

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**AND**  
**INDEPENDENT AUDITOR'S REPORTS**

**YEAR ENDED**

**DECEMBER 31, 2018**

***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, 2018**

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**STATE OF NEW JERSEY**

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**AND SUPPLEMENTARY INFORMATION**  
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**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, 2018**

# *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, 2018 and 2017, 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, 2018, 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, 2018 and 2017, 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 3.75% and 3.94% of the assets, and liabilities, reserves and fund balance of the Township's Trust Fund as of December 31, 2018 and 2017, 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, 2018 and 2017, 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, 2018 and 2017, 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, 2018 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 August 9, 2019 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  
August 9, 2019

**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, 2018, 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 August 9, 2019, 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  
August 9, 2019

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2018 and 2017**

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<b><u>Assets</u></b>			
Cash and Cash Equivalents:			
Cash	A-4	\$17,721,604.13	\$25,976,951.08
Change Funds		825.00	825.00
		<u>17,722,429.13</u>	<u>25,977,776.08</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	1,086,434.75	1,147,130.78
Tax Title Liens Receivable	A-6	166,955.80	163,749.34
Miscellaneous Receivables	A-7	5,131.72	9,039.30
Property Acquired for Taxes - Assessed Valuation		264,800.00	264,800.00
Delinquent Penalties Receivable		20,265.05	17,771.49
Revenue Accounts Receivable	A-9	25,881.73	31,487.66
	A	<u>1,569,469.05</u>	<u>1,633,978.57</u>
		<u>19,291,898.18</u>	<u>27,611,754.65</u>
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-4	123,421.70	182,240.08
Grants Receivable	A-14	30,733.47	27,095.00
		<u>154,155.17</u>	<u>209,335.08</u>
		<u>\$19,446,053.35</u>	<u>\$27,821,089.73</u>

See Accompanying Notes

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2018 and 2017**

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Liabilities:			
Appropriation Reserves	A-3:A-8	\$953,851.79	\$1,264,157.19
Reserve for Encumbrances	A-3:A-8	280,451.31	299,795.96
Accounts Payable		11,582.00	14,392.97
Prepaid Taxes		886,942.62	9,127,826.45
Tax Overpayments		74,302.99	118,323.93
County Taxes Payable	A-10	36,677.25	85,698.70
Regional High School Tax Payable	A-11	8,286,370.09	7,874,215.09
Due to State of New Jersey (PL 1971, Ch.20)		44,150.33	48,866.21
Due to State of New Jersey for:			
Marriage License Fees		1,125.00	1,175.00
Training Fees		5,190.25	12,953.25
Burial Permits		10.00	
Reserve for:			
Polling Places		2,800.00	3,600.00
Tax Appeals		300,000.00	225,000.00
Park Improvements		210,402.42	210,402.42
Federal Emergency Management Agency		503,577.55	387,280.56
		<u>11,597,433.60</u>	<u>19,673,687.73</u>
Reserves for Receivables and Other Assets	A	1,569,469.05	1,633,978.57
Fund Balance	A-1	<u>6,124,995.53</u>	<u>6,304,088.35</u>
		<u>19,291,898.18</u>	<u>27,611,754.65</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-15	146,261.67	143,154.03
Unappropriated Reserves	A-16		39,874.73
Reserve for Encumbrances	A-15	7,893.50	26,306.32
		<u>154,155.17</u>	<u>209,335.08</u>
		<u>\$19,446,053.35</u>	<u>\$27,821,089.73</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, 2018 and 2017**

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$3,665,000.00	\$3,750,000.00
Miscellaneous Revenue Anticipated	A-2	7,541,026.09	7,985,735.06
Receipts from Delinquent Taxes	A-2	1,121,962.31	1,048,862.58
Receipts from Current Taxes	A-2	136,636,518.07	131,837,254.33
Non-Budget Revenues	A-2	421,926.40	226,356.80
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-8	522,948.69	835,872.51
Interfunds Returned			20,189.22
Cancelled Appropriated Grant Reserves	A-15	5.00	236.57
Prepaid Regional School Taxes			7,759.00
Accounts Payable Cancelled		2,700.00	1,184.55
Total Income		<u>149,912,086.56</u>	<u>145,713,450.62</u>
Expenditures:			
Budget Appropriations within "CAPS":			
Operations:			
Salaries and Wages	A-3	12,820,421.00	12,425,367.00
Other Expenses	A-3	11,552,665.39	11,675,587.00
Deferred Charges and Statutory Expenditures	A-3	3,171,432.76	3,186,948.03
Budget Appropriations Excluded from "CAPS":			
Operations:			
Salaries and Wages	A-3	73,673.00	73,674.00
Other Expenses	A-3	876,210.01	877,792.50
Capital Improvements	A-3	175,000.00	285,000.00
Municipal Debt Service	A-3	2,608,088.35	2,525,280.92
County Taxes	A-10	19,769,452.18	18,779,254.56
Regional High School Tax	A-11	27,571,801.00	26,713,143.00
Regional School Tax	A-12	63,334,824.00	60,804,614.00
Special District Taxes	A-13	3,140,732.00	3,068,865.00
Local Municipal Open Space Taxes		1,331,876.69	1,286,385.27
Grants Receivable Cancelled			220.00
Other Adjustments		3.00	
Total Expenditures		<u>146,426,179.38</u>	<u>141,702,131.28</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, 2018 and 2017**

	<b><u>Ref.</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Excess in Revenue		\$3,485,907.18	\$4,011,319.34
Fund Balance January 1	A	<u>6,304,088.35</u>	<u>6,042,769.01</u>
		9,789,995.53	10,054,088.35
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>3,665,000.00</u>	<u>3,750,000.00</u>
Fund Balance December 31	A	<u><u>\$6,124,995.53</u></u>	<u><u>\$6,304,088.35</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, 2018**

	<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	\$3,665,000.00		\$3,665,000.00	
Miscellaneous Revenues:					
Alcoholic Beverage Licenses	A-9	27,500.00		33,376.00	\$5,876.00
Other Licenses	A-9	30,000.00		38,873.00	8,873.00
Fees and Permits	A-9	1,450,000.00		1,654,667.24	204,667.24
Fines and Costs - Municipal Court	A-9	400,000.00		378,696.41	(21,303.59)
Interest and Costs on Taxes	A-9	200,000.00		282,989.11	82,989.11
Payment in Lieu of Taxes - Heritage Village	A-9	125,000.00		170,520.97	45,520.97
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		641,910.50	66,910.50
Shared Services Agreement - Animal Control Services	A-9	106,373.00		62,746.00	(43,627.00)
Recycling Tonnage	A-14	29,995.75		29,995.75	
Clean Communities Program	A-14		\$78,160.05	78,160.05	
Highway Safety	A-14	25,615.00		25,615.00	
Office on Aging	A-14	20,000.00	2,000.00	22,000.00	
NJ Body Armor	A-14	4,918.98		4,918.98	
Federal Body Armor	A-14	4,960.00	992.00	5,952.00	
NJ Department of Health CLEPP	A-14	5,113.00	5,113.00	10,226.00	

See Accompanying Notes



**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2018**

	<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):					
PHEP-MRC POD/CERT	A-14		\$4,600.00	\$4,600.00	
General Capital Fund Balance	A-9	\$75,000.00		75,000.00	
Uniform Fire Safety Act	A-9	100,000.00		152,126.08	\$52,126.08
	A-1	7,048,128.73	90,865.05	7,541,026.09	402,032.31
Receipts from Delinquent Taxes	A-1:A-2	750,000.00		1,121,962.31	371,962.31
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-5	22,354,300.99		23,918,428.16	1,564,127.17
Budget Totals		33,817,429.72	90,865.05	36,246,416.56	\$2,338,121.79
Non-Budget Revenues	A-1:A-2			421,926.40	
		<u>\$33,817,429.72</u>	<u>\$90,865.05</u>	<u>\$36,668,342.96</u>	
	<u>Ref.</u>	<u>A-3</u>	<u>A-3</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**

	<b><u>Ref.</u></b>	
<b><u>Analysis of Realized Revenues</u></b>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1:A-5	\$136,636,518.07
Allocated to School, County, Special District and Local Open Space Taxes		<u>115,148,685.87</u>
Balance for Support of Municipal Budget Appropriations		21,487,832.20
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>2,430,595.96</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$23,918,428.16</u></u>
<b><u>Receipts from Delinquent Taxes</u></b>		
Delinquent Tax Collections	A-5	\$1,109,825.23
Tax Title Lien Collections	A-6	<u>12,137.08</u>
	A-2	<u><u>\$1,121,962.31</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, 2018**

**Analysis of Non-Budget Revenues**

Interest on Investments	\$178,669.30
Tax Sale Premiums Cancelled	92,900.00
Shared Service Special Law Enforcement Officer for School Security	42,904.85
LOSAP Reimbursement	18,900.00
Clothing Bin Payment	18,500.00
Clean-Up Liens	15,118.35
Recycling	13,771.60
Bankruptcy Proceeds	9,328.51
DMV - State Collection Inspection Fees	4,897.34
Ceremony Fees Marriage/Civil Union Fees	4,500.00
Senior Citizens and Veterans Administrative Fee	4,026.20
Western Monmouth Utilities Authority Easement Agreement	3,500.00
Mailing of Rebate Bill Reimbursements	2,957.40
Copies/Map	2,485.58
Mobile Stage Rentals	2,250.00
Prior Year Refunds	1,458.84
Miscellaneous	1,337.97
Englishtown Borough Vehicle Maintenance Shared Service	1,241.96
Manalapan Baseball Association Main of Holiday Park	1,000.00
Marlboro Inspection Administrative Fees Shared Service	738.50
Stale Dated Checks	620.00
Returned Check Fees	420.00
Inspections Penalties	400.00
	<u>\$421,926.40</u>
<b><u>Ref.</u></b>	<b><u>A-1:A-2:A-4</u></b>

See Accompanying Notes

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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Sheet 1 of 11

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2018**

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget after Modification	Paid or Charged	Reserved	
Operations Within "CAPS"					
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$302,500.00	\$302,500.00	\$297,084.74	\$5,415.26	
Other Expenses	23,700.00	23,700.00	14,216.48	9,483.52	
Governing Body:					
Salaries and Wages	36,546.00	36,546.00	36,546.00		
Municipal Clerk:					
Salaries and Wages	199,500.00	200,800.00	196,600.46	4,199.54	
Other Expenses	45,725.00	44,425.00	39,910.81	4,514.19	
Financial Administration:					
Salaries and Wages	375,500.00	375,000.00	369,621.62	5,378.38	
Other Expenses	68,700.00	68,700.00	50,898.66	12,801.34	\$5,000.00
Audit Services:					
Other Expenses	26,250.00	26,250.00	26,250.00		
Central Computer Office:					
Other Expenses	15,000.00	15,000.00	6,248.36	8,751.64	
Collection of Taxes:					
Salaries and Wages	181,750.00	181,750.00	178,298.00	3,452.00	
Other Expenses	25,600.00	25,600.00	21,960.04	3,639.96	
Assessment of Taxes:					
Salaries and Wages	157,500.00	158,000.00	156,653.24	1,346.76	
Other Expenses	93,135.00	93,135.00	60,081.62	28,053.38	5,000.00
Assessment Demonstration Program	80,000.00	80,000.00	80,000.00		

See Accompanying Notes

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2018**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended Balance Canceled</u></b>
	<b><u>Budget</u></b>	<b><u>Budget after Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	
<b><u>Operations Within "CAPS"</u></b>					
Legal Services and Costs:					
Other Expenses	\$165,000.00	\$165,000.00	\$109,229.87	\$35,770.13	\$20,000.00
Engineering Services and Costs:					
Other Expenses	65,000.00	65,000.00	49,708.25	15,291.75	
Economic Development:					
<b>LAND USE ADMINISTRATION</b>					
Planning Board:					
Salaries and Wages	25,300.00	25,300.00	24,577.50	722.50	
Other Expenses	37,800.00	37,800.00	11,199.06	26,600.94	
Zoning Board:					
Salaries and Wages	33,000.00	33,000.00	32,326.42	673.58	
Other Expenses	33,300.00	33,300.00	10,228.01	23,071.99	
<b>INSURANCE</b>					
General Liability	582,014.00	582,014.00	576,242.83	5,771.17	
Workers Compensation	175,000.00	175,000.00	113,507.87	61,492.13	
Employee Group	3,848,750.00	3,848,750.00	3,759,907.42	88,842.58	
Unemployment	15,000.00	15,000.00	5,909.96	9,090.04	
Health Benefits Waiver	105,750.00	105,750.00	99,847.11	5,902.89	

See Accompanying Notes

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2018**

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget after Modification	Paid or Charged	Reserved	
<u>Operations Within "CAPS"</u>					
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	\$7,412,500.00	\$7,412,500.00	\$7,343,936.38	\$35,563.62	\$33,000.00
Other Expenses	336,939.39	336,939.39	310,220.33	21,719.06	5,000.00
Public Information Officer					
Other Expenses	17,000.00	17,000.00	14,919.20	2,080.80	
Emergency Management:					
Salaries and Wages	5,000.00	5,000.00	5,000.00		
Other Expenses	1,925.00	1,925.00	25.00	1,900.00	
Uniform Fire Safety Act:					
Salaries and Wages	171,500.00	171,500.00	169,630.94	1,869.06	
Other Expenses	5,125.00	5,125.00	3,938.06	1,186.94	
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	3,027.00	4,473.00	
Municipal Court:					
Salaries and Wages	282,500.00	282,500.00	271,272.35	11,227.65	
Other Expenses	15,412.00	15,412.00	6,984.19	8,427.81	
Public Defender:					
Salaries and Wages	5,000.00	5,000.00		5,000.00	

See Accompanying Notes

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2018**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended</u></b>
	<b><u>Budget</u></b>	<b><u>Budget after</u></b> <b><u>Modification</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Reserved</u></b>	<b><u>Balance</u></b> <b><u>Canceled</u></b>
<b><u>Operations Within "CAPS"</u></b>					
<b>PUBLIC WORKS</b>					
Streets and Roads:					
Salaries and Wages	\$1,691,000.00	\$1,686,000.00	\$1,658,513.25	\$13,486.75	\$14,000.00
Other Expenses	191,000.00	191,000.00	166,143.59	12,856.41	12,000.00
Snow Removal:					
Salaries and Wages	5,000.00	5,000.00	5,000.00		
Other Expenses	100,000.00	100,000.00	99,000.00	1,000.00	
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	329,750.00	329,750.00	307,973.31	21,776.69	
Recycling:					
Other Expenses	50,000.00	50,000.00	41,833.25	8,166.75	
Vehicle Maintenance:					
Salaries and Wages	317,000.00	312,000.00	294,651.91	3,348.09	14,000.00
Other Expenses	224,500.00	224,500.00	203,314.12	11,185.88	10,000.00
Community/Condominium Services Act:					
Other Expenses	233,000.00	233,000.00	231,601.54	1,398.46	
Shade Tree Commission:					
Salaries and Wages	9,525.00	9,525.00	7,467.44	2,057.56	
Other Expenses	21,600.00	21,600.00	8,034.50	3,565.50	10,000.00

See Accompanying Notes

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2018**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended</u></b>
	<b><u>Budget</u></b>	<b><u>Budget after Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	<b><u>Balance Canceled</u></b>
<b><u>Operations Within "CAPS"</u></b>					
<b>HEALTH AND HUMAN SERVICES</b>					
Public Health Services:					
Salaries and Wages	\$355,000.00	\$353,000.00	\$328,812.50	\$4,187.50	\$20,000.00
Other Expenses	40,600.00	40,600.00	34,600.47	5,999.53	
Environmental Commission:					
Other Expenses	500.00	500.00	462.26	37.74	
Community Alliance:					
Other Expenses	6,500.00	6,500.00	3,652.95	2,847.05	
Animal Control Services:					
Salaries and Wages	15,750.00	17,750.00	16,123.90	1,626.10	
<b>PARKS AND RECREATION</b>					
Recreation Commission and Open Space:					
Salaries and Wages	306,500.00	301,500.00	280,646.87	11,853.13	9,000.00
Other Expenses	38,000.00	38,000.00	34,617.57	3,382.43	
Senior Citizen Center:					
Salaries and Wages	103,500.00	103,500.00	88,963.21	4,536.79	10,000.00
Other Expenses	68,165.00	68,165.00	37,449.69	30,715.31	

See Accompanying Notes



**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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Sheet 6 of 11

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2018**

	<b>APPROPRIATIONS</b>		<b>EXPENDED</b>		<b>Unexpended Balance Canceled</b>
	<b>Budget</b>	<b>Budget after Modification</b>	<b>Paid or Charged</b>	<b>Reserved</b>	
<u>Operations Within "CAPS"</u>					
OTHER COMMON OPERATING FUNCTIONS					
Provision for Accumulated Sick & Vacation:					
Other Expenses	\$40,000.00	\$40,000.00	\$39,000.00	\$1,000.00	
Postage:					
Other Expenses	50,000.00	50,000.00	41,450.51	8,549.49	
Energy Saving Implementation Plan (ESIP):					
Principal	53,239.27	53,239.27	53,239.27		
Interest	27,035.73	27,035.73	27,035.73		
STATE UNIFORM CONSTRUCTION CODE					
Construction Official:					
Salaries and Wages	720,000.00	715,000.00	666,514.43	15,485.57	\$33,000.00
Other Expenses	16,050.00	16,050.00	10,145.67	5,904.33	
Code Enforcement/Zoning:					
Salaries and Wages	125,000.00	125,000.00	122,534.31	2,465.69	
Other Expenses	5,150.00	5,150.00	3,148.62	2,001.38	

See Accompanying Notes

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2018**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended</u></b>
	<b><u>Budget</u></b>	<b><u>Budget after Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	<b><u>Balance Canceled</u></b>
<b><u>Operations Within "CAPS"</u></b>					
UTILITIES AND BULK PURCHASES					
Gasoline and Diesel Fuels	\$250,000.00	\$225,000.00	\$197,068.77	\$27,931.23	
Electricity	275,000.00	240,000.00	210,546.78	29,453.22	
Telephone and Telegraph	116,000.00	96,000.00	86,389.28	9,610.72	
Natural Gas	65,000.00	45,000.00	40,380.47	4,619.53	
Heating/Fuel Oil	14,000.00	14,000.00	3,836.99	10,163.01	
Street Lighting	430,000.00	400,000.00	375,665.40	24,334.60	
Water	64,000.00	64,000.00	48,113.94	15,886.06	
Sewer	10,000.00	10,000.00	8,449.00	1,551.00	
Telecommunication Costs	24,000.00	24,000.00	21,141.06	2,858.94	
Landfill Disposal Costs	1,500,000.00	1,650,000.00	1,500,963.45	149,036.55	
Total Operations - Within "CAPS"	24,572,086.39	24,572,086.39	23,446,993.79	925,092.60	\$200,000.00
Contingent	1,000.00	1,000.00		1,000.00	
Total Operations Including Contingent - Within "CAPS"	24,573,086.39	24,573,086.39	23,446,993.79	926,092.60	200,000.00
Detail:					
Salaries and Wages	12,972,121.00	12,953,421.00	12,678,122.58	142,298.42	133,000.00
Other Expenses (including Contingent)	11,600,965.39	11,619,665.39	10,768,871.21	783,794.18	67,000.00

See Accompanying Notes

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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Sheet 8 of 11

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2018**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended Balance Canceled</u></b>
	<b><u>Budget</u></b>	<b><u>Budget after Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	
<u>Deferred Charges and Statutory Expenditures Within "CAPS"</u>					
STATUTORY EXPENDITURES					
Contribution to:					
Public Employees' Retirement System of N.J.	\$18,830.00	\$18,830.00	\$18,830.00		
Social Security System (O.A.S.I.)	915,000.00	915,000.00	912,569.01	\$2,430.99	
Public Employees' Retirement System of N.J.	627,148.76	627,148.76	627,148.76		
Police and Firemen's Retirement System of N.J.	1,595,454.00	1,595,454.00	1,595,454.00		
Defined Contribution Retirement Program	15,000.00	15,000.00	13,020.73	1,979.27	
Deferred Charges and Statutory Expenditures Within "CAPS"	3,171,432.76	3,171,432.76	3,167,022.50	4,410.26	
Total General Appropriations for Municipal Purposes Within "CAPS"	27,744,519.15	27,744,519.15	26,614,016.29	930,502.86	\$200,000.00

See Accompanying Notes

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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Sheet 9 of 11

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2018**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended Balance Canceled</u></b>
	<b><u>Budget</u></b>	<b><u>Budget after Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	
<b><u>Operations Excluded from "CAPS"</u></b>					
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	48,675.81	16,324.19	
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		
Total Other Operations - Excluded from "CAPS"	193,872.00	193,872.00	171,547.81	22,324.19	
<b>SHARED SERVICE AGREEMENTS</b>					
Animal Control Services:					
Salaries and Wages	73,673.00	73,673.00	73,673.00		
Other Expenses	32,700.00	32,700.00	31,675.26	1,024.74	
Monmouth County 911:					
Other Expenses	345,513.23	345,513.23	345,513.23		
Interlocal Monmouth Public Health Consortium:					
Other Expenses	14,728.00	14,728.00	14,728.00		
Interlocal - Information Technology:					
Other Expenses	107,929.00	107,929.00	107,929.00		
Total Shared Service Agreements	574,543.23	574,543.23	573,518.49	1,024.74	

See Accompanying Notes

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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Sheet 10 of 11

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2018**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended</u></b>
	<b><u>Budget</u></b>	<b><u>Budget after</u></b> <b><u>Modification</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Reserved</u></b>	<b><u>Balance</u></b> <b><u>Canceled</u></b>
<b><u>Operations Excluded from "CAPS"</u></b>					
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET</b>					
<b>BY REVENUES</b>					
Clean Communities Program (40A:4-87, \$78,160.05+)		\$78,160.05	\$78,160.05		
Highway Safety	\$25,615.00	25,615.00	25,615.00		
NJ Body Armor	4,918.98	4,918.98	4,918.98		
Office on Aging (40A:4-87, \$2,000.00+)	20,000.00	22,000.00	22,000.00		
Recycling Tonnage	29,995.75	29,995.75	29,995.75		
Federal Body Armor (40A:4-87, \$992.00+)	4,960.00	5,952.00	5,952.00		
NJDOH - CLEPP Grant (40A:4-87, \$5,113.00+)	5,113.00	10,226.00	10,226.00		
PHEP-MRC/CERT (40A:4-87, \$4,600.00+)		4,600.00	4,600.00		
<b>Total Public and Private Programs Offset by Revenues</b>	<b>90,602.73</b>	<b>181,467.78</b>	<b>181,467.78</b>		
<b>Total Operations - Excluded from "CAPS"</b>	<b>859,017.96</b>	<b>949,883.01</b>	<b>926,534.08</b>	<b>\$23,348.93</b>	
<b>Detail:</b>					
Salaries and Wages	73,673.00	73,673.00	73,673.00		
Other Expenses	785,344.96	876,210.01	852,861.08	23,348.93	
<b><u>Capital Improvements - Excluded from "CAPS"</u></b>					
Capital Improvement Fund	175,000.00	175,000.00	175,000.00		
	<b>175,000.00</b>	<b>175,000.00</b>	<b>175,000.00</b>		

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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Sheet 11 of 11

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2018**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended Balance Canceled</u></b>
	<b><u>Budget</u></b>	<b><u>Budget after Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	
<b><u>Municipal Debt Service Excluded from "CAPS"</u></b>					
Payment of Bond Principal	\$1,595,000.00	\$1,595,000.00	\$1,595,000.00		
Interest on Bonds	509,297.50	509,297.50	509,292.43		\$5.07
Interest on Notes	76,666.93	76,666.93	76,666.93		
Capital Lease Obligations					
Principal	378,000.00	378,000.00	378,000.00		
Interest	49,332.22	49,332.22	49,128.99		203.23
Total Municipal Debt Service Excluded from "CAPS"	<u>2,608,296.65</u>	<u>2,608,296.65</u>	<u>2,608,088.35</u>		<u>208.30</u>
Total General Appropriations Excluded from "CAPS"	<u>3,642,314.61</u>	<u>3,733,179.66</u>	<u>3,709,622.43</u>	<u>\$23,348.93</u>	<u>208.30</u>
Subtotal General Appropriations	31,386,833.76	31,477,698.81	30,323,638.72	953,851.79	200,208.30
Reserve for Uncollected Taxes	2,430,595.96	2,430,595.96	2,430,595.96		
Total General Appropriations	<u>\$33,817,429.72</u>	<u>\$33,908,294.77</u>	<u>\$32,754,234.68</u>	<u>\$953,851.79</u>	<u>\$200,208.30</u>
	<b><u>Ref.</u></b>	A-2	A-1	A:A-1	
Budget	A-3	\$33,817,429.72			
Appropriation by 40A:4-87	A-2	<u>90,865.05</u>			
		<u>\$33,908,294.77</u>			
Reserve for Uncollected Taxes	A-2		\$2,430,595.96		
Cash Disbursed	A-4		29,786,719.63		
Appropriated Reserves for Federal and State					
Grants	A-15		181,467.78		
Tax Appeal Reserve			75,000.00		
Encumbrances Payable	A		<u>280,451.31</u>		
			<u>\$32,754,234.68</u>		

See Accompanying Notes

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2018 and 2017**

	<b><u>Ref.</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b><u>Assets</u></b>			
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>87,579.77</u>	<u>102,733.67</u>
Open Space Fund:			
Cash and Cash Equivalents	B-2	<u>1,879,096.04</u>	<u>1,591,937.23</u>
Other Trust Fund:			
Cash and Cash Equivalents	B-2	<u>11,482,266.98</u>	<u>10,881,141.66</u>
Length of Service Award Program Fund (LOSAP) - Unaudited:			
Investments	B-9	498,487.87	494,994.56
Municipal Contributions Receivable		<u>25,300.00</u>	<u>20,700.00</u>
		<u>523,787.87</u>	<u>515,694.56</u>
		<u>\$13,974,653.66</u>	<u>\$13,093,430.12</u>

See Accompanying Notes

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2018 and 2017**

	<b><u>Ref.</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
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	73.20	70.20
Encumbrances Payable			41,462.32
Reserve for Animal Control Fund Expenditures	B-4	<u>87,506.57</u>	<u>61,201.15</u>
		<u>87,579.77</u>	<u>102,733.67</u>
Open Space Fund:			
Reserve for Open Space	B-6	<u>1,879,096.04</u>	<u>1,591,937.23</u>
Other Trust Fund:			
Various Reserves	B-7	11,479,129.83	10,878,004.51
Fund Balance	B-1	<u>3,137.15</u>	<u>3,137.15</u>
		<u>11,482,266.98</u>	<u>10,881,141.66</u>
Length of Service Award Program Fund (LOSAP) - Unaudited:			
Reserve for Length of Service Award Program Fund	B-10	<u>523,787.87</u>	<u>515,694.56</u>
		<u>\$13,974,653.66</u>	<u>\$13,093,430.12</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, 2018 and 2017**

	<b><u>Ref.</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
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, 2018 and 2017**

	<b><u>Ref.</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	C-2	\$8,605,358.18	\$2,817,520.91
Deferred Charges to Future Taxation:			
Funded	C-4	17,804,000.00	15,001,000.00
Unfunded	C-5	2,590,549.00	5,813,606.00
Grants Receivable	C-10	458,750.00	250,000.00
		<u>\$29,458,657.18</u>	<u>\$23,882,126.91</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Capital Improvement Fund	C-6	\$91,942.01	\$53,288.01
Improvement Authorizations:			
Funded	C-7	847,668.85	947,575.49
Unfunded	C-7	1,374,619.98	1,104,124.53
Contracts Payable	C-7	466,270.70	498,919.41
General Serial Bonds	C-8	17,804,000.00	15,001,000.00
Bond Anticipation Notes	C-9	8,404,155.00	5,813,606.00
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		58,649.50	51,597.00
Reserve for Debt Service		40,626.00	40,626.00
Reserve for Paving Projects		10,000.00	10,000.00
Fund Balance	C-1	325,903.64	326,568.97
		<u>\$29,458,657.18</u>	<u>\$23,882,126.91</u>

On December 31, 2018 and 2017, there were no bonds and notes authorized but not issued.  
(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, 2018 and 2017**

	<b><u>Ref.</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Balance, January 1	C	\$326,568.97	\$290,639.97
Increased by:			
Premium on Notes Issued	C-2	69,066.00	35,929.00
Premium on Serial Bonds Issued	C-2	5,018.98	
Permanently Funded Improvement			
Authorizations Canceled	C-7	249.69	
		<u>74,334.67</u>	<u>35,929.00</u>
Decreased by:			
Payment to Current Fund as			
Anticipated Revenue	C-2	<u>75,000.00</u>	<u>-</u>
Balance, December 31	C	<u><u>\$325,903.64</u></u>	<u><u>\$326,568.97</u></u>

See Accompanying Notes

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**WATER UTILITY FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2018 and 2017**

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<b><u>Assets</u></b>			
Operating Fund:			
Cash and Cash Equivalents	D-5	\$248,109.79	\$160,580.48
Capital Fund:			
Cash and Cash Equivalents	D-5	661,787.39	645,704.89
Fixed Capital	D-8	1,281,739.63	1,281,739.63
Fixed Capital Authorized and Uncompleted	D-15	510,000.00	510,000.00
Total Capital Fund		2,453,527.02	2,437,444.52
		<u>\$2,701,636.81</u>	<u>\$2,598,025.00</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4:D-6	\$50,511.90	\$8,282.19
Encumbrances Payable	D-6		79.50
Accrued Interest Payable	D-9	58.33	75.00
		50,570.23	8,436.69
Fund Balance	D-1	197,539.56	152,143.79
Total Operating Fund		248,109.79	160,580.48
Capital Fund:			
Serial Bonds	D-10	15,000.00	20,000.00
Capital Improvement Fund	D-11	41,625.00	16,625.00
Reserve for Amortization	D-12	1,266,739.63	1,261,739.63
Reserve for Capital Projects	D-13	117,007.66	112,336.66
Improvement Authorizations:			
Funded	D-14	444,057.00	444,057.00
Contracts Payable		36,686.00	50,274.50
Reserve for Deferred Amortization	D-16	510,000.00	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		2,453,527.02	2,437,444.52
		<u>\$2,701,636.81</u>	<u>\$2,598,025.00</u>

On December 31, 2018 and 2017 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, 2018 and 2017**

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-3	\$62,900.00	
Miscellaneous Revenue	D-3	130,054.91	\$30,905.43
Other Credits to Income:			
Unexpended Balance of Appropriation			
Reserves	D-6	8,224.19	291.75
Total Revenue		<u>201,179.10</u>	<u>31,197.18</u>
Expenditures:			
Operating	D-4	12,000.00	12,000.00
Capital Improvements	D-4	75,000.00	
Debt Service	D-4	5,883.33	6,713.80
Total Expenditures		<u>92,883.33</u>	<u>18,713.80</u>
Excess in Revenue		108,295.77	12,483.38
Fund Balance January 1	D	<u>152,143.79</u>	<u>139,660.41</u>
		260,439.56	152,143.79
Decreased by:			
Utilized as Anticipated Revenue	D-1:D-3	<u>62,900.00</u>	
Fund Balance December 31	D	<u>\$197,539.56</u>	<u>\$152,143.79</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, 2018 and 2017**

	<b><u>Ref.</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Balance, January 1	D	\$14,787.23	\$14,787.23
Increased/(Decreased)		-	-
Balance, December 31	D	<u>\$14,787.23</u>	<u>\$14,787.23</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, 2018**

	<b><u>Ref.</u></b>	<b><u>Anticipated Budget</u></b>	<b><u>Realized</u></b>	<b><u>Excess or (Deficit)</u></b>
Operating Surplus Anticipated	D-1	\$62,900.00	\$62,900.00	
Miscellaneous	D-1:D-3	30,000.00	130,054.91	\$100,054.91
		<u>\$92,900.00</u>	<u>\$192,954.91</u>	<u>\$100,054.91</u>
	<b><u>Ref.</u></b>	D-4		
<b><u>Analysis of Miscellaneous</u></b>				
Water Volume Fees	D-5		\$128,348.41	
Application Fees	D-5		1,706.50	
	D-3		<u>\$130,054.91</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, 2018**

	<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	<u>\$12,000.00</u>	<u>\$12,000.00</u>	<u>\$11,488.10</u>	<u>\$511.90</u>	
Capital Improvements:					
Capital Improvement Fund	25,000.00	25,000.00	25,000.00		
Capital Outlay	<u>50,000.00</u>	<u>50,000.00</u>		<u>50,000.00</u>	
	<u>75,000.00</u>	<u>75,000.00</u>	<u>25,000.00</u>	<u>50,000.00</u>	
Debt Service:					
Payment of Bond Principal	5,000.00	5,000.00	5,000.00		
Interest on Bonds	<u>900.00</u>	<u>900.00</u>	<u>883.33</u>		<u>\$16.67</u>
Total Debt Service	<u>5,900.00</u>	<u>5,900.00</u>	<u>5,883.33</u>		<u>16.67</u>
	<u>\$92,900.00</u>	<u>\$92,900.00</u>	<u>\$42,371.43</u>	<u>\$50,511.90</u>	<u>\$16.67</u>
<b><u>Ref.</u></b>	D-3		D-1	D:D-1	
Disbursements	D-5		\$41,488.10		
Encumbrances Payable			-		
Accrued Interest on Bonds	D-9		<u>883.33</u>		
			<u>\$42,371.43</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, 2018 and 2017**

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<b><u>Assets</u></b>			
General Fixed Assets:			
Land and Land Improvements		\$16,275,742.22	\$16,275,742.22
Buildings and Improvements		6,044,584.75	5,988,864.67
Machinery, Equipment and Vehicles		<u>12,683,309.37</u>	<u>11,816,315.17</u>
Total General Fixed Assets		<u><u>\$35,003,636.34</u></u>	<u><u>\$34,080,922.06</u></u>
<b><u>Reserves</u></b>			
Investment in General Fixed Assets	E-1	<u><u>\$35,003,636.34</u></u>	<u><u>\$34,080,922.06</u></u>

See Accompanying Notes

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2018**

**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 2018.

**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.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 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.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 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.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 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.

#### F. Reclassification

Certain prior year amounts have been reclassified to conform to the current year financial statements presentation.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 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, 2018 and 2017 the Township's bank balances were exposed to custodial credit risk as follows:

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Uninsured and Uncollateralized	\$5,762,431.81	\$5,621,295.02
GUDPA Insured and Collateralized		
with Securities Held by Pledging		
Financial Institutions	<u>34,554,558.36</u>	<u>33,878,587.44</u>
	<u>\$40,316,990.17</u>	<u>\$39,499,882.46</u>

## **NOTES TO FINANCIAL STATEMENTS (continued)**

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

#### **Deposits (continued)**

In addition, as of December 31, 2018 and 2017, the Township had \$1,718,882.08 and \$1,654,003.53, 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.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 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, 2018 and 2017 were \$498,487.87 and \$494,994.56, respectively.

#### Credit Risk

State law limits investments as described in prior sections of this note to the financial statements. As of December 31, 2018 and 2017 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,	
	2018	2017
Prepaid Taxes	\$886,942.62	\$9,127,826.45



## NOTES TO FINANCIAL STATEMENTS (continued)

### 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, 2018</u>
Various Capital				
Improvements	12/30/09	\$2,642,000.00	4.00%	\$224,000.00
General Improvements	1/24/11	1,300,000.00	5.00%	330,000.00
Open Space	1/24/11	2,555,000.00	5.00%	340,000.00
Various Capital				
Improvements	1/24/13	5,505,000.00	4.00%-5.00%	3,555,000.00
General Improvements	12/8/15	3,940,000.00	5.00%	3,070,000.00
Refunding Bonds	3/24/16	1,630,000.00	4.00%-5.00%	1,350,000.00
Open Space Refunding				
Bonds	3/24/16	1,795,000.00	4.00%-5.00%	1,445,000.00
Refunding Bonds	10/5/16	760,000.00	3.00%-4.00%	745,000.00
Open Space Refunding				
Bonds	10/5/16	1,625,000.00	3.00%-4.00%	1,595,000.00
General Improvements	12/21/18	5,150,000.00	4.00%-5.00%	5,150,000.00
				<u>\$17,804,000.00</u>

<u>Water Utility</u> <u>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, 2018</u>
Refunding Bonds	3/24/16	\$20,000.00	4.00%-5.00%	<u>\$15,000.00</u>

**NOTES TO FINANCIAL STATEMENTS (continued)****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
2019	\$2,654,000.00	\$821,173.89	\$3,475,173.89
2020	2,760,000.00	722,925.00	3,482,925.00
2021	2,240,000.00	594,050.00	2,834,050.00
2022	1,610,000.00	487,600.00	2,097,600.00
2023	1,580,000.00	410,950.00	1,990,950.00
2024-2028	6,440,000.00	914,500.00	7,354,500.00
2029-2031	520,000.00	36,300.00	556,300.00
	<u>\$17,804,000.00</u>	<u>\$3,987,498.89</u>	<u>\$21,791,498.89</u>

Year	Water Utility Capital Fund		
	Principal	Interest	Total
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>\$15,000.00</u>	<u>\$1,450.00</u>	<u>\$16,450.00</u>

## NOTES TO FINANCIAL STATEMENTS (continued)

### NOTE 4. DEBT (continued)

#### A. Long-Term Debt (continued)

Long-term debt transactions for the years ended December 31, 2018 and 2017 are summarized as follows:

	Balance Dec. 31, 2017	Additions	Deductions	Balance Dec. 31, 2018
General Capital Fund:				
General Serial Bonds	\$15,001,000.00	\$5,150,000.00	\$2,347,000.00	\$17,804,000.00
Water Utility Capital Fund:				
Serial Bonds	20,000.00		5,000.00	15,000.00
	<u>\$15,021,000.00</u>	<u>\$5,150,000.00</u>	<u>\$2,352,000.00</u>	<u>\$17,819,000.00</u>
	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>

#### B. Short-Term Debt

At December 31, 2018 and 2017, the Township's outstanding bond anticipation notes were as follows:

	Date of Issue	Date of Maturity	Balance Dec. 31, 2018	Interest Rate
General Capital Fund	1/29/18	1/29/19	\$5,813,606.00	2.50%
	11/20/18	11/13/19	2,590,549.00	3.25%
			<u>\$8,404,155.00</u>	
	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%

## NOTES TO FINANCIAL STATEMENTS (continued)

### NOTE 4. DEBT (continued)

#### B. Short-Term Debt (continued)

Bond anticipation note transactions for the years ended December 31, 2018 and 2017 are summarized as follows:

	Balance Dec. 31, 2017	Additions	Deductions	Balance Dec. 31, 2018
General Capital Fund: Bond Anticipation Notes	<u>\$5,813,606.00</u>	<u>\$8,404,155.00</u>	<u>\$5,813,606.00</u>	<u>\$8,404,155.00</u>
	Balance Dec. 31, 2016	Additions	Deductions	Balance Dec. 31, 2017
General Capital Fund: Bond Anticipation Notes	<u>\$0.00</u>	<u>\$5,813,606.00</u>	<u>-</u>	<u>\$5,813,606.00</u>

#### C. Bonds and Notes Authorized but not Issued

At December 31, 2018 and 2017, there were no bonds and notes authorized but not issued.

#### D. Borrowing Power

New Jersey statutes limit the debt of a municipality to 3.500% of the equalized valuation basis. The Township's net debt expressed as a percentage of the equalized valuation basis was 0.271% at December 31, 2018. The net debt of the Township at December 31, 2018 was \$18,459,549.00 and the Borough's remaining borrowing power at December 31, 2018 was \$220,386,568.06. A summary of the Township's debt for the last three years and a summarized statement of the Township's statutory net debt is presented in the accompanying comments section.

### 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, 2018, 2017 and 2016 were \$208,001.01, \$192,512.67, and \$162,131.31, respectively.

## NOTES TO FINANCIAL STATEMENTS (continued)

### NOTE 7. FUND BALANCES APPROPRIATED

Fund balances at December 31, 2018 and 2017, which were appropriated and included as anticipated revenue in budgets for the years ended December 31, 2019 and 2018 were as follows:

For the year ended December 31, 2019,

Current Fund	\$3,500,000.00
General Capital Fund	200,000.00
Water Utility Operating Fund	60,000.00

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

### NOTE 8. FIXED ASSETS

Fixed assets activity for the years ended December 31, 2018 and 2017 was as follows:

	Balance Dec. 31, 2017	Additions	Dispositions	Balance Dec. 31, 2018
Land and Land Improvements	\$16,275,742.22			\$16,275,742.22
Buildings and Improvements	5,988,864.67	\$55,720.08		6,044,584.75
Machinery and Equipment	11,816,315.17	988,054.20	\$121,060.00	12,683,309.37
	<u>\$34,080,922.06</u>	<u>\$1,043,774.28</u>	<u>\$121,060.00</u>	<u>\$35,003,636.34</u>

  

	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>

### 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, 2018 and 2017 were \$476,590.47 and \$381,649.51, 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.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 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, 2018 and 2017 as follows:

	Regional High School Tax	
	2018	2017
Balance of tax	\$13,234,465.09	\$12,822,310.09
Deferred	4,948,095.00	4,948,095.00
Tax Payable	<u>\$8,286,370.09</u>	<u>\$7,874,215.09</u>

## **NOTES TO FINANCIAL STATEMENTS (continued)**

### **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 7.34% of base wages through June 30, 2018. Effective July 1, 2018 PERS employee contributions were 7.50% 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, 2018.

## NOTES TO FINANCIAL STATEMENTS (continued)

### NOTE 12. PENSION PLANS (continued)

#### Public Employees Retirement System (PERS)

At June 30, 2018, the State reported a net pension liability of \$13,582,290.00 for the Township's proportionate share of the total net pension liability. The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2018, the Township's proportion was 0.06898240 percent, which was an increase of 0.0017448599 percent from its proportion measured as of June 30, 2017. The pension expense recognized in the Township's financial statement based on the April 1, 2018 billing was \$645,978.76.

#### Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which rolled forward to June 30, 2018. The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016. These actuarial valuations used the following assumptions:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Inflation Rate	2.25%	2.25%
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%	7.00%

Preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. Employee mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012-2013 using a Projection Scale AA generational approach based on the Conduent modified 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, 2017 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.



## NOTES TO FINANCIAL STATEMENTS (continued)

### 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 (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 and June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2018</u>		<u>June 30, 2017</u>	
	<u>Target</u>	<u>Long-Term</u>	<u>Target</u>	<u>Long-Term</u>
	<u>Allocation</u>	<u>Rate of Return</u>	<u>Allocation</u>	<u>Rate of Return</u>
Cash Equivalents	5.50%	1.00%	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%	10.00%	3.78%
U.S. Equities	30.00%	8.19%	30.00%	8.19%
Emerging Market Equities	6.50%	11.64%	6.50%	11.64%
Absolute Return/Risk Mitigation	5.00%	5.51%	5.00%	5.51%
High Yield	2.50%	6.82%	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%	1.00%	6.61%
Private Real Asset	2.50%	11.83%	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%	6.25%	9.23%
Non-U.S. Developed Markets Equity	11.50%	9.00%	11.50%	9.00%
Buyouts/Venture Capital	8.25%	13.08%	8.25%	13.08%
	<u>100.00%</u>		<u>100.00%</u>	

## NOTES TO FINANCIAL STATEMENTS (continued)

### NOTE 12. PENSION PLANS (continued)

#### Public Employees Retirement System (PERS) (continued)

##### Discount Rate

The discount rate used to measure the total pension liability was 5.66% and 5.00% as of June 30, 2018 and 2017, 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 3.87% and 3.58% as of June 30, 2018 and 2017, 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 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046, 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, 2018, 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 (4.66%) or 1 percentage point higher (6.66%) than the current rate:

	June 30, 2018		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>4.66%</u>	<u>5.66%</u>	<u>6.66%</u>
Township's proportionate share of the pension liability	\$17,078,166.00	\$13,582,290.00	\$10,649,475.00

##### 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).

## NOTES TO FINANCIAL STATEMENTS (continued)

### NOTE 12. PENSION PLANS (continued)

#### Public Employees Retirement System (PERS) (continued)

##### Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2018 and 2017, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>June 30, 2018</u>		<u>June 30, 2017</u>	
	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Difference between expected and actual experience	\$70,035.00	\$259,016.00		\$368,546.00
Changes of assumptions	4,342,894.00	2,238,136.00	\$3,141,743.00	3,153,303.00
Net difference between projected and actual earnings on pension plan investments	127,402.00			106,578.00
Changes in proportion and differences between Township's contributions and proportionate share of contributions	<u>689,751.00</u>	<u>576,691.00</u>	<u>961,250.00</u>	<u>351,508.00</u>
	<u>\$5,230,082.00</u>	<u>\$3,073,843.00</u>	<u>\$4,102,993.00</u>	<u>\$3,979,935.00</u>

At June 30, 2018, the Township's proportionate share of deferred outflows of resources and deferred inflows of resources related to PERS, in the amount of \$2,156,239.00, will be amortized in pension expense over the next five years.

## NOTES TO FINANCIAL STATEMENTS (continued)

### NOTE 12. PENSION PLANS (continued)

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

At June 30, 2018, the State reported a net pension liability of \$25,536,193.00 for the Township's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Township's proportion was 0.1887145740 percent, which was an increase of 0.0084410457 percent from its proportion measured as of June 30, 2017.

The pension expense recognized in the Township's financial statement based on the April 1, 2018 billing was \$1,595,454.00.

#### Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which rolled forward to June 30, 2018. The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016. This actuarial valuation used the following assumptions:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Inflation Rate	2.25%	2.25%
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%	7.00%

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

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

## NOTES TO FINANCIAL STATEMENTS (continued)

### NOTE 12. PENSION PLANS (continued)

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

##### Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2018 and June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2018</u>		<u>June 30, 2017</u>	
	<u>Target</u>	<u>Long-Term</u>	<u>Target</u>	<u>Long-Term</u>
	<u>Allocation</u>	<u>Rate of Return</u>	<u>Allocation</u>	<u>Rate of Return</u>
Cash Equivalents	5.50%	1.00%	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%	10.00%	3.78%
U.S. Equities	30.00%	8.19%	30.00%	8.19%
Emerging Market Equities	6.50%	11.64%	6.50%	11.64%
Risk Mitigation Strategies	5.00%	5.51%	5.00%	5.51%
High Yield	2.50%	6.82%	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%	1.00%	6.61%
Private Real Asset	2.50%	11.83%	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%	6.25%	9.23%
Non-U.S. Developed Markets Equity	11.50%	9.00%	11.50%	9.00%
Buyouts/Venture Capital	8.25%	13.08%	8.25%	13.08%
	<u>100.00%</u>		<u>100.00%</u>	

## NOTES TO FINANCIAL STATEMENTS (continued)

### 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 6.51% and 6.14% as of June 30, 2018 and 2017, 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 3.87% and 3.85% as of June 30, 2018 and 2017, 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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, 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, 2018, 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 (5.51%) or 1 percentage point higher (7.51%) than the current rate:

	June 30, 2018		
	1% Decrease <u>5.51%</u>	At Current Discount Rate <u>6.51%</u>	1% Increase <u>7.51%</u>
Township's proportionate share of the pension liability	\$34,177,025.00	\$25,536,193.00	\$18,409,080.00

##### 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.

## NOTES TO FINANCIAL STATEMENTS (continued)

### NOTE 12. PENSION PLANS (continued)

#### Police and Firemen's Retirement System (PFRS) (Continued)

##### Special Funding Situation

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

At June 30, 2018, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$3,468,670.00.

Township's Proportionate Share of Net Pension Liability	\$25,536,193.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	<u>3,468,670.00</u>
	<u>\$29,004,863.00</u>

### NOTE 13. 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).

## **NOTES TO FINANCIAL STATEMENTS (continued)**

### **NOTE 14. 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 15. POSTEMPLOYMENT RETIREMENT BENEFITS**

#### **Plan Description**

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

#### **Benefits Provided**

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

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.13i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.



## **NOTES TO FINANCIAL STATEMENTS (continued)**

### **NOTE 15. POSTEMPLOYMENT RETIREMENT BENEFITS (continued)**

#### **Contributions**

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

#### **Allocation Methodology**

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2017 through June 30, 2018.

#### **Net OPEB Liability and Total OPEB Expense**

As of June 30, 2018, the Plan reported a net OPEB liability of \$32,826,892.00 as the Township's proportionate share of the collective total of the net OPEB liability of participating employers in the Plan. As of June 30, 2018, the Township's proportionate share of the total net OPEB liability was .209534%. The Township's net OPEB liability as of June 30, 2018, was determined by an actuarial valuation of the total OPEB liability amount as of June 30, 2017, as rolled forward to June 30, 2018, less the amount of the Township's proportionate share of the Plan's Fiduciary Net Position. As reported by the Plan, the Township's total OPEB expense for the year ended June 30, 2018 was \$973,033.00.

#### **Employer Contributions to the Plan**

The Plan's annual required employer contribution amount is based on a pay-as-you-go basis, rather than an annual contribution amount that is actuarially determined. The Township's contributions to the Plan for the years ended December 31, 2018, 2017 and 2016 were \$1,712,738.00, \$1,710,362.62 and \$1,538,230.14, respectively, which equaled the Township's required employer contribution amount for each year.

## NOTES TO FINANCIAL STATEMENTS (continued)

### NOTE 15. POSTEMPLOYMENT RETIREMENT BENEFITS (continued)

#### Actuarial Assumptions

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

	<u>June 30, 2018</u>
Inflation Rate	2.50%
Salary Increases*:	
Through 2026	1.65% - 8.98%
Thereafter	2.65% - 9.98%

\*Salary increases are based on the defined benefit plan that the member is enrolled in and his or her age.

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

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

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

#### Health Care Trend Assumptions

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

## NOTES TO FINANCIAL STATEMENTS (continued)

### NOTE 15. POSTEMPLOYMENT RETIREMENT BENEFITS (continued)

#### Discount Rate

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

#### Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	June 30, 2018		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	2.87%	3.87%	4.87%
Net OPEB Liability	\$38,514,623.00	\$32,826,892.00	\$28,283,682.00

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

The following presents the net OPEB liability of the Township, as well as what the Township's net OPEB liability would be if they were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	June 30, 2018		
	1%	Healthcare	1%
	Decrease	Cost Trend Rate	Increase
Net OPEB Liability	\$27,382,891.00	\$32,826,892.00	\$39,872,237.00

**NOTES TO FINANCIAL STATEMENTS (continued)****NOTE 15. POSTEMPLOYMENT RETIREMENT BENEFITS (continued)****Deferred Outflows of Resources and Deferred Inflows of Resources**

At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2018	
	Deferred Inflows of Resources	Deferred Outflows of Resources
Changes of assumptions	\$8,326,971.00	-
Net difference between projected and actual earnings on OPEB plan investments	-	\$17,348.00
Difference between expected and actual experience	6,665,030.00	-
Changes in proportion and differences between Township's contributions and proportionate share of contributions	3,898,496.00	2,433,815.00
	<u>\$18,890,497.00</u>	<u>\$2,451,163.00</u>

At June 30, 2018, the amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amount
2019	(\$2,413,898.00)
2020	(2,413,898.00)
2021	(2,413,898.00)
2022	(2,415,910.00)
2023	(2,419,162.00)
Thereafter	(4,362,568.00)
	<u>(\$16,439,334.00)</u>

## NOTES TO FINANCIAL STATEMENTS (continued)

### NOTE 16. 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, 2018</u>
Capital Equipment	10/4/11	\$887,000.00	2.50%-5.00%	\$88,000.00
Capital Equipment	10/8/15	577,000.00	5.00%	249,000.00
Capital Equipment	10/11/17	467,000.00	4.00%-5.00%	386,000.00
				<u>\$723,000.00</u>

Minimum lease payments due to the Authority are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$723,000.00</u>	<u>\$75,970.00</u>	<u>\$798,970.00</u>

### NOTE 17. 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>
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	80,912.71	14,429.09	95,341.80
2024-2026	283,505.61	23,214.59	306,720.20
	<u>\$629,560.59</u>	<u>\$122,700.41</u>	<u>\$752,261.00</u>

## NOTES TO FINANCIAL STATEMENTS (continued)

### NOTE 18. 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>
2019	\$16,236.48
2020	13,707.37
2021	4,054.69
	<u>\$33,998.54</u>

On November 21, 2018, the Township executed a lease-purchase agreement for a police vehicle. The future minimum lease payments under the lease-purchase agreement are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2019	\$8,819.39	-
2020	7,703.20	\$1,116.19
2021	8,242.41	576.98
	<u>\$24,765.00</u>	<u>\$1,693.17</u>

### NOTE 19. 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, 2018 and 2017, the Township had reserves for workmen's compensation claims of \$623,621.09 and \$608,724.58 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 20. 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.

## **NOTES TO FINANCIAL STATEMENTS (continued)**

### **NOTE 20. COMMITMENTS AND CONTINGENCIES (continued)**

#### **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.

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 21. SUBSEQUENT EVENT**

On May 8, 2019, the Township adopted an ordinance to authorize the issuance of bonds and notes of \$1,644,326.00 for various capital equipment.

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**PART II**

**SUPPLEMENTARY SCHEDULES**  
**YEAR ENDED DECEMBER 31, 2018**



**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF CASH**  
**Year Ended December 31, 2018**

	<b><u>Ref.</u></b>	<b><u>Current Fund</u></b>	<b><u>Federal and State Grant Fund</u></b>
Balance, December 31, 2017	A	\$25,976,951.08	\$182,240.08
Increased by Receipts:			
Taxes Receivable	A-5	\$128,293,910.86	
Tax Title Liens Receivable	A-6	12,137.08	
State of New Jersey (P.L. 1971, Ch.20)		196,745.47	
Revenue Accounts Receivable	A-9	7,359,558.31	
Miscellaneous Revenue not Anticipated	A-2	421,926.40	
Petty Cash		450.00	
Prepaid Taxes		886,942.62	
Tax Overpayments		159,027.52	
Reserve for Federal Emergency Management Agency		116,296.99	
Due to the State of New Jersey:			
Marriage Licenses		3,775.00	
Burial Permits		30.00	
Reserve for Polling Places		4,300.00	
Construction Training Fees		45,178.00	
Grants Receivable	A-14		\$137,954.58
		<u>137,500,278.25</u>	<u>137,954.58</u>
		163,477,229.33	320,194.66

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF CASH**  
**Year Ended December 31, 2018**

	<b><u>Ref.</u></b>	<b><u>Current Fund</u></b>	<b><u>Federal and State Grant Fund</u></b>
Decreased by Disbursements:			
Budget Appropriations	A-3	\$29,786,719.63	
Appropriation Reserves	A-8	1,041,004.46	
County Taxes Payable	A-10	19,818,473.63	
Regional High School Tax Payable	A-11	27,159,646.00	
Regional School Tax Payable	A-12	63,334,824.00	
Special District Taxes Payable	A-13	3,140,732.00	
Accounts Payable		110.97	
Due to the State of New Jersey:			
Marriage Licenses		3,825.00	
Burial Permits		20.00	
Petty Cash		450.00	
Construction Training Fees		52,941.00	
Reserve for Polling Places		5,100.00	
Local Municipal Open Space Taxes		1,331,876.69	
Tax Overpayments		79,901.82	
Cancelled Appropriated Reserves	A-15		\$5.00
Appropriated Reserves	A-15		196,767.96
		<u>\$145,755,625.20</u>	<u>\$196,772.96</u>
Balance, December 31, 2018	A	<u>\$17,721,604.13</u>	<u>\$123,421.70</u>

See Independent Auditor's Report

**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, 2018**

<b>Year</b>	<b>Balance Dec. 31, 2017</b>	<b>2018 Levy</b>	<b>Collections</b>		<b>Senior Citizens and Veterans Deductions</b>	<b>Transferred to Tax Title Liens</b>	<b>Cancelled</b>	<b>Balance Dec. 31, 2018</b>
			<b>2017</b>	<b>2018</b>				
Prior	\$10.59							\$10.59
2016	49.23			\$45.12				4.11
2017	1,147,070.96			1,109,780.11			\$37,010.21	280.64
	1,147,130.78			1,109,825.23			37,010.21	295.34
2018		\$137,772,233.91	\$9,127,826.45	127,302,409.56	\$206,282.06	\$15,343.54	34,232.89	1,086,139.41
	<u>\$1,147,130.78</u>	<u>\$137,772,233.91</u>	<u>\$9,127,826.45</u>	<u>\$128,412,234.79</u>	<u>\$206,282.06</u>	<u>\$15,343.54</u>	<u>\$71,243.10</u>	<u>\$1,086,434.75</u>

**Ref.**

A

A-6

A

**Ref.**

Overpayments Applied  
Cash Receipts

A-4

\$118,323.93  
128,293,910.86  
\$128,412,234.79

**Analysis of 2018 Property Tax Levy**

Tax Yield:

General Purpose Tax	\$134,350,788.90
Special District Taxes	3,165,426.54
Added Taxes	256,018.47
Omitted Taxes	-
	<u>\$137,772,233.91</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, 2018**

	<u>Ref.</u>		
Tax Levy:			
Regional School Tax	A-12		\$63,334,824.00
Regional High School Tax	A-11		27,571,801.00
County Taxes:			
County Tax	A-10	\$16,697,697.69	
County Library Tax	A-10	1,183,484.87	
County Open Space Tax	A-10	1,851,597.81	
Amount Due County for Added and Omitted Taxes	A-10	<u>36,671.81</u>	
			19,769,452.18
Fire District No. 1 Tax (Amount Certified)	A-13	1,721,470.00	
Fire District No. 2 Tax (Amount Certified)	A-13	<u>1,419,262.00</u>	
			3,140,732.00
Local Municipal Open Space Tax		1,329,403.88	
Amount Due Municipal Open Space Fund for Added and/or Omitted Taxes		<u>2,472.81</u>	
			1,331,876.69
Local Tax for Municipal Purposes	A-2	22,354,300.99	
Add: Additional Tax Levied		<u>269,247.05</u>	
Local Tax for Municipal Purposes Levied			<u>22,623,548.04</u>
			<u>\$137,772,233.91</u>

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF TAX TITLE LIENS**  
**Year Ended December 31, 2018**

	<b><u>Ref.</u></b>	
Balance, December 31, 2017	A	\$163,749.34
Increased by:		
Transfers from Taxes Receivable	A-5	15,343.54
		<u>179,092.88</u>
Increased by:		
Collection	A-4	12,137.08
		<u>12,137.08</u>
Balance, December 31, 2018	A	<u><u>\$166,955.80</u></u>

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF MISCELLANEOUS RECEIVABLES**  
**Year Ended December 31, 2018**

Balance, December 31, 2017	<b><u>Ref.</u></b> A	\$9,039.30
Increased by:		
Clean-Up Liens Levied		<u>11,210.77</u>
		20,250.07
Decreased by:		
Collection of Clean-Up Liens		<u>15,118.35</u>
Balance, December 31, 2018	A	<u><u>\$5,131.72</u></u>
Analysis of Balance:		
Clean-Up Liens		<u><u>\$5,131.72</u></u>

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2018**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2017</u></b>	<b><u>Reserve for</u></b> <b><u>Encumbrances</u></b>	<b><u>Balance</u></b> <b><u>after Transfers</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Balance</u></b> <b><u>Lapsed</u></b>
General Administration					
Salaries and Wages	\$4,676.43		\$4,676.43	\$4,188.61	\$487.82
Other Expenses	8,605.94	\$602.19	9,208.13	562.07	8,646.06
Municipal Clerk					
Salaries and Wages	6,159.67		6,159.67	2,858.03	3,301.64
Other Expenses	10,153.21	5,511.37	15,664.58	4,830.60	10,833.98
Finance Administration					
Salaries and Wages	5,608.62		5,608.62	3,252.39	2,356.23
Other Expenses	18,761.46	8,230.33	11,991.79	4,431.72	7,560.07
Central Computer Office					
Other Expenses	9,653.44	1,518.95	11,172.39	331.35	10,841.04
Collection of Taxes					
Salaries and Wages	3,167.30		3,167.30	2,538.10	629.20
Other Expenses	9,312.08	415.93	9,728.01	315.93	9,412.08
Assessment of Taxes					
Salaries and Wages	5,596.35		5,596.35	1,637.50	3,958.85
Other Expenses	43,557.87	19,405.35	42,963.22	4,230.92	38,732.30
Legal Services and Costs					
Other Expenses	55,342.88		10,342.88	4,582.12	5,760.76
Engineering Services and Costs					
Other Expenses	39,374.25	1,465.50	35,839.75	8,335.75	27,504.00
Streets and Roads					
Salaries and Wages	49,635.37		14,635.37	8,420.88	6,214.49
Other Expenses	7,115.70	30,172.46	32,288.16	28,879.43	3,408.73

See Independent Auditor's Report

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2018**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2017</u></b>	<b><u>Reserve for</u></b> <b><u>Encumbrances</u></b>	<b><u>Balance</u></b> <b><u>after Transfers</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Balance</u></b> <b><u>Lapsed</u></b>
Planning Board					
Salaries and Wages	\$531.64		\$531.64	\$350.00	\$181.64
Other Expenses	15,427.96	\$2,070.58	17,498.54	6,469.94	11,028.60
Zoning Board					
Salaries and Wages	1,050.00		1,050.00	1,050.00	
Other Expenses	31,866.33	420.89	32,287.22	657.14	31,630.08
Insurance					
General Liability	1.02		1.02		1.02
Workers Compensation	3,605.50		3,605.50	3,196.08	409.42
Employee Group	130,935.60	4,140.00	107,075.60	35,740.85	71,334.75
Unemployment	1,248.82		1,248.82		1,248.82
Health Benefit Waiver	2,273.31		2,273.31		2,273.31
Police Department					
Salaries and Wages	21,767.14		6,767.14	3,858.69	2,908.45
Other Expenses	23,631.95	59,825.43	73,457.38	56,043.32	17,414.06
Public Information Officer					
Other Expenses	17.11	69.80	86.91	69.80	17.11
Emergency Management					
Other Expenses	1,554.53		1,554.53		1,554.53
Uniform Fire Safety Act					
Salaries and Wages	1,353.07		1,353.07	1,000.00	353.07
Other Expenses	1,804.45	151.55	1,956.00	151.55	1,804.45
LOSAP		28,350.00	28,350.00	19,650.00	8,700.00
Volunteer Incentive Award Program					
Other Expenses	1,563.71	381.00	1,944.71	381.00	1,563.71



**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2018**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2017</u></b>	<b><u>Reserve for</u></b> <b><u>Encumbrances</u></b>	<b><u>Balance</u></b> <b><u>after Transfers</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Balance</u></b> <b><u>Lapsed</u></b>
Municipal Prosecutor					
Salaries and Wages	\$2,500.00		\$2,500.00	\$2,500.00	
Municipal Court					
Salaries and Wages	10,275.61		10,275.61	3,109.35	\$7,166.26
Other Expenses	6,898.74	\$1,342.45	8,241.19	1,380.46	6,860.73
Sanitation/Solid Waste Collection					
Other Expenses	14,000.00		14,000.00		14,000.00
Buildings and Grounds					
Salaries and Wages	0.00				
Other Expenses	23,876.56	32,168.42	36,044.98	34,260.30	1,784.68
Recycling					
Other Expenses	3,361.71	12,094.59	15,456.30	5,454.00	10,002.30
Vehicle Maintenance					
Salaries and Wages	2,343.42		2,343.42	2,000.00	343.42
Other Expenses	19,072.74	48,225.67	42,298.41	37,131.42	5,166.99
Community/Condominium Services Act					
Other Expenses	23,426.26	6,568.00	29,994.26	6,568.00	23,426.26
Shade Tree Commission					
Salaries and Wages	2,373.63		2,373.63		2,373.63
Other Expenses	395.00		395.00		395.00
Public Health Services					
Salaries and Wages	11,234.34		11,234.34	3,365.32	7,869.02
Other Expenses	9,014.94	4,756.77	13,771.71	6,094.97	7,676.74
Environmental Commission					
Other Expenses	0.90	40.00	40.90	40.00	0.90

See Independent Auditor's Report

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2018**

	<b><u>Balance Dec. 31, 2017</u></b>	<b><u>Reserve for Encumbrances</u></b>	<b><u>Balance after Transfers</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Balance Lapsed</u></b>
Community Alliance					
Other Expenses	\$2,603.46	\$1,607.50	\$4,210.96	\$1,380.20	\$2,830.76
Animal Control Services					
Salaries and Wages	5,520.91		5,520.91	686.67	4,834.24
Recreation Commission and Open Space					
Salaries and Wages	19,044.07		4,044.07	2,022.76	2,021.31
Other Expenses	3,413.22	9,804.36	13,217.58	7,887.46	5,330.12
Senior Citizen Advisory Council					
Other Expenses	1,500.00		1,500.00		1,500.00
Senior Citizen Center					
Salaries and Wages	2,452.68		2,452.68	1,183.04	1,269.64
Other Expenses	20,112.25	6,776.46	26,888.71	5,454.37	21,434.34
Postage					
Other Expenses	3,182.82	46.03	3,228.85		3,228.85
Construction Official					
Salaries and Wages	13,573.08		13,573.08	4,400.43	9,172.65
Other Expenses	4,809.39	793.00	5,602.39	793.00	4,809.39
Code Enforcement/Zoning					
Salaries and Wages	3,469.90		3,469.90	1,737.11	1,732.79
Other Expenses	738.75	1,066.96	1,805.71	52.63	1,753.08
Utility Expenses and Bulk Purchases					
Gasoline and Diesel Fuels	80,974.35		18,974.35	16,450.40	2,523.95
Electricity	54,072.54	175.55	21,248.09	17,285.33	3,962.76
Telephone and Telegraph	32,572.68	193.60	5,766.28	3,919.05	1,847.23
Natural Gas	31,782.29	344.61	17,126.90	9,111.94	8,014.96
Heating/Fuel Oil	4,900.76		4,900.76		4,900.76

See Independent Auditor's Report

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**  
**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2018**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2017</u></b>	<b><u>Reserve for</u></b> <b><u>Encumbrances</u></b>	<b><u>Balance</u></b> <b><u>after Transfers</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Balance</u></b> <b><u>Lapsed</u></b>
Utility Expenses and Bulk Purchases					
Street Lighting	\$40,598.38	\$410.13	\$41,008.51	\$28,256.74	\$12,751.77
Water	13,459.45		13,459.45	1,636.70	11,822.75
Sewer	1,432.00		1,432.00		1,432.00
Telecommunication Costs	1,411.83	285.22	1,697.05		1,697.05
Landfill/Disposal Costs	231,368.19		106,368.19	105,196.33	1,171.86
Snow Removal					
Salaries and Wages					
Other Expenses	5,000.00		505,000.00	505,000.00	
Contingent	745.13		745.13		745.13
Social Security System (O.A.S.I.)	9,172.41		9,172.41		9,172.41
Stormwater and Water Pollution					
Other Expenses	6,000.00		6,000.00		6,000.00
Defined Contribution Retirement Program					
Other Expenses	1,186.17		1,186.17		1,186.17
Recycling Tax	17,652.60		17,652.60	3,838.53	13,814.07
Animal Control Services					
Other Expenses	2,281.32	1,589.79	3,871.11	1,019.50	2,851.61
Accumulated Leave Compensation	5,000.00		5,000.00	5,000.00	
Interlocal Information Technology		8,775.52	8,775.52	8,774.68	0.84
	<u>\$1,264,157.19</u>	<u>\$299,795.96</u>	<u>\$1,563,953.15</u>	<u>\$1,041,004.46</u>	<u>\$522,948.69</u>
<b><u>Ref.</u></b>	A	A		A-4	A-1

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**  
**Year Ended December 31, 2018**

	<b><u>Ref.</u></b>	<b><u>Balance Dec. 31, 2017</u></b>	<b><u>Accrued in 2018</u></b>	<b><u>Realized/ Collected</u></b>	<b><u>Balance Dec. 31, 2018</u></b>
Licenses - Alcoholic Beverage	A-2		\$33,376.00	\$33,376.00	
Licenses - Other	A-2		38,873.00	38,873.00	
Fees and Permits	A-2		1,654,667.24	1,654,667.24	
Fines and Costs - Municipal Court	A-2	\$31,487.66	373,090.48	378,696.41	\$25,881.73
Interest and Costs on Taxes	A-2		282,989.11	282,989.11	
Payment in Lieu of Taxes - Heritage Village	A-2		170,520.97	170,520.97	
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		641,910.50	641,910.50	
Shared Services Agreement - Animal Control Services	A-2		62,746.00	62,746.00	
Uniform Fire Safety Act	A-2		152,126.08	152,126.08	
General Capital Surplus	A-2		75,000.00	75,000.00	
		<u>\$31,487.66</u>	<u>\$7,353,952.38</u>	<u>\$7,359,558.31</u>	<u>\$25,881.73</u>
	<b><u>Ref.</u></b>	A			A
			<b><u>Ref.</u></b>		
		Cash Receipts	A-4	<u>\$7,359,558.31</u>	

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF COUNTY TAXES PAYABLE**  
**Year Ended December 31, 2018**

Balance, December 31, 2017	<u>Ref.</u> A		\$85,698.70
Increased by:			
County Tax	A-5	\$16,697,697.69	
County Library Tax	A-5	1,183,484.87	
County Open Space Tax	A-5	1,851,597.81	
Added and Omitted Taxes	A-5	<u>36,671.81</u>	
	A-1		<u>19,769,452.18</u>
			19,855,150.88
Decreased by:			
Payments	A-4		<u>19,818,473.63</u>
Balance, December 31, 2018	A		<u><u>\$36,677.25</u></u>

See Independent Auditor's Report

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE**  
**Year Ended December 31, 2018**

	<u>Ref.</u>		
Balance, December 31, 2017:			
School Tax Payable	A	\$7,874,215.09	
School Tax Deferred		<u>4,948,095.00</u>	
			\$12,822,310.09
Increased by:			
Levy - School Year July 1, 2018 to June 30, 2019	A-5		<u>27,571,801.00</u>
			40,394,111.09
Decreased by:			
Payments	A-4		<u>27,159,646.00</u>
Balance, December 31, 2018:			
School Tax Payable	A	8,286,370.09	
School Tax Deferred		<u>4,948,095.00</u>	
			<u><u>\$13,234,465.09</u></u>
2018 Liability for Regional High School Tax:			
Tax Paid	A-11		\$27,159,646.00
Tax Payable, December 31, 2018	A-11		<u>8,286,370.09</u>
			35,446,016.09
Less: Tax Payable, December 31, 2017	A-11		<u>7,874,215.09</u>
Amount Charged to 2018 Operations	A-1		<u><u>\$27,571,801.00</u></u>

See Independent Auditor's Report

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF REGIONAL SCHOOL TAX PAYABLE**  
**Year Ended December 31, 2018**

	<b><u>Ref.</u></b>	
Balance, December 31, 2017		
School Tax Payable/(Prepaid)		\$0.00
Increased by:		
Levy - Calendar Year 2018	A-5	<u>63,334,824.00</u> 63,334,824.00
Decreased by:		
Payments	A-4	<u>63,334,824.00</u>
Balance, December 31, 2018		
School Tax Payable/(Prepaid)		<u><u>\$0.00</u></u>
2018 Liability for Regional School Tax:		
Tax Paid	A-12	\$63,334,824.00
Tax Payable, December 31, 2018		<u>-</u> \$63,334,824.00
Less: Tax Payable, December 31, 2017		<u>-</u>
Amount Charged to 2018 Operations	A-1	<u><u>\$63,334,824.00</u></u>

See Independent Auditor's Report

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF SPECIAL DISTRICT TAXES PAYABLE**  
**Year Ended December 31, 2018**

	<b><u>Ref.</u></b>	
Increased by:		
Fire District No. 1 Tax Levy	A-5	\$1,721,470.00
Fire District No. 2 Tax Levy	A-5	<u>1,419,262.00</u>
	A-1	<u>3,140,732.00</u>
Decreased by:		
Payments	A-4	<u><u>\$3,140,732.00</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, 2018**

<b>Grant</b>	<b>Ref.</b>	<b>Balance Dec. 31, 2017</b>	<b>2018 Anticipated Revenue</b>	<b>Cash Received</b>	<b>Transferred from Unappropriated Reserves</b>	<b>Cancelled</b>	<b>Balance Dec. 31, 2018</b>
Office on Aging	A-2	\$22,000.00	\$22,000.00	\$22,000.00			\$22,000.00
ANJEC Grant		495.00					495.00
PHEP-MRC POD/CERT	A-2	4,600.00	4,600.00	4,600.00			4,600.00
Recycling Tonnage	A-2		29,995.75		\$29,995.75		
Federal Body Armor	A-2		5,952.00	992.00	4,960.00		
Clean Communities Program	A-2		78,160.05	78,160.05			
NJ Body Armor	A-2		4,918.98		4,918.98		
NJ Department of Health CLEPP	A-2		10,226.00	6,587.53			3,638.47
Highway Safety	A-2		25,615.00	25,615.00			
		<u>\$27,095.00</u>	<u>\$181,467.78</u>	<u>\$137,954.58</u>	<u>\$39,874.73</u>	<u>-</u>	<u>\$30,733.47</u>
<b><u>Ref.</u></b>		<b>A</b>	<b>A-2</b>	<b>A-4</b>	<b>A-16</b>		<b>A</b>

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**  
**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF APPROPRIATED RESERVES**  
**Year Ended December 31, 2018**

<b>Grant</b>	<b>Balance Dec. 31, 2017</b>	<b>Transfer from 2018 Budget Appropriation</b>	<b>Transferred from Reserve for Encumbrances</b>	<b>Expended</b>	<b>Cancelled</b>	<b>Balance Dec. 31, 2018</b>
<b><u>2014</u></b>						
Highway Traffic Safety			\$10,939.00	\$10,939.00		
<b><u>2016</u></b>						
Recycling Tonnage	\$904.02		7,486.69	8,390.71		
Clean Communities Program	6,286.02		5,102.82	11,388.84		
Body Armor Replacement - Federal	125.16			125.16		
Drunk Driving Enforcement Fund	8,035.61					\$8,035.61
<b><u>2017</u></b>						
Office on Aging			870.00	865.00	\$5.00	
Body Armor Replacement - State of NJ	45,028.00			30,092.26		14,935.74
Click It or Ticket	76,932.47			69,474.36		7,458.11
ANJEC Grant	2,436.18		1,907.81	4,343.99		
NJACCHO-LHD Mini Grant	3,406.57			3,406.57		
<b><u>2018</u></b>						
Office on Aging		\$22,000.00		21,998.41		1.59
NJ Body Armor		4,918.98		4,918.98		
Recycling Tonnage		29,995.75				29,995.75
Federal Body Armor		5,952.00		3,453.29		2,498.71
NJDOH CLEPP Grant		10,226.00		7,871.39		2,354.61
PHEP-MRC/CERT		4,600.00		1,778.50		2,821.50
Highway Safety		25,615.00		25,615.00		
Clean Communities Program		78,160.05				78,160.05
	<u>\$143,154.03</u>	<u>\$181,467.78</u>	<u>\$26,306.32</u>	<u>\$204,661.46</u>	<u>\$5.00</u>	<u>\$146,261.67</u>
	A	A-3	A		A-1:A-4	A
Cash Disbursements	Ref. A-4			\$196,767.96		
Reserve for Encumbrances	A			7,893.50		
				<u>\$204,661.46</u>		

See Independent Auditor's Report

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF UNAPPROPRIATED RESERVES**  
**Year Ended December 31, 2018**

<b>Grant</b>	<b>Balance Dec. 31, 2017</b>	<b>Cash Receipts</b>	<b>Transferred to Grants Receivable</b>	<b>Balance Dec. 31, 2018</b>
NJ Body Armor	\$4,918.98		\$4,918.98	
Recycling Tonnage	29,995.75		29,995.75	
Federal Body Armor	4,960.00		4,960.00	
	<u>\$39,874.73</u>	<u>-</u>	<u>\$39,874.73</u>	<u>-</u>
<b><u>Ref.</u></b>	<b>A</b>		<b>A-14</b>	<b>A</b>

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF CASH**  
**Year Ended December 31, 2018**

	<b><u>Ref.</u></b>	<b><u>Animal Control Fund</u></b>	<b><u>Other Trust Fund</u></b>	<b><u>Open Space Fund</u></b>
Balance, December 31, 2017	B	<u>\$102,733.67</u>	<u>\$10,881,141.66</u>	<u>\$1,591,937.23</u>
Increased by Receipts:				
Reserve for Animal Control				
Fund Expenditures	B-4	58,121.60		
Due to State of New Jersey	B-5	4,424.40		
Various Reserves	B-7		20,957,842.86	
Reserve for Open Space	B-6			1,375,919.98
		<u>62,546.00</u>	<u>20,957,842.86</u>	<u>1,375,919.98</u>
Decreased by Disbursements:				
Due to State of New Jersey	B-5	4,421.40		
Animal Control Fund				
Expenditures (R.S. 4:19-15.11)	B-4	31,816.18		
Various Reserves	B-7		20,356,717.54	
Encumbrances Payable		41,462.32		
Reserve for Open Space	B-6			1,088,761.17
		<u>77,699.90</u>	<u>20,356,717.54</u>	<u>1,088,761.17</u>
Balance, December 31, 2018	B	<u><u>\$87,579.77</u></u>	<u><u>\$11,482,266.98</u></u>	<u><u>\$1,879,096.04</u></u>

See Independent Auditor's Report

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**ASSESSMENT FUND**  
**SCHEDULE OF ASSESSMENTS RECEIVABLE**  
**Year Ended December 31, 2018**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Date of Confirmation</u></b>	<b><u>Annual Installments</u></b>	<b><u>Due Dates</u></b>	<b><u>Balance Dec. 31, 2018 and 2017</u></b>	<b><u>Balance Pledged to Reserve</u></b>
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, 2018**

Balance, December 31, 2017	<u>Ref.</u> B		\$61,201.15
Increased by:			
Dog License Fees Collected		\$32,475.60	
Kennel and Other Fees Collected		<u>25,646.00</u>	
	B-2		<u>58,121.60</u>
			119,322.75
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Cash	B-2		<u>31,816.18</u>
Balance, December 31, 2018	B		<u><u>\$87,506.57</u></u>

**License and Other Fees Collected**

<u>Year</u>	<u>Amount</u>
2017	\$60,639.40
2016	<u>54,752.40</u>
	<u><u>\$115,391.80</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, 2018**

	<b><u>Ref.</u></b>	
Balance, December 31, 2017	B	\$70.20
Increased by:		
Collected in 2018	B-2	4,424.40
		<u>4,494.60</u>
Decreased by:		
Payments	B-2	4,421.40
		<u>4,421.40</u>
Balance, December 31, 2018	B	<u><u>\$73.20</u></u>

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**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, 2018**

Balance, December 31, 2017	<u>Ref.</u> B	\$1,591,937.23
Increased by:		
Open Space Tax Levy	\$1,329,403.88	
Open Space Added and Omitted Levy	2,472.81	
Due from General Capital Fund - Funded Open Space Ordinance Canceled	44,043.29	
	B-2	<u>1,375,919.98</u>
		<u>2,967,857.21</u>
Decreased by:		
Cash Disbursed	B-2	<u>1,088,761.17</u>
Balance, December 31, 2018	B	<u><u>\$1,879,096.04</u></u>



**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**TRUST FUND**

**SCHEDULE OF VARIOUS RESERVES**  
**Year Ended December 31, 2018**

	<b>Balance</b> <b>Dec. 31, 2017</b>	<b>Increased</b>	<b>Decreased</b>	<b>Balance</b> <b>Dec. 31, 2018</b>
<b><u>Reserves for:</u></b>				
Mount Laurel Fees	\$3,477,997.14	\$135,164.75	\$37,995.25	\$3,575,166.64
Law Enforcement Trust	125,425.48	689.46	10,757.40	115,357.54
Community Alliance	13,837.75	7,939.57	5,247.02	16,530.30
Cash Surety Bonds	479,004.94	19,857.00	39,619.07	459,242.87
Escrow, Engineering, and SOP	910,892.78	684,345.17	645,772.25	949,465.70
Recreation	425,339.39	1,160,904.57	1,099,358.73	486,885.23
Insurance Liability Claims	233,995.40	47,866.27	17,787.90	264,073.77
Shade Trees	159,411.15	11,185.00	22,308.00	148,288.15
Outside Liens	53,311.94	1,133,218.64	1,076,559.16	109,971.42
Tax Sale Premiums	1,634,550.00	1,197,700.00	882,200.00	1,950,050.00
Unemployment Trust	192,512.67	17,724.54	2,236.20	208,001.01
Parking Offense Adjudication Act	5,717.82	290.00		6,007.82
Detention Basin	237,071.33		27,975.77	209,095.56
Workmen's Compensation Claims	608,724.58	16,593.85	1,697.34	623,621.09
Outside Off-Duty Police Employment	126,936.60	545,865.00	571,462.91	101,338.69
Heritage Committee	1,095.00		120.00	975.00
Fire District Penalty Fees	50,356.63	4,980.00		55,336.63
DARE Program	3,183.50			3,183.50
Public Defender	9,884.83	3,888.50	10,871.41	2,901.92
Recycling	36,374.78	6,390.81	5,592.81	37,172.78
Mentoring	436.00			436.00
Tree Planting - Arboretum	19,810.47			19,810.47
Police - Unclaimed Safekeeping	11,423.27			11,423.27
Accumulated Sick Leave	626,396.86	44,000.00	35,077.26	635,319.60
Snow Removal	1,036,104.70	645,802.55	578,583.98	1,103,323.27
Manalapan Arts Council	64,773.88	55,226.79	63,811.72	56,188.95
Acceptance of Gifts	12,026.04	5,167.48	5,574.91	11,618.61
Teen Advisory	1,530.26	808.00	1,259.26	1,079.00
Federal Forfeiture Funds	67,799.94		1,680.00	66,119.94
Medical Reserve Corps - CERT				0.00
Donations	7,976.45	2,994.62	5,584.75	5,386.32
Veterans Committee	8,762.26	5,315.00	2,907.50	11,169.76
Special Needs Council	22,213.47	12,785.00	11,437.20	23,561.27
Police 1033/LESO Program		558.00		558.00
Payroll Fund	213,127.20	15,190,582.29	15,193,239.74	210,469.75
	<u>\$10,878,004.51</u>	<u>\$20,957,842.86</u>	<u>\$20,356,717.54</u>	<u>\$11,479,129.83</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, 2018**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Balance Dec. 31, 2018 and 2017</u></b>
84-39	Sewer System	<u>\$1,923.00</u>
	<b><u>Ref.</u></b>	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, 2018**

	<b><u>Ref.</u></b>		
Balance, December 31, 2017	B		\$494,994.56
Increased by:			
Municipal Contributions:			
Township of Manalapan		\$18,900.00	
Borough of Englishtown		<u>1,800.00</u>	
			<u>20,700.00</u>
			515,694.56
Decreased by:			
Investment Earnings and Change			
in Market Value	B-10	15,956.69	
Administrative Charges	B-10	<u>1,250.00</u>	
			<u>17,206.69</u>
Balance, December 31, 2018	B		<u><u>\$498,487.87</u></u>

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**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, 2018**

	<b><u>Ref.</u></b>		
Balance, December 31, 2017	B		\$515,694.56
Increased by:			
Municipal Contributions Receivable:			
Township of Manalapan		\$23,100.00	
Borough of Englishtown		<u>2,200.00</u>	
			<u>25,300.00</u>
			540,994.56
Decreased by:			
Investment Earnings and Change			
in Market Value	B-9	15,956.69	
Administrative Charges	B-9	<u>1,250.00</u>	
			<u>17,206.69</u>
Balance, December 31, 2018	B		<u><u>\$523,787.87</u></u>

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**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF CASH**  
**Year Ended December 31, 2018**

Balance, December 31, 2017	<u>Ref.</u> C		\$2,817,520.91
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	C-6	\$175,000.00	
Reserve for Field Improvements		7,052.50	
Serial Bonds Issued	C-8	5,150,000.00	
Bond Anticipation Notes	C-9	2,590,549.00	
Grants Receivable	C-10	326,250.00	
Premium on Bonds Issued:			
Deferred Charges to Future Taxation -			
Unfunded	C-5	663,606.00	
Fund Balance	C-1	5,018.98	
Premium on Sale of Notes:			
Fund Balance	C-1	<u>69,066.00</u>	
			<u>8,986,542.48</u>
			11,804,063.39
Decreased by Disbursements:			
Improvement Authorizations	C-7	3,079,661.92	
Due to Open Space Fund		44,043.29	
Payment to Current Fund as			
Anticipated Revenue	C-1	<u>75,000.00</u>	
			<u>3,198,705.21</u>
Balance, December 31, 2018	C		<u><u>\$8,605,358.18</u></u>

See Independent Auditor's Report

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH**  
**December 31, 2018**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2018</u></b>
Capital Improvement Fund	\$91,942.01
Fund Balance	325,903.64
Cash on Hand to Pay Bond Anticipation Notes	5,813,606.00
Grants Receivable	(458,750.00)
Contracts Payable	466,270.70
Reserve for Sidewalk Program	16,693.33
Reserve for Country Estates Section VI Improvements	18,128.17
Reserve for Field Improvements	58,649.50
Reserve for Paving Projects	10,000.00
Reserve for Debt Service	40,626.00

Improvement Authorizations:

<b><u>Ordinance</u></b> <b><u>Number</u></b>	<b><u>Improvement Description</u></b>	
14-04	Various 2014 Capital Improvements	87,026.57
15-09	Various Capital Improvements	487,494.80
16-04	Various Capital Improvements	69,497.25
17-07	Various Capital Improvements and the Acquisition of Various Capital Equipment	167,494.56
18-05	Various Capital Improvements	1,410,775.65
		<b><u>\$8,605,358.18</u></b>

**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, 2018**

Balance, December 31, 2017	<b><u>Ref.</u></b> C		\$15,001,000.00
Increased by:			
Improvement Costs Funded by:			
Serial Bonds Issued	C-5		<u>5,150,000.00</u>
			20,151,000.00
Decreased by:			
2018 Budget Appropriations to pay Bonds:			
Municipal Bonds	C-8	\$1,595,000.00	
Open Space Bonds	C-8	<u>752,000.00</u>	
			<u>2,347,000.00</u>
Balance, December 31, 2018	C		<u><u>\$17,804,000.00</u></u>

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**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, 2018**

<b>Ordinance Number</b>	<b>Improvement Description</b>	<b>Balance Dec. 31, 2017</b>	<b>2018 Authorizations</b>	<b>Transferred to Deferred Taxation - Funded</b>	<b>Premium on the Sale of Bonds</b>	<b>Balance Dec. 31, 2018</b>
16-04	Various Capital Improvements	\$2,986,363.00		\$2,645,478.00	\$340,885.00	
17-07	Various Capital Improvements and the Acquisition of Various Capital Equipment	2,827,243.00		2,504,522.00	322,721.00	
18-05	Various Capital Improvements		\$2,590,549.00			\$2,590,549.00
		<u>\$5,813,606.00</u>	<u>\$2,590,549.00</u>	<u>\$5,150,000.00</u>	<u>\$663,606.00</u>	<u>\$2,590,549.00</u>
	<b><u>Ref.</u></b>	C	C-7	C-4	C-2	C



**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**  
**Year Ended December 31, 2018**

Balance, December 31, 2017	<b><u>Ref.</u></b> C	\$53,288.01
Increased by:		
2018 Budget Appropriation	C-2	<u>175,000.00</u> 228,288.01
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-7	<u>136,346.00</u>
Balance, December 31, 2018	C	<u><u>\$91,942.01</u></u>

See Independent Auditor's Report

**TOWNSHIP OF MANALAPAN  
COUNTY OF MONMOUTH  
STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
Year Ended December 31, 2018**

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2017		Contracts Payable 2017	2018 Authorizations	Paid or Charged	Canceled	Balance Dec. 31, 2018	
		Date	Amount	Funded	Unfunded					Funded	Unfunded
08-04	Various 2008 Capital Improvements	04/23/08	\$4,500,000.00	\$98,216.54		\$555.23			\$98,771.77		
12-06	Various Capital Improvements -	04/25/12	2,048,659.00								
13-03	Various 2013 Capital Improvements	06/11/13	2,829,149.00	38,402.28		19,879.66			58,281.94		
14-04	Various 2014 Capital Improvements	04/23/14	2,859,438.00								
	Various Road Improvements			42,697.23		24,589.60			67,286.83		
	Acquisition of Various Equipment			5,695.37		4,924.50		\$7,764.27		\$2,855.60	
	Improvements to Municipal Properties			102,231.67		6,853.00		24,913.70		84,170.97	
	Various Technology Upgrades										
15-09	Various Capital Improvements	05/13/15	3,939,523.00								
	Acquisition of Various Equipment			137,189.00						137,189.00	
	Improvements to Municipal Properties			4,265.60				1,159.80		3,105.80	
	Various Road Improvements			130,847.65		2,179.10			133,026.75		
	Various Technology Upgrades										
	Purchase of Property B26 L8			347,225.69					25.69	347,200.00	
16-04	Various Capital Improvements	06/15/16	3,393,540.00								
	Acquisition of Various Equipment				\$55,426.78	1,800.00		56,744.47		482.31	
	Improvements to Municipal Properties				54,004.30			42,196.07		11,808.23	
	Various Road Improvements				596,479.74			539,273.03		57,206.71	
	Various Technology Upgrades			103.46	33,962.00			34,065.46			
17-07	Various Capital Improvements and the	05/10/17	3,056,046.00								
	Acquisition of Various Capital Equipment										
	Acquisition of Various Equipment				13,010.26	20,297.00		20,297.00		13,010.26	
	Improvements to Municipal Properties			36,734.00	30,894.22	39,200.00		71,421.96		35,406.26	
	Various Road Improvements				244,977.23	378,641.32		509,862.82		113,755.73	
	Various Technology Upgrades			3,967.00	75,370.00			74,014.69		5,322.31	
18-05	Various Capital Improvements	05/09/18	3,574,995.00								
	Acquisition of Various Equipment						\$686,931.00	554,611.73			\$132,319.27
	Improvements to Municipal Properties						130,500.00	65,459.33		34,830.67	30,210.00
	Various Road Improvements						2,731,064.00	1,544,148.29			1,186,915.71
	Various Technology Upgrades						26,500.00			1,325.00	25,175.00
				<u>\$947,575.49</u>	<u>\$1,104,124.53</u>	<u>\$498,919.41</u>	<u>\$3,574,995.00</u>	<u>\$3,545,932.62</u>	<u>\$357,392.98</u>	<u>\$847,668.85</u>	<u>\$1,374,619.98</u>
				C	C	C				C	C
	Capital Improvement Fund	Ref.									
	Reappropriation of Improvement Authorizations	C-6					\$136,346.00				
	Grants Receivable	C-7					313,100.00				
	Deferred Charges to Future Taxation - Unfunded	C-10					535,000.00				
		C-5:C-11					2,590,549.00				
							<u>\$3,574,995.00</u>				
	Cash	C-2						\$3,079,661.92			
	Contracts Payable	C						466,270.70			
								<u>\$3,545,932.62</u>			
	Reappropriation of Improvement Authorizations	C-7							\$313,100.00		
	Fund Balance	C-1							249.69		
	Due to Open Space Fund								44,043.29		
									<u>\$357,392.98</u>		

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF GENERAL SERIAL BONDS**  
**Year Ended December 31, 2018**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2018		Interest Rate	Balance Dec. 31, 2017	Increased	Decreased	Balance Dec. 31, 2018
			Date	Amount					
Open Space	10/1/13	\$1,564,000.00				\$140,000.00		\$140,000.00	
Various Capital Improvements	4/23/08	2,351,000.00				225,000.00		225,000.00	
Open Space	4/23/08	1,798,000.00				172,000.00		172,000.00	
Various Capital Improvements	12/30/09	2,642,000.00	12/01/19	\$224,000.00	4.00%	439,000.00		215,000.00	\$224,000.00
General Improvements	1/24/11	1,300,000.00	01/15/19	160,000.00	5.00%	485,000.00		155,000.00	330,000.00
			01/15/20	170,000.00	5.00%				
Open Space	1/24/11	2,555,000.00	01/15/19	105,000.00	5.00%	440,000.00		100,000.00	340,000.00
			01/15/20	115,000.00	5.00%				
			01/15/21	120,000.00	5.00%				
Various Capital Improvements	1/24/13	5,505,000.00	12/01/19	440,000.00	4.00%	3,980,000.00		425,000.00	3,555,000.00
			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%				

See Independent Auditor's Report

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF GENERAL SERIAL BONDS**  
**Year Ended December 31, 2018**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2018		Interest Rate	Balance Dec. 31, 2017	Increased	Decreased	Balance Dec. 31, 2018
			Date	Amount					
General Improvements	12/8/15	\$3,940,000.00	12/01/19	\$320,000.00	5.00%	\$3,375,000.00		\$305,000.00	\$3,070,000.00
			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%				
Refunding Bonds	3/24/16	1,630,000.00	12/01/19	515,000.00	4.00%	1,615,000.00		265,000.00	1,350,000.00
			12/01/20	530,000.00	5.00%				
			12/01/21	305,000.00	5.00%				
Open Space Refunding Bonds	3/24/16	1,795,000.00	12/01/19	525,000.00	4.00%	1,775,000.00		330,000.00	1,445,000.00
			12/01/20	545,000.00	5.00%				
			12/01/21	375,000.00	5.00%				
Refunding Bonds	10/5/16	760,000.00	12/01/19	5,000.00	3.00%	750,000.00		5,000.00	745,000.00
			12/01/20	240,000.00	3.00%				
			12/01/21	245,000.00	4.00%				
			12/01/22	255,000.00	4.00%				

See Independent Auditor's Report

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF GENERAL SERIAL BONDS**  
**Year Ended December 31, 2018**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2018		Interest Rate	Balance Dec. 31, 2017	Increased	Decreased	Balance Dec. 31, 2018
			Date	Amount					
Open Space Refunding Bonds	10/5/16	\$1,625,000.00	12/01/19	\$10,000.00	3.00%	\$1,605,000.00		\$10,000.00	\$1,595,000.00
			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%				

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**  
  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF GENERAL SERIAL BONDS**  
**Year Ended December 31, 2018**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2018		Interest Rate	Balance Dec. 31, 2017	Increased	Decreased	Balance Dec. 31, 2018
			Date	Amount					
General Improvements	12/21/18	\$5,150,000.00	12/01/19	\$350,000.00	4.00%		\$5,150,000.00		\$5,150,000.00
			12/01/20	350,000.00	5.00%				
			12/01/21	350,000.00	5.00%				
			12/01/22	350,000.00	5.00%				
			12/01/23	525,000.00	5.00%				
			12/01/24	550,000.00	5.00%				
			12/01/25	575,000.00	5.00%				
			12/01/26	700,000.00	5.00%				
			12/01/27	700,000.00	5.00%				
			12/01/28	700,000.00	5.00%				
						<u>\$15,001,000.00</u>	<u>\$5,150,000.00</u>	<u>\$2,347,000.00</u>	<u>\$17,804,000.00</u>
					<b>Ref.</b>	C			C
	Issued for Cash				C-2		\$5,150,000.00		
	Paid by Budget Appropriation				C-4			\$1,595,000.00	
	Paid by Open Space Fund Appropriation				C-4			752,000.00	
							<u>\$5,150,000.00</u>	<u>\$2,347,000.00</u>	

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF BOND ANTICIPATION NOTES**  
**Year Ended December 31, 2018**

<b>Ordinance Number</b>	<b>Improvement Description</b>	<b>Date of Issue of Original Note</b>	<b>Date of Issue</b>	<b>Date of Maturity</b>	<b>Interest Rate</b>	<b>Balance Dec. 31, 2017</b>	<b>Increased</b>	<b>Decreased</b>	<b>Balance Dec. 31, 2018</b>
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	
16-04	Various Capital Improvements	6/29/17	1/29/18	1/29/19	2.50%		\$2,986,363.00		\$2,986,363.00
17-07	Various Capital Improvements and the Acquisition of Various Capital Equipment	6/29/17	1/29/18	1/29/19	2.50%		2,827,243.00		2,827,243.00
18-05	Various Capital Improvements	1/20/18	11/20/18	11/13/19	3.25%		2,590,549.00		2,590,549.00
						<u>\$5,813,606.00</u>	<u>\$8,404,155.00</u>	<u>\$5,813,606.00</u>	<u>\$8,404,155.00</u>
					<b><u>Ref.</u></b>	C			C
	Issued for Cash				C-2		\$2,590,549.00		
	Non-Cash Rollover						5,813,606.00	\$5,813,606.00	
							<u>\$8,404,155.00</u>	<u>\$5,813,606.00</u>	

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF GRANTS RECEIVABLE**  
**Year Ended December 31, 2018**

Balance, December 31, 2017	<u>Ref.</u> C	\$250,000.00
Increased by:		
Ordinance Number 18-05 N.J.D.O.T. for Various Capital Improvements	C-7	<u>535,000.00</u> 785,000.00
Decreased by:		
Cash Receipts	C-2	<u>326,250.00</u>
Balance, December 31, 2018	C	<u><u>\$458,750.00</u></u>

Detail:

<u>Description</u>	<u>Ordinance Number</u>	
N.J.D.O.T. for Various Capital Improvements	16-04	\$62,500.00
N.J.D.O.T. for Various Capital Improvements	18-05	<u>396,250.00</u> <u><u>\$458,750.00</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, 2018**

<b>Ordinance Number</b>	<b>Improvement Description</b>	<b>Balance Dec. 31, 2017</b>	<b>2018 Authorization</b>	<b>Bond Anticipation Notes Issued</b>	<b>Balance Dec. 31, 2018</b>
18-05	Various Capital Improvements	-	\$2,590,549.00	\$2,590,549.00	-
	<b><u>Ref.</u></b>	(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, 2018**

	<b><u>Ref.</u></b>	<b><u>Operating</u></b>	<b><u>Capital</u></b>
Balance, December 31, 2017	D	\$160,580.48	\$645,704.89
Increased by Receipts:			
Water Volume fees	D-3	128,348.41	
Application Fees	D-3	1,706.50	
Reserve for Capital Projects:			
Connection Fees	D-13		4,671.00
Budget Appropriation:			
Capital Improvement Fund	D-11		25,000.00
		<u>290,635.39</u>	<u>675,375.89</u>
Decreased by Disbursements:			
Budget Appropriations	D-4	41,488.10	
Appropriation Reserves	D-6	137.50	
Accrued Interest on Bonds	D-9	900.00	
Contracts Payable			13,588.50
		<u>42,525.60</u>	<u>13,588.50</u>
Balance, December 31, 2018	D	<u><u>\$248,109.79</u></u>	<u><u>\$661,787.39</u></u>

See Independent Auditor's Report

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**WATER UTILITY OPERATING FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2018**

		<b><u>Balance</u></b> <b><u>Dec. 31, 2017</u></b>	<b><u>Balance</u></b> <b><u>After</u></b> <b><u>Transfers</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Balance</u></b> <b><u>Lapsed</u></b>
Operating:					
Other Expenses		<u>\$8,361.69</u>	<u>\$8,361.69</u>	<u>\$137.50</u>	<u>\$8,224.19</u>
	<b><u>Ref.</u></b>			D-5	D-1
Appropriation Reserves	D	\$8,282.19			
Encumbrances Payable	D	<u>79.50</u>			
		<u>\$8,361.69</u>			

**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, 2018**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2018</u></b>
Fund Balance	\$14,787.23
Capital Improvement Fund	41,625.00
Reserve for Capital Projects	117,007.66
Contracts Payable	36,686.00
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>\$661,787.39</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, 2018**

	<b><u>Ref.</u></b>	
Balance, December 31, 2018 and 2017	D	<b><u>\$1,281,739.63</u></b>

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**WATER OPERATING FUND**  
**SCHEDULE OF ACCRUED INTEREST PAYABLE**  
**Year Ended December 31, 2018**

	<b><u>Ref.</u></b>	
Balance, December 31, 2017	D	\$75.00
Increased by:		
Budget Appropriations	D-4	883.33
		<u>958.33</u>
Decreased by:		
Interest Paid	D-5	900.00
		<u>900.00</u>
Balance, December 31, 2018	D	<u><u>\$58.33</u></u>

**Analysis of Accrued Interest Payable - December 31, 2018**

Principal Outstanding December 31, 2018	Interest Rate	From	To	Period	Amount
Serial Bonds:					
\$5,000.00	4.00%	12/01/18	12/31/18	1 Month	\$16.67
10,000.00	5.00%	12/01/18	12/31/18	1 Month	41.66
<u>\$15,000.00</u>					<u><u>\$58.33</u></u>

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF SERIAL BONDS**  
**Year Ended December 31, 2018**

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance		Balance
			Outstanding Dec. 31, 2018			Dec. 31, 2017		Dec. 31, 2018
			Date	Amount			Decreased	
Refunding Bonds	03/24/16	\$20,000.00	12/01/19	\$5,000.00	4.00%	\$20,000.00	\$5,000.00	\$15,000.00
			12/01/20	5,000.00	5.00%			
			12/01/21	5,000.00	5.00%			
				</				

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**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**  
**Year Ended December 31, 2018**

	<b><u>Ref.</u></b>	
Balance, December 31, 2017	D	\$16,625.00
Increased by:		
2018 Budget Appropriation	D-5	<u>25,000.00</u> 41,625.00
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>-</u>
Balance, December 31, 2018	D	<u><u>\$41,625.00</u></u>



**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF RESERVE FOR AMORTIZATION**  
**Year Ended December 31, 2018**

	<b><u>Ref.</u></b>	
Balance, December 31, 2017	D	\$1,261,739.63
Increased by:		
Serial Bonds Paid by Operating Budget	D-10	<u>5,000.00</u>
Balance, December 31, 2018	D	<u><u>\$1,266,739.63</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, 2018**

	<b><u>Ref.</u></b>	
Balance, December 31, 2017	D	\$112,336.66
Increased by:		
Cash Received	D-5	<u>4,671.00</u>
Balance, December 31, 2018	D	<u><u>\$117,007.66</u></u>

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**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**  
**Year Ended December 31, 2018**

<b>Ordinance Number</b>	<b>Improvement Description</b>	<b>Ordinance</b>		<b>Balance Dec. 31, 2017 Funded</b>	<b>2018 Authoriz- ations</b>	<b>Paid or Charged</b>	<b>Balance Dec. 31, 2018 Funded</b>
		<b>Date</b>	<b>Amount</b>				
2017-13	Pressure Filter Improvements at Lambs Lane Water Treatment Plant	07/12/17	\$510,000.00	<u>\$444,057.00</u>	<u>-</u>	<u>-</u>	<u>\$444,057.00</u>
		<b><u>Ref.</u></b>		D			D

**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, 2018**

<b>Ordinance Number</b>	<b>Improvement Description</b>	<b>Ordinance</b>		<b>Balance Dec. 31, 2017</b>	<b>2018 Authorization Deferred Reserve for Amortization</b>	<b>Balance Dec. 31, 2018</b>
		<b>Date</b>	<b>Amount</b>			
2017-13	Pressure Filter Improvements at Lambs Lane Water Treatment Plant	07/12/17	\$510,000.00	<u>\$510,000.00</u>	<u>-</u>	<u>\$510,000.00</u>
			<b><u>Ref.</u></b>	D		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, 2018**

<b>Ordinance Number</b>	<b>Purpose</b>	<b>Ordinance Date</b>	<b>Balance Dec. 31, 2017</b>	<b>Reserve for Capital Projects</b>	<b>Balance Dec. 31, 2018</b>
2017-13	Pressure Filter Improvements at Lambs Lane Water Treatment Plant	07/12/17	<u>\$510,000.00</u>	<u>-</u>	<u>\$510,000.00</u>
		<b><u>Ref.</u></b>	D		D

See Independent Auditor's Report

**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, 2018**

	<b><u>Balance Dec. 31, 2017</u></b>	<b><u>Additions</u></b>	<b><u>Dispositions</u></b>	<b><u>Balance Dec. 31, 2018</u></b>
General Fixed Assets:				
Land and Land Improvements	\$16,275,742.22			\$16,275,742.22
Buildings and Improvements	5,988,864.67	\$55,720.08		6,044,584.75
Machinery, Equipment and Vehicles	11,816,315.17	988,054.20	\$121,060.00	12,683,309.37
	<u>\$34,080,922.06</u>	<u>\$1,043,774.28</u>	<u>\$121,060.00</u>	<u>\$35,003,636.34</u>
<b><u>Ref.</u></b>	E			E

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**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**PART III**

**COMMENTS**

**YEAR ENDED DECEMBER 31, 2018**

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**COMMENTS**

**YEAR ENDED DECEMBER 31, 2018**

**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 bid threshold within the 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.

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.

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.

**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."



## **COMMENTS (continued)**

### **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 5, 2018, 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.

## COMMENTS (continued)

### Tax Title Liens

The last tax sale was held on September 12, 2018 and was complete.

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

<u>Year</u>	<u>Number of Liens</u>
2018	14
2017	15
2019	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>
2018	\$6,124,995.53	\$3,500,000.00
2017	6,304,088.35	3,665,000.00
2016	6,042,769.01	3,750,000.00

<u>Year</u>	<u>Water Utility Operating Fund Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
2018	\$197,539.56	\$60,000.00
2017	152,143.79	62,900.00
2016	139,660.41	

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Municipal	.337	\$.341	\$.338
Municipal Open Space	.020	.020	.020
Regional Elementary School	.954	.950	.933
Regional High School	.415	.418	.414
County	.297	.292	.299
Total Tax Rate	<u>\$2.023</u>	<u>\$2.021</u>	<u>\$2.004</u>

### ASSESSED VALUATIONS

2018	\$6,641,165,500.00
2017	6,399,514,400.00
2016	6,301,366,160.00

## COMMENTS (continued)

### 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>
2018	\$137,772,233.91	\$136,636,518.07	99.17%
2017	133,051,143.63	131,837,254.33	99.09%
2016	129,137,982.64	128,026,845.53	99.14%

### 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>2018</u>	<u>2017</u>	<u>2016</u>
Tax Title Liens	\$166,955.80	\$163,749.34	\$150,208.53
Delinquent Taxes	1,086,434.75	1,147,130.78	1,054,010.04
Total Delinquent	<u>\$1,253,390.55</u>	<u>\$1,310,880.12</u>	<u>\$1,204,218.57</u>
% of Tax Levy	0.91%	0.99%	0.93%

### 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>
2018	\$264,800.00
2017	264,800.00
2016	264,800.00

**COMMENTS (continued)****SUMMARY OF MUNICIPAL DEBT**

<b><u>Issued</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
General Bonds and Notes	\$26,208,155.00	\$20,814,606.00	\$17,296,441.00
Water Utility Bonds and Notes	15,000.00	20,000.00	25,559.00
Total Issued	<u>26,223,155.00</u>	<u>20,834,606.00</u>	<u>17,322,000.00</u>
Less:			
Open Space Trust (40A:2-44h)	1,935,000.00	2,185,000.00	2,440,000.00
Funds on Hand to Pay Bonds and Notes	<u>5,813,606.00</u>	<u>-</u>	<u>-</u>
Total Deductions	<u>7,748,606.00</u>	<u>2,185,000.00</u>	<u>2,440,000.00</u>
Net Debt Issued	<u>18,474,549.00</u>	<u>18,649,606.00</u>	<u>14,882,000.00</u>
<b><u>Authorized but not Issued</u></b>			
General Bonds and Notes	<u>-</u>	<u>-</u>	<u>2,986,363.00</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$18,474,549.00</u>	<u>\$18,649,606.00</u>	<u>\$17,868,363.00</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 0.271%.

	<b><u>Gross Debt</u></b>	<b><u>Deductions</u></b>	<b><u>Net Debt</u></b>
Local Regional School District Debt	\$29,079,806.00	\$29,079,806.00	
Regional High School Debt	2,118,274.64	2,118,274.64	
Water Utility Debt	15,000.00	15,000.00	
General Debt	<u>26,208,155.00</u>	<u>7,748,606.00</u>	<u>\$18,459,549.00</u>
	<u>\$57,421,235.64</u>	<u>\$38,961,686.64</u>	<u>\$18,459,549.00</u>

Net Debt \$18,459,549.00 divided by Equalized Valuation basis per N.J.S. 40A:2-2 as amended, \$6,824,174,773.00 equals 0.271%.

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

3½% of Equalized Valuation Basis	\$238,846,117.06
Net Debt	<u>18,459,549.00</u>
Remaining Borrowing Power	<u>\$220,386,568.06</u>

**COMMENTS (continued)**

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

Cash Receipts from Fees, Rents or Charges for Year		\$192,954.91
Deductions:		
Operating and Maintenance Cost	\$12,000.00	
Debt Service	<u>5,883.33</u>	
Total Deductions		<u>17,883.33</u>
Excess in Revenue - Self Liquidating		<u><u>\$175,071.58</u></u>

## **COMMENTS (continued)**

### **OFFICIALS IN OFFICE AND SURETY BONDS**

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

<b><u>Name</u></b>	<b><u>Title</u></b>
John McNaboe	Mayor
Susan Cohen	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, 2018**

**TOWNSHIP OF MANALAPAN**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2018**

**Current Year Recommendations**

None

**Status of Prior Year Recommendations**

There were no prior year recommendations.