Tax	A-5	\$16,560,365.21	
County Library Tax	A-5	1,160,356.36	
County Open Space Tax	A-5	972,839.19	
Added and Omitted Taxes	A-5	<u>85,693.80</u>	
	A-1		<u>18,779,254.56</u>
			18,802,719.07
Decreased by:			
Payments	A-4		<u>18,717,020.37</u>
Balance, December 31, 2017	A		<u><u>\$85,698.70</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE
Year Ended December 31, 2017

	<u>Ref.</u>		
Balance, December 31, 2016:			
School Tax Payable	A	\$7,561,483.09	
School Tax Deferred		<u>4,948,095.00</u>	
			\$12,509,578.09
Increased by:			
Levy - School Year July 1, 2017 to June 30, 2018	A-5		<u>26,713,143.00</u>
			39,222,721.09
Decreased by:			
Payments	A-4		<u>26,400,411.00</u>
Balance, December 31, 2017:			
School Tax Payable	A	7,874,215.09	
School Tax Deferred		<u>4,948,095.00</u>	
			<u><u>\$12,822,310.09</u></u>
2017 Liability for Regional High School Tax:			
Tax Paid	A-11	\$26,400,411.00	
Tax Payable, December 31, 2017	A-11	<u>7,874,215.09</u>	
			34,274,626.09
Less: Tax Payable, December 31, 2016	A-11	<u>7,561,483.09</u>	
Amount Charged to 2017 Operations	A-1		<u><u>\$26,713,143.00</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF REGIONAL SCHOOL TAX PAYABLE
Year Ended December 31, 2017

	<u>Ref.</u>	
Balance, December 31, 2016		
School Tax Payable/(Prepaid)	A	(\$7,759.00)
Increased by:		
Levy - Calendar Year 2017	A-5	60,804,614.00
		<u>60,796,855.00</u>
Decreased by:		
Payments	A-4	<u>60,796,855.00</u>
Balance, December 31, 2017		
School Tax Payable/(Prepaid)	A	<u><u>\$0.00</u></u>
2017 Liability for Regional School Tax:		
Tax Paid	A-12	\$60,796,855.00
School Tax Prepaid, December 31, 2016	A-12	<u>7,759.00</u>
Amount Charged to 2017 Operations	A-1	<u><u>\$60,804,614.00</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF SPECIAL DISTRICT TAXES PAYABLE
Year Ended December 31, 2017

	<u>Ref.</u>	
Increased by:		
Fire District No. 1 Tax Levy	A-5	\$1,687,576.00
Fire District No. 2 Tax Levy	A-5	<u>1,381,289.00</u>
	A-1	3,068,865.00
Decreased by:		
Payments	A-4	<u><u>\$3,068,865.00</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
Year Ended December 31, 2017

Grant	Ref.	Balance Dec. 31, 2016	2017 Anticipated Revenue	Cash Received	Transferred from Unappropriated Reserves	Cancelled	Balance Dec. 31, 2017
Office on Aging	A-2	\$22,000.00	\$22,000.00	\$22,000.00			\$22,000.00
ANJEC Grant	A-2		1,495.00	1,000.00			495.00
PHEP-MRC POD/CERT	A-2		4,600.00				4,600.00
Recycling Tonnage	A-2		45,028.00	45,028.00			
Federal Body Armor	A-2		3,406.57	3,406.57			
Clean Communities Program	A-2		81,672.78	81,672.78			
U Text U Drive U Pay	A-2		5,500.00	5,280.00			
NJ Body Armor	A-2		4,910.92		\$4,910.92	\$220.00	
Green Communities		2,250.00		2,250.00			
NJACCHO-LHD Mini Grant	A-2		2,320.00	2,320.00			
MRC/CERT POD Training	A-2	4,000.00	12,600.00	16,600.00			
MRC/CERT Zika Awareness		5,000.00		5,000.00			
Click It or Ticket It	A-2		5,500.00	5,500.00			
		<u>\$33,250.00</u>	<u>\$189,033.27</u>	<u>\$190,057.35</u>	<u>\$4,910.92</u>	<u>\$220.00</u>	<u>\$27,095.00</u>
<u>Ref.</u>		A		A-4	A-16	A-1:A-4	A

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
Year Ended December 31, 2017

Grant	Balance Dec. 31, 2016	Transfer from 2017 Budget Appropriation	Transferred from Reserve for Encumbrances	Expended	Cancelled	Balance Dec. 31, 2017
<u>2014</u>						
Clean Communities Program			\$38.97	\$38.97		
Highway Traffic Safety			10,939.00	10,939.00		
<u>2015</u>						
Recycling Tonnage	\$17,628.94			17,628.94		
Clean Communities Program	19,455.69		23,914.33	43,370.02		
Green Communities	2,250.00			2,250.00		
Body Armor Replacement - Federal	1,027.34		1,984.00	3,011.34		
<u>2016</u>						
Senior Grant	0.98		949.83	934.24	\$16.57	
NJ Body Armor Replacement Fund	232.01			232.01		
Recycling Tonnage	40,952.75			40,048.73		\$904.02
Clean Communities Program	96,135.08			89,849.06		6,286.02
Body Armor Replacement - Federal	5,858.89			5,733.73		125.16
Drunk Driving Enforcement Fund	10,508.39		2,964.00	5,436.78		8,035.61
MRC/CERT Zika Awareness	5,000.00			5,000.00		
MRC/CERT POD Training	207.70		1,936.07	2,143.77		

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
Year Ended December 31, 2017

Grant	Balance Dec. 31, 2016	Transfer from 2017 Budget Appropriation	Transferred from Reserve for Encumbrances	Expended	Cancelled	Balance Dec. 31, 2017
<u>2017</u>						
Office on Aging		\$22,000.00		\$22,000.00		
Body Armor Replacement - State of NJ		4,910.92		4,910.92		
Recycling Tonnage		45,028.00				\$45,028.00
U Text U Drive U Pay		5,500.00		5,280.00	\$220.00	
MRC/CERT POD Training		12,600.00		12,600.00		
Click It or Ticket		5,500.00		5,500.00		
Clean Communities Program		81,672.78		4,740.31		76,932.47
ANJEC Grant		1,495.00		1,495.00		
PHEP-MRC/CERT		4,600.00		2,163.82		2,436.18
NJACCHO-LHD Mini Grant		2,320.00		2,320.00		
Federal Body Armor		3,406.57				3,406.57
	<u>\$199,257.77</u>	<u>\$189,033.27</u>	<u>\$42,726.20</u>	<u>\$287,626.64</u>	<u>\$236.57</u>	<u>\$143,154.03</u>
	A	A-3	A		A-1:A-4	A
Cash Disbursements	<u>Ref.</u> A-4			\$261,320.32		
Reserve for Encumbrances	A			<u>26,306.32</u>		
				<u>\$287,626.64</u>		

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES
Year Ended December 31, 2017

Grant	Balance Dec. 31, 2016	Cash Receipts	Transferred to Grants Receivable	Balance Dec. 31, 2017
Body Armor Replacement - State of NJ	\$4,910.92	\$4,918.98	\$4,910.92	\$4,918.98
Recycling Tonnage		29,995.75		29,995.75
Federal Body Armor		4,960.00		4,960.00
	<u>\$4,910.92</u>	<u>\$39,874.73</u>	<u>\$4,910.92</u>	<u>\$39,874.73</u>
<u>Ref.</u>	A	A-4	A-14	A

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF CASH
Year Ended December 31, 2017

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>	<u>Open Space Fund</u>
Balance, December 31, 2016	B	<u>\$110,688.51</u>	<u>\$10,859,090.59</u>	<u>\$1,570,005.07</u>
Increased by Receipts:				
Reserve for Animal Control				
Fund Expenditures	B-4	60,639.40		
Due to State of New Jersey	B-5	4,453.80		
Various Reserves	B-7		22,710,202.59	
Reserve for Open Space	B-6			1,286,385.27
		<u>65,093.20</u>	<u>22,710,202.59</u>	<u>1,286,385.27</u>
Decreased by Disbursements:				
Due to State of New Jersey	B-5	4,411.80		
Animal Control Fund				
Expenditures (R.S. 4:19-15.11)	B-4	49,231.13		
Various Reserves	B-7		22,687,475.98	
Interfunds		19,405.11	675.54	
Reserve for Open Space	B-6			1,264,453.11
		<u>73,048.04</u>	<u>22,688,151.52</u>	<u>1,264,453.11</u>
Balance, December 31, 2017	B	<u><u>\$102,733.67</u></u>	<u><u>\$10,881,141.66</u></u>	<u><u>\$1,591,937.23</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
ASSESSMENT FUND
SCHEDULE OF ASSESSMENTS RECEIVABLE
Year Ended December 31, 2017

<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 and 2016</u>	<u>Balance Pledged to Reserve</u>
84-39	Sewer System	4/24/87	10	6/1/87-96	<u>\$1,923.00</u>	<u>\$1,923.00</u>
			<u>Ref.</u>		B	B-8

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
Year Ended December 31, 2017

Balance, December 31, 2016	<u>Ref.</u> B		\$91,255.20
Increased by:			
Dog License Fees Collected		\$41,489.40	
Kennel and Other Fees Collected		<u>19,150.00</u>	
	B-2		<u>60,639.40</u>
			151,894.60
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Cash	B-2	49,231.13	
Encumbrances Payable	B	<u>41,462.32</u>	
			<u>90,693.45</u>
Balance, December 31, 2017	B		<u><u>\$61,201.15</u></u>

License and Other Fees Collected

<u>Year</u>	<u>Amount</u>
2016	\$54,752.40
2015	<u>45,626.50</u>
	<u><u>\$100,378.90</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
ANIMAL CONTROL FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
Year Ended December 31, 2017

Balance, December 31, 2016	<u>Ref.</u> B	\$28.20
Increased by:		
Collected in 2017	B-2	4,453.80
		<u>4,482.00</u>
Decreased by:		
Payments	B-2	4,411.80
		<u>4,411.80</u>
Balance, December 31, 2017	B	<u><u>\$70.20</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
OPEN SPACE FUND
SCHEDULE OF RESERVE FOR OPEN SPACE
Year Ended December 31, 2017

Balance, December 31, 2016	<u>Ref.</u> B	\$1,570,005.07
Increased by:		
Open Space Tax Levy	\$1,280,539.04	
Open Space Added and Omitted Levy	<u>5,846.23</u>	
	B-2	<u>1,286,385.27</u>
		2,856,390.34
Decreased by:		
Cash Disbursed	B-2	<u>1,264,453.11</u>
Balance, December 31, 2017	B	<u><u>\$1,591,937.23</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
OTHER TRUST FUND
SCHEDULE OF VARIOUS RESERVES
Year Ended December 31, 2017

	Balance			Balance
	Dec. 31, 2016	Increased	Decreased	Dec. 31, 2017
Reserves for:				
Mount Laurel Fees	\$3,255,947.62	\$280,876.40	\$58,826.88	\$3,477,997.14
Law Enforcement Trust	126,002.48	1,073.00	1,650.00	125,425.48
Community Alliance	10,807.60	8,189.88	5,159.73	13,837.75
Cash Surety Bonds	537,924.01	71,088.98	130,008.05	479,004.94
Escrow, Engineering, and SOP	854,876.08	625,475.13	569,458.43	910,892.78
Recreation	509,223.04	1,159,977.78	1,243,861.43	425,339.39
Insurance Liability Claims	241,731.93	41,338.42	49,074.95	233,995.40
Shade Trees	215,166.40	9,466.25	65,221.50	159,411.15
Outside Liens	42,165.37	1,161,855.94	1,150,709.37	53,311.94
Tax Sale Premiums	1,895,050.00	891,600.00	1,152,100.00	1,634,550.00
Unemployment Trust	162,121.31	44,897.94	14,506.58	192,512.67
Parking Offense Adjudication Act	5,271.82	446.00		5,717.82
Detention Basin	256,001.85	10,000.00	28,930.52	237,071.33
Workmen's Compensation Claims	654,563.85	29,160.73	75,000.00	608,724.58
Outside Off-Duty Police				
Employment	128,683.54	458,920.00	460,666.94	126,936.60
Heritage Committee	2,450.00		1,355.00	1,095.00
Fire District Penalty Fees	49,326.63	1,030.00		50,356.63
DARE Program	3,183.50			3,183.50
Public Defender	13,524.11	5,511.50	9,150.78	9,884.83
Recycling	35,724.78	650.00		36,374.78
Mentoring	436.00			436.00
Tree Planting - Arboretum	20,810.47		1,000.00	19,810.47
Police - Unclaimed Safekeeping	11,397.27	26.00		11,423.27
Accumulated Sick Leave	430,396.86	196,000.00		626,396.86
Snow Removal	1,011,375.28	542,164.82	517,435.40	1,036,104.70
Manalapan Arts Council	53,526.46	57,635.00	46,387.58	64,773.88
Acceptance of Gifts	10,231.48	5,771.63	3,977.07	12,026.04
Teen Advisory	917.72	1,220.00	607.46	1,530.26
Federal Forfeiture Funds	83,835.39	3,495.00	19,530.45	67,799.94
Medical Reserve Corps - CERT				
Donations	9,853.72	2,256.54	4,133.81	7,976.45
Veterans Committee	8,250.32	6,830.86	6,318.92	8,762.26
Special Needs Council	22,554.23	9,600.00	9,940.76	22,213.47
Payroll Fund	191,946.78	17,083,644.79	17,062,464.37	213,127.20
	<u>\$10,855,277.90</u>	<u>\$22,710,202.59</u>	<u>\$22,687,475.98</u>	<u>\$10,878,004.51</u>

Ref.**B****B-2****B-2****B**

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
ASSESSMENT FUND
SCHEDULE OF RESERVE FOR ASSESSMENTS
Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2017 and 2016</u>
84-39	Sewer System	<u>\$1,923.00</u>
	<u>Ref.</u>	B:B-3

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF LENGTH OF SERVICE AWARD
PROGRAM FUND INVESTMENTS
Year Ended December 31, 2017

	<u>Ref.</u>		
Balance, December 31, 2016	B		\$490,274.76
Increased by:			
Municipal Contributions:			
Township of Manalapan		\$19,950.00	
Borough of Englishtown		1,900.00	
Investment Earnings and Change in Market Value	B-10	<u>63,775.12</u>	
			<u>85,625.12</u>
			575,899.88
Decreased by:			
Distributions	B-10	58,286.64	
Return of Non-Vested Funds	B-10	21,193.68	
Administrative Charges	B-10	<u>1,425.00</u>	
			<u>80,905.32</u>
Balance, December 31, 2017	B		<u><u>\$494,994.56</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARD
PROGRAM FUND
Year Ended December 31, 2017

	<u>Ref.</u>		
Balance, December 31, 2016	B		\$512,124.76
Increased by:			
Municipal Contributions Receivable:			
Township of Manalapan		\$18,900.00	
Borough of Englishtown		1,800.00	
Investment Earnings and Change in Market Value	B-9	<u>63,775.12</u>	
			<u>84,475.12</u>
			596,599.88
Decreased by:			
Distributions	B-9	58,286.64	
Return of Non-Vested Funds	B-9	21,193.68	
Administrative Charges	B-9	<u>1,425.00</u>	
			<u>80,905.32</u>
Balance, December 31, 2017	B		<u><u>\$515,694.56</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CASH
Year Ended December 31, 2017

Balance, December 31, 2016	<u>Ref.</u> C		\$488,692.83
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	C-6	\$175,000.00	
Reserve for Field Improvements		7,875.00	
Bond Anticipation Notes	C-9	5,813,606.00	
Grants Receivable	C-10	122,500.00	
Premium on Sale of Notes:			
Fund Balance	C-1	<u>35,929.00</u>	
			<u>6,154,910.00</u>
			6,643,602.83
Decreased by Disbursements:			
Improvement Authorizations	C-7	3,825,973.35	
Due to Current Fund		<u>108.57</u>	
			<u>3,826,081.92</u>
Balance, December 31, 2017	C		<u><u>\$2,817,520.91</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH
December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2017</u>
Capital Improvement Fund	\$53,288.01
Fund Balance	326,568.97
Grants Receivable	(250,000.00)
Contracts Payable	498,919.41
Reserve for Sidewalk Program	16,693.33
Reserve for Country Estates Section VI Improvements	18,128.17
Reserve for Field Improvements	51,597.00
Reserve for Paving Projects	10,000.00
Reserve for Debt Service	40,626.00

Improvement Authorizations:

<u>Ordinance</u> <u>Number</u>	<u>Improvement Description</u>	
08-04	Various 2008 Capital Improvements	98,216.54
13-03	Various 2013 Capital Improvements	38,402.28
14-04	Various 2014 Capital Improvements	150,624.27
15-09	Various Capital Improvements	619,527.94
16-04	Various Capital Improvements	739,976.28
17-07	Various Capital Improvements and the Acquisition of Various Capital Equipment	404,952.71
		<u>\$2,817,520.91</u>

Ref. C

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
Year Ended December 31, 2017

	<u>Ref.</u>	
Balance, December 31, 2016	C	\$17,296,441.00
Decreased by:		
2017 Budget Appropriations to pay Bonds:		
Municipal Bonds	C-8	\$1,544,745.35
Open Space Bonds	C-8	<u>750,695.65</u>
		<u>2,295,441.00</u>
Balance, December 31, 2017	C	<u><u>\$15,001,000.00</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO
FUTURE TAXATION - UNFUNDED
Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2016</u>	<u>2017 Authorizations</u>	<u>Balance Dec. 31, 2017</u>
16-04	Various Capital Improvements	\$2,986,363.00		\$2,986,363.00
17-07	Various Capital Improvements and the Acquisition of Various Capital Equipment		\$2,827,243.00	2,827,243.00
		<u>\$2,986,363.00</u>	<u>\$2,827,243.00</u>	<u>\$5,813,606.00</u>
	<u>Ref.</u>	C	C-7	C

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2017

Balance, December 31, 2016	<u>Ref.</u> C	\$27,091.01
Increased by:		
2017 Budget Appropriation	C-2	<u>175,000.00</u>
		202,091.01
Decreased by:		
Appropriated to Finance Improvement		
Authorizations	C-7	<u>148,803.00</u>
Balance, December 31, 2017	C	<u><u>\$53,288.01</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2017

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2016		Contracts Payable 2016	2017 Authorizations	Paid or Charged	Canceled	Balance Dec. 31, 2017	
		Date	Amount	Funded	Unfunded					Funded	Unfunded
08-04	Various 2008 Capital Improvements	04/23/08	\$4,500,000.00	\$178,216.54		\$14,884.49		\$14,884.49	\$80,000.00	\$98,216.54	
12-06	Various Capital Improvements -	04/25/12	2,048,659.00			4,279.03		4,279.03			
13-03	Various 2013 Capital Improvements	06/11/13	2,829,149.00	223,780.28		86,683.23		272,061.23		38,402.28	
14-04	Various 2014 Capital Improvements	04/23/14	2,859,438.00								
	Various Road Improvements			232,552.53		10,006.80		199,862.10		42,697.23	
	Acquisition of Various Equipment			40,681.12				34,985.75		5,695.37	
	Improvements to Municipal Properties			119,946.67				17,715.00		102,231.67	
	Various Technology Upgrades			1,528.74				1,528.74			
15-09	Various Capital Improvements	05/13/15	3,939,523.00								
	Acquisition of Various Equipment			165,466.00				28,277.00		137,189.00	
	Improvements to Municipal Properties			11,512.00		750.00		7,996.40		4,265.60	
	Various Road Improvements			218,980.17		6,569.52		94,702.04		130,847.65	
	Various Technology Upgrades			14,013.15				14,013.15			
	Purchase of Property B26 L8			347,225.69						347,225.69	
16-04	Various Capital Improvements	06/15/16	3,393,540.00								
	Acquisition of Various Equipment				\$59,026.78	123,875.71		127,475.71			\$55,426.78
	Improvements to Municipal Properties				73,500.00	9,200.00		28,695.70			54,004.30
	Various Road Improvements				637,025.44	741,420.89		781,966.59			596,479.74
	Various Technology Upgrades			1,782.00	33,962.00			1,678.54		103.46	33,962.00
16-09	Pine Brook Road Default	09/07/16	43,678.00			43,678.00		43,678.00			
17-07	Various Capital Improvements and the	05/10/17	3,056,046.00								
	Acquisition of Various Capital Equipment						\$420,450.00	407,439.74			13,010.26
	Improvements to Municipal Properties						118,667.00	51,038.78		36,734.00	30,894.22
	Various Road Improvements						2,437,592.00	2,192,614.77			244,977.23
	Various Technology Upgrades						79,337.00			3,967.00	75,370.00
				<u>\$1,555,684.89</u>	<u>\$803,514.22</u>	<u>\$1,041,347.67</u>	<u>\$3,056,046.00</u>	<u>\$4,324,892.76</u>	<u>\$80,000.00</u>	<u>\$947,575.49</u>	<u>\$1,104,124.53</u>
	<u>Ref.</u>			C	C	C				C	C
				<u>Ref.</u>							
	Capital Improvement Fund			C-6			\$148,803.00				
	Reappropriation of Improvement Authorization						80,000.00				
	Deferred Charges to Future Taxation - Unfunded			C-5:C-11			<u>2,827,243.00</u>				
							<u>\$3,056,046.00</u>				
	Cash			C-2				\$3,825,973.35			
	Contracts Payable			C				498,919.41			
								<u>\$4,324,892.76</u>			

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
Year Ended December 31, 2017

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2017		Interest Rate	Balance Dec. 31, 2016	Decreased	Balance Dec. 31, 2017
			Date	Amount				
Open Space	10/01/03	\$1,564,000.00	10/01/18	\$140,000.00	4.00%	\$280,000.00	\$140,000.00	\$140,000.00
General Improvements	12/13/07	7,498,000.00				595,441.00	595,441.00	
Various Capital Improvements	4/23/08	2,351,000.00	12/01/18	225,000.00	5.25%	442,000.00	217,000.00	225,000.00
Open Space	4/23/08	1,798,000.00	12/01/18	172,000.00	5.25%	338,000.00	166,000.00	172,000.00
Various Capital Improvements	12/30/09	2,642,000.00	12/01/18 12/01/19	215,000.00 224,000.00	4.00% 4.00%	646,000.00	207,000.00	439,000.00
General Improvements	1/24/11	1,300,000.00	01/15/18 01/15/19 01/15/20	155,000.00 160,000.00 170,000.00	5.00% 5.00% 5.00%	630,000.00	145,000.00	485,000.00
Open Space	1/24/11	2,555,000.00	01/15/18 01/15/19 01/15/20 01/15/21	100,000.00 105,000.00 115,000.00 120,000.00	5.00% 5.00% 5.00% 5.00%	535,000.00	95,000.00	440,000.00

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
Year Ended December 31, 2017

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2017		Interest Rate	Balance Dec. 31, 2016	Decreased	Balance Dec. 31, 2017
			Date	Amount				
Various Capital Improvements	1/24/13	\$5,505,000.00	12/01/18	\$425,000.00	4.00%	\$4,385,000.00	\$405,000.00	\$3,980,000.00
			12/01/19	440,000.00	4.00%			
			12/01/20	460,000.00	5.00%			
			12/01/21	480,000.00	5.00%			
			12/01/22	505,000.00	5.00%			
			12/01/23	530,000.00	5.00%			
			12/01/24	555,000.00	5.00%			
			12/01/25	585,000.00	5.00%			
General Improvements	12/8/15	3,940,000.00	12/01/18	305,000.00	5.00%	3,670,000.00	295,000.00	3,375,000.00
			12/01/19	320,000.00	5.00%			
			12/01/20	340,000.00	5.00%			
			12/01/21	355,000.00	5.00%			
			12/01/22	370,000.00	5.00%			
			12/01/23	390,000.00	5.00%			
			12/01/24	410,000.00	5.00%			
			12/01/25	430,000.00	5.00%			
			12/01/26	455,000.00	5.00%			

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
Year Ended December 31, 2017

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2017		Interest Rate	Balance Dec. 31, 2016	Decreased	Balance Dec. 31, 2017
			Date	Amount				
Refunding Bonds	3/24/16	\$3,055,000.00	12/01/18	\$595,000.00	4.00%	\$3,025,000.00		\$3,025,000.00
			12/01/19	860,000.00	4.00%			
			12/01/20	890,000.00	5.00%			
			12/01/21	680,000.00	5.00%			
Open Space Refunding Bonds	3/24/16	370,000.00	12/01/19	180,000.00	4.00%	365,000.00		365,000.00
			12/01/20	185,000.00	5.00%			
Refunding Bonds	10/5/16	760,000.00	12/01/18	5,000.00	3.00%	760,000.00	\$10,000.00	750,000.00
			12/01/19	5,000.00	3.00%			
			12/01/20	240,000.00	3.00%			
			12/01/21	245,000.00	4.00%			
			12/01/22	255,000.00	4.00%			

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
Year Ended December 31, 2017

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2017		Interest Rate	Balance Dec. 31, 2016	Decreased	Balance Dec. 31, 2017					
			Date	Amount									
Open Space Refunding Bonds	10/5/16	\$1,625,000.00	12/01/18	\$10,000.00	3.00%	\$1,625,000.00	\$20,000.00	\$1,605,000.00					
			12/01/19	10,000.00	3.00%								
			12/01/20	10,000.00	3.00%								
			12/01/21	10,000.00	4.00%								
			12/01/22	130,000.00	4.00%								
			12/01/23	135,000.00	4.00%								
			12/01/24	145,000.00	4.00%								
			12/01/25	150,000.00	4.00%								
			12/01/26	155,000.00	4.00%								
			12/01/27	160,000.00	4.00%								
			12/01/28	170,000.00	4.00%								
			12/01/29	175,000.00	4.00%								
			12/01/30	175,000.00	4.00%								
			12/01/31	170,000.00	3.00%								
									<u>\$17,296,441.00</u>			<u>\$2,295,441.00</u>	<u>\$15,001,000.00</u>
									Ref.			C	C
Paid by Budget Appropriation					C-4	\$1,544,745.35							
Paid by Open Space Fund Appropriation					C-4	750,695.65							
						<u>\$2,295,441.00</u>							

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
Year Ended December 31, 2017

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2016	Increased	Balance Dec. 31, 2017
16-04	Various Capital Improvements	6/29/17	6/29/17	1/30/18	2.25%		\$2,986,363.00	\$2,986,363.00
17-07	Various Capital Improvements and the Acquisition of Various Capital Equipment	6/29/17	6/29/17	1/30/18	2.25%		2,827,243.00	2,827,243.00
						<u>\$0.00</u>	<u>\$5,813,606.00</u>	<u>\$5,813,606.00</u>
					<u>Ref.</u>	C	C-2	C

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
Year Ended December 31, 2017

Balance, December 31, 2016	<u>Ref.</u> C	\$372,500.00
Decreased by:		
Cash Receipts	C-2	<u>122,500.00</u>
Balance, December 31, 2017	C	<u><u>\$250,000.00</u></u>

Detail:

<u>Description</u>	<u>Ordinance Number</u>	
N.J.D.O.T. for Various Capital Improvements	16-04	<u><u>\$250,000.00</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
Year Ended December 31, 2017

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	2017 Authorization	Bond Anticipation Notes Issued	Balance Dec. 31, 2017
16-04	Various Capital Improvements	\$2,986,363.00		\$2,986,363.00	
17-07	Various Capital Improvements and the Acquisition of Various Capital Equipment		\$2,827,243.00	2,827,243.00	
		<u>\$2,986,363.00</u>	<u>\$2,827,243.00</u>	<u>\$5,813,606.00</u>	<u>\$0.00</u>
	<u>Ref.</u> (Footnote C)		C-7		(Footnote C)

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY FUND
SCHEDULE OF CASH
Year Ended December 31, 2017

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2016	D	\$140,050.32	\$109,297.39
Increased by Receipts:			
Miscellaneous Revenue	D-3	30,905.43	
Reserve for Capital Projects:			
Connection Fees	D-13		2,076.00
Public/Private Partnership and Operation, Maintenance and Management Service Agreement	D-13	<u>170,955.75</u>	<u>550,000.00</u> <u>661,373.39</u>
Decreased by Disbursements:			
Budget Appropriations	D-4	9,197.31	
Accrued Interest on Bonds	D-9	1,177.96	
Improvement Authorizations	D-14	<u>10,375.27</u>	<u>15,668.50</u> <u>15,668.50</u>
Balance, December 31, 2017	D	<u><u>\$160,580.48</u></u>	<u><u>\$645,704.89</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Other Expenses	<u>\$291.75</u>	<u>\$291.75</u>	<u>-</u>	<u>\$291.75</u>
<u>Ref.</u>	D			D-1

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF ANALYSIS OF WATER UTILITY CAPITAL FUND CASH
December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2017</u>
Fund Balance	\$14,787.23
Capital Improvement Fund	16,625.00
Reserve for Capital Projects	112,336.66
Contracts Payable	50,274.50
Reserve for Debt Service	7,624.50

Improvement Authorizations:

<u>Ordinance</u> <u>Number</u>	<u>Improvement Description</u>	
2017-13	Pressure Filter Improvements at Lambs Lane Water Treatment Plant	444,057.00
		<u>\$645,704.89</u>

Ref. D

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
Year Ended December 31, 2017

	<u>Ref.</u>	
Balance, December 31, 2017 and 2016	D	<u>\$1,281,739.63</u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER OPERATING FUND
SCHEDULE OF ACCRUED INTEREST PAYABLE
Year Ended December 31, 2017

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$98.16
Increased by:		
Budget Appropriations	D-4	<u>1,154.80</u> 1,252.96
Decreased by:		
Interest Paid	D-5	<u>1,177.96</u>
Balance, December 31, 2017	D	<u><u>\$75.00</u></u>

Analysis of Accrued Interest Payable - December 31, 2017

Principal Outstanding December 31, 2017	Interest Rate	From	To	Period	Amount
Serial Bonds:					
\$10,000.00	5.00%	12/01/17	12/31/17	1 Month	\$41.67
<u>10,000.00</u>	4.00%	12/01/17	12/31/17	1 Month	<u>33.33</u>
<u><u>\$20,000.00</u></u>					<u><u>\$75.00</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS
Year Ended December 31, 2017

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2017</u>
			<u>Outstanding Dec. 31, 2017</u>	<u>Date</u>				
Water Capital	12/13/07	\$70,000.00				\$5,559.00	\$5,559.00	
Refunding Bonds	03/24/16	20,000.00	12/01/18	\$5,000.00	4.00%	20,000.00		\$20,000.00
			12/01/19	5,000.00	4.00%			
			12/01/20	5,000.00	5.00%			
			12/01/21	5,000.00	5.00%			
						<u>\$25,559.00</u>	<u>\$5,559.00</u>	<u>\$20,000.00</u>
					<u>Ref.</u>	D	D-12	D

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2017

	<u>Ref.</u>	
Balance, December 31, 2017 and 2016	D	<u>\$16,625.00</u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
Year Ended December 31, 2017

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$1,256,180.63
Increased by:		
Serial Bonds Paid by Operating Budget	D-10	<u>5,559.00</u>
Balance, December 31, 2017	D	<u><u>\$1,261,739.63</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR CAPITAL PROJECTS
Year Ended December 31, 2017

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$70,260.66
Increased by:		
Cash Received	D-5	<u>552,076.00</u>
		622,336.66
Decreased by:		
Appropriated to Finance Improvement Authorization	D-14	<u>510,000.00</u>
Balance, December 31, 2017	D	<u><u>\$112,336.66</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2016 Funded</u>	<u>2017 Authorization</u>	<u>Paid or Charged</u>	<u>Balance Dec. 31, 2017 Funded</u>
2017-13	Pressure Filter Improvements at Lambs Lane Water Treatment Plant	07/12/17	\$510,000.00	-	\$510,000.00	\$65,943.00	\$444,057.00
		<u>Ref.</u>		D			D
	Reserve for Capital Projects			<u>Ref.</u> D-13	<u>\$510,000.00</u>		
	Cash			D-5		\$15,668.50	
	Contracts Payable			D		50,274.50	
						<u>\$65,943.00</u>	

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
Year Ended December 31, 2017

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2016	2017 Authorization Deferred Reserve for Amortization	Balance Dec. 31, 2017
		Date	Amount			
2017-13	Pressure Filter Improvements at Lambs Lane Water Treatment Plant	07/12/17	\$510,000.00	-	\$510,000.00	\$510,000.00
			<u>Ref.</u>	D	D-16	D

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
Year Ended December 31, 2017

Ordinance Number	Purpose	Ordinance Date	Balance Dec. 31, 2016	Reserve for Capital Projects	Balance Dec. 31, 2017
2017-13	Pressure Filter Improvements at Lambs Lane Water Treatment Plant	07/12/17	-	\$510,000.00	\$510,000.00
		<u>Ref.</u>	D	D-15	D

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF INVESTMENT IN GENERAL FIXED ASSETS
Year Ended December 31, 2017

	<u>Balance Dec. 31, 2016</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance Dec. 31, 2017</u>
General Fixed Assets:				
Land and Land Improvements	\$16,275,742.22			\$16,275,742.22
Buildings and Improvements	5,988,864.67			5,988,864.67
Machinery, Equipment and Vehicles	11,545,227.38	\$808,488.83	\$537,401.04	11,816,315.17
	<u>\$33,809,834.27</u>	<u>\$808,488.83</u>	<u>\$537,401.04</u>	<u>\$34,080,922.06</u>
<u>Ref.</u>	E			E

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART III

COMMENTS

YEAR ENDED DECEMBER 31, 2017

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

COMMENTS

YEAR ENDED DECEMBER 31, 2017

Contracts and Agreements Required to be Advertised per N.J.S. 40A:11-4

N.J.S. 40A:11-4 states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law."

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory limit within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the municipal attorney's opinion should be sought before a commitment is made.

The minutes indicated that bids were requested by public advertising for the following items:

Senior Citizen Chartered Bus Service
Leasing of Park Space for Ice Cream and Frozen Ice Vending
Land Lease Telecommunications Tower
Land Lease for the Placement of a Wireless Telecommunications
Antenna System on the Municipal Water Tower

The minutes indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

Our audit of expenditures did not reveal any individual payments in excess of the statutory limit for the performance of any work or the furnishing of any goods or services other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

Purchases, Contracts or Agreements Not Required to be Advertised by N.J.S. 40A:11-6.1

N.J.S. 40A:11-6.1 states, "For all contracts that in the aggregate are less than the bid threshold but exceed 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c. 198 (C.40A:11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered."

Collection of Interest on Delinquent Taxes and Assessments

N.J.S. 54:4-67 provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

On January 4, 2017, the Governing Body adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

WHEREAS, the Township Committee of the Township of Manalapan deems it desirable to encourage prompt payment of taxes and assessments in order to permit sound fiscal planning; and

WHEREAS, real estate taxes are payable on February 1, May 1, August 1, and November 1 of each year; and

WHEREAS, the Township Committee desires to establish the interest rate of eight percent (8%) per annum on all delinquent taxes and assessments up to and including \$1,500 and eighteen percent (18%) per annum on all delinquent taxes and assessments over the sum of \$1,500, said interest to be waived within a ten (10) day period after they become due;

WHEREAS, N.J.S.A. 54:4-67 permits the governing body to assess, by resolution, an additional six percent (6%) penalty against delinquent taxes that remain unpaid prior to the end of the calendar year in excess of \$10,000.00; and

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Manalapan that pursuant to the provisions of N.J.S.A. 54:4-67 the rate of interest to be charged for the non-payment of taxes and assessments on or before the date when the same become delinquent is hereby fixed at eight (8%) per annum up to and including the sum of \$1,500 and eighteen percent (18%) over the sum of \$1,500 and said interest may be waived within a ten (10) day period after they become delinquent.

Based upon our audit of the tax collector's records, interest on delinquent taxes was charged in accordance with the foregoing resolution.

Tax Title Liens

The last tax sale was held on September 6, 2017 and was complete.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

2017	15
2016	15
2015	15

COMPARATIVE SCHEDULE OF FUND BALANCE AT DECEMBER 31

<u>Year</u>	<u>Current Fund Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
2017	\$6,304,088.35	\$3,665,000.00
2016	6,042,769.01	3,750,000.00
2015	6,578,602.28	3,825,000.00

<u>Year</u>	<u>Water Utility Operating Fund Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
2017	\$152,143.79	\$62,900.00
2016	139,660.41	
2015	86,594.91	

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION AND
APPORTIONMENT (Excluding Fire Districts)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Municipal	\$.341	\$.338	\$.341
Municipal Open Space	.020	.020	.020
Regional Elementary School	.950	.933	.932
Regional High School	.418	.414	.420
County	.292	.299	.312
Total Tax Rate	<u>\$2.021</u>	<u>\$2.004</u>	<u>\$2.025</u>

ASSESSED VALUATIONS

2017	\$6,399,514,400.00
2016	6,301,366,160.00
2015	6,140,599,850.00

COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2017	\$133,051,143.63	\$131,837,254.33	99.09%
2016	129,137,982.64	128,026,845.53	99.14%
2015	127,567,301.94	126,509,640.79	99.17%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens in relation to the tax levies of the last three years.

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Title Liens	\$163,749.34	\$150,208.53	\$139,841.88
Delinquent Taxes	1,147,130.78	1,054,010.04	1,036,436.58
Total Delinquent	<u>\$1,310,880.12</u>	<u>\$1,204,218.57</u>	<u>\$1,176,278.46</u>
% of Tax Levy	0.99%	0.93%	0.92%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by tax title lien liquidation, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2017	\$264,800.00
2016	264,800.00
2015	264,800.00

SUMMARY OF MUNICIPAL DEBT

<u>Issued</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Bonds and Notes	\$20,814,606.00	\$17,296,441.00	\$24,067,762.00
Water Utility Bonds and Notes	20,000.00	25,559.00	35,859.00
Total Issued	<u>20,834,606.00</u>	<u>17,322,000.00</u>	<u>24,103,621.00</u>
Less:			
Open Space Trust (40A:2-44h)	2,185,000.00	2,440,000.00	2,610,000.00
Funds on Hand to Pay Bonds and Notes			4,551,620.00
Total Deductions	<u>2,185,000.00</u>	<u>2,440,000.00</u>	<u>7,161,620.00</u>
Net Debt Issued	<u>18,649,606.00</u>	<u>14,882,000.00</u>	<u>16,942,001.00</u>
<u>Authorized but not Issued</u>			
General Bonds and Notes		2,986,363.00	
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$18,649,606.00</u>	<u>\$17,868,363.00</u>	<u>\$16,942,001.00</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 indicates a statutory net debt of 0.286%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local Regional School District Debt	\$31,366,341.11	\$31,366,341.11	
Regional High School Debt	3,042,020.14	3,042,020.14	
Water Utility Debt	20,000.00	20,000.00	
General Debt	<u>20,814,606.00</u>	<u>2,185,000.00</u>	<u>\$18,629,606.00</u>
	<u>\$55,242,967.25</u>	<u>\$36,613,361.25</u>	<u>\$18,629,606.00</u>

Net Debt \$18,629,606.00 divided by Equalized Valuation basis per N.J.S. 40A:2-2 as amended, \$6,513,869,096.33 equals 0.286%.

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED

3½% of Equalized Valuation Basis	\$227,985,418.37
Net Debt	<u>18,629,606.00</u>
Remaining Borrowing Power	<u>\$209,355,812.37</u>

CALCULATION OF "SELF-LIQUIDATING PURPOSE" WATER UTILITY PER
N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Charges for Year			\$30,905.43
Deductions:			
Operating and Maintenance Cost	\$12,000.00		
Debt Service	<u>6,713.80</u>		
Total Deductions		<u>18,713.80</u>	
Excess in Revenue - Self Liquidating			<u><u>\$12,191.63</u></u>

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>
Susan Cohen	Mayor
John McNaboe	Deputy Mayor
Kevin Uniglicht	Committeeman
David C. Kane	Committeeman
Mary Ann Musich	Committeewoman
Tara Lovrich	Township Administrator
Patricia Addario	Chief Financial Officer
Regina Preteroti	Township Clerk, Assessment Search Officer
Hope Ingram-Lewis	Tax Collector
James M. Newman	Judge of Municipal Court
Nicole Sonnenblick	Judge of Municipal Court
Daniella Tranco	Court Administrator

Township employees are covered by a public employee dishonesty bond in the amount of \$50,000.00 by the Monmouth Municipal Joint Insurance Fund. In addition, Township employees are covered by a public employee dishonesty and faithful performance bond in the amount of \$950,000.00 by the Municipal Excess Liability Insurance Fund.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART IV

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2017

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2017

Current Year Recommendations

None

Status of Prior Year Recommendation

The Township has resolved the prior year recommendation.