

**TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY**

**REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2017**

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COUNTY OF MONMOUTH
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TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH
PART I
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

FALLON & COMPANY LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members
of the Township Council
Township of Aberdeen
County of Monmouth
Aberdeen, New Jersey

We have audited the accompanying balance sheets-regulatory basis of the various funds and the comparative statements of general fixed asset account group of the Township of Aberdeen, New Jersey (the "Township"), as of December 31, 2017 and 2016, and the related statements of operations and changes in fund balance-regulatory basis, statements of revenues-regulatory basis and statements of expenditures-regulatory basis for the year ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and 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 from material misstatement.

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2017 and 2016, or the results of operations and the changes in financial position for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds and the general fixed asset account group of the Township as of December 31, 2017 and 2016, and the results of its operations and changes in its fund balance of the individual funds for the years then ended and the revenues-regulatory basis and expenditures-regulatory basis for the year ended December 31, 2017, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1 to the financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of pension contributions and schedule of net pension liability be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the Township that collectively comprise the Township's financial statements. The accompanying financial information listed as supplementary exhibits and supplementary data in the table of contents are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the basic financial statements.

The accompanying financial information listed as supplementary exhibits and supplementary schedules in the table of contents is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary exhibits and supplementary data are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2018 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Charles J. Fallon CPA RMA

Charles J. Fallon
Certified Public Accountant
Registered Municipal Accountant #506

Fallon & Company LLP

FALLON & COMPANY LLP

Hazlet, New Jersey
September 10, 2018

FALLON & COMPANY LLP
Certified Public Accountants

**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 Council
Township of Aberdeen
County of Monmouth
Aberdeen, 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 financial statements of the Township of Aberdeen, State of New Jersey (the "Township"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's financial statements and have issued our report thereon dated September 10, 2018. We expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America. As described in Note 1, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the 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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these 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*.

Township of Aberdeen's Response to Findings

The Township response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Township of Aberdeen's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Charles J. Fallon CPA RMA

Charles J. Fallon
Certified Public Accountant
Registered Municipal Accountant #506

Fallon & Company LLP
FALLON & COMPANY LLP

Hazlet, New Jersey
September 10, 2018

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
ASSETS			
Cash - Treasurer	A-4	\$ 4,034,545.15	\$ 1,914,175.46
Cash - Change Fund	A	575.00	575.00
Due from State of New Jersey, Chap. 20 P.L. 1971	A-9	1,414.38	
		<u>4,036,534.53</u>	<u>1,914,750.46</u>
Deferred Charges:			
Overexpenditure of Appropriations	A-1/A-3	16,703.49	9,256.08
		<u>4,053,238.02</u>	<u>1,924,006.54</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	623,265.62	789,277.16
Tax Title Liens Receivable	A-6	437,297.43	385,467.01
Property Acquired for Taxes	A-7	1,399,800.00	1,458,900.00
Revenue Accounts Receivable	A-8	41,572.13	47,688.84
Off Duty Police Service Receivable	A-10	47,789.34	46,293.89
Employee Payroll Advance	A-11	2,098.64	2,098.64
Interfunds Receivable - Other Funds	A-12	1,831.65	36,059.94
Regional School District Tax Receivable	A-20	628,167.65	628,167.61
Interfund - Federal and State Fund	A-25	65,995.17	70,464.80
		<u>3,247,817.63</u>	<u>3,464,417.89</u>
		<u>7,301,055.65</u>	<u>5,388,424.43</u>
Federal and State Grant Fund:			
Cash - Treasurer	A-4	16,763.04	45,782.54
Grants Receivable	A-26	109,596.50	69,569.00
Deferred Charges:			
Overexpenditure of Grants Appropriated	A-27	3,732.08	5,521.36
		<u>130,091.62</u>	<u>120,872.90</u>
Total Assets		<u>\$ 7,431,147.27</u>	<u>\$ 5,509,297.33</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

LIABILITIES, RESERVES AND FUND BALANCE	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Appropriation Reserves	A-3/A-13	\$ 350,733.13	\$ 270,835.96
Due to State of New Jersey, Chap. 20 P.L. 1971	A-9	6,584.93	
Interfunds Payable - Water Utility Operating	A-12	175,902.67	8,750.00
Interfund Payable - Animal Control Fund	A-12	4,121.17	
Reserve for Encumbrances	A-14	318,917.64	261,520.39
Tax Overpayments	A-15	19,734.24	
Prepaid Taxes	A-16	2,046,402.72	496,517.84
Fire District Payable	A-18	3.75	0.75
County Taxes Payable	A-19	55,066.03	18,170.70
Accounts Payable	A-22	128.77	
Due to State of New Jersey - Various	A-23	271,083.74	294,039.74
Various Reserves and Payables	A-24	34,652.98	31,122.38
Suspense Item	A-1	305.08	
Reserve for Solar Energy Project	A-4	4,580.28	5,299.68
Reserve for FEMA	A	75,751.65	1,468,899.10
		3,281,327.12	
Reserve for Receivables and Other Assets	A	3,247,817.63	3,464,417.89
Fund Balance	A-1	771,910.90	455,107.44
		7,301,055.65	5,388,424.43
 Federal and State Grant Fund:			
Interfund - Current Fund	A-25	65,995.17	70,464.80
Appropriated Reserves	A-27	60,271.91	31,830.80
Reserve for Encumbrances	A-27	278.50	17,368.67
Unappropriated Reserves	A-28	3,546.04	1,208.63
		130,091.62	120,872.90
Total Liabilities, Reserves and Fund Balance		\$ 7,431,147.27	\$ 5,509,297.33

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:			
Fund Balance Anticipated	A-2	\$ 67,332.39	\$ 900,000.00
Miscellaneous Revenue Anticipated	A-2	6,015,384.88	5,999,678.41
Receipts from Delinquent Taxes	A-2	790,408.80	619,388.66
Receipts from Current Taxes	A-2	56,728,462.89	55,376,394.93
Non-Budget Revenues	A-2	281,572.78	412,597.23
Other Credits to Income:			
Adjustment to Due to/from State - P.L. 1971, C.20	A-9	2,250.00	
Off Duty Police Service Reimbursement	A-10	367,958.71	389,665.68
Net Interfunds Returned	A-12	38,697.92	294,667.43
Unexpended Balance of Appropriation Reserves	A-13	235,261.64	230,686.63
Suspense Item Canceled	A	305.08	
Total Revenue		<u>64,527,635.09</u>	<u>64,223,078.97</u>
Expenditures:			
Budget Appropriations Within Caps:			
Operations:			
Salaries and Wages	A-3	7,423,404.00	6,958,831.00
Other Expenses	A-3	4,937,957.00	4,966,986.08
Deferred Charges and Statutory Expenditures	A-3	1,714,212.43	1,585,927.00
Budget Appropriations Excluded from Caps:			
Operations:			
Salaries and Wages	A-3	609,965.86	601,683.00
Other Expenses	A-3	1,125,656.25	1,175,864.36
Capital Improvements	A-3	450,000.00	328,500.00
Municipal Debt Service	A-3	2,344,497.14	2,113,863.25
Deferred Charges Excluded from "CAPS"	A-3	2,004.39	
		<u>\$ 18,607,697.07</u>	<u>\$ 17,731,654.69</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Refund of Prior Year Revenue	A-4	\$ 500.00	
Prior Year Senior Citizen Deduction Disallowed	A-9	5,508.91	\$ 11,615.06
Off Duty Police Services Advanced	A-10	369,454.16	419,071.67
Refund Prior Year's Tax Revenue	A-15	70,046.05	628,606.80
Solid Waste Collection District Tax	A-17	2,363,131.00	2,316,795.00
Special District Taxes, Fire Districts #1 and #2	A-18	1,209,811.00	1,209,811.00
County Taxes	A-19	5,710,968.79	5,876,801.14
Amount Due County for Added and Omitted Taxes	A-19	55,066.03	18,411.57
Regional School District Tax	A-20	35,759,351.00	34,966,406.00
Regional School District Tax Advanced	A-20	0.04	628,166.24
Grants Receivable Cancelled	A-25	-	5,000.00
 Total Expenditures		<u>64,151,534.05</u>	<u>63,812,339.17</u>
 Excess/(Deficit) in Revenue		376,101.04	410,739.80
 Add: Expenditures Included Above Which are by Statute			
Deferred Charges to Budgets of Succeeding Year:			
Overexpenditure of Appropriation	A-3	<u>8,034.81</u>	<u>9,256.08</u>
 Statutory Excess to Fund Balance		384,135.85	419,995.88
 Fund Balance January 1	A	<u>455,107.44</u>	<u>935,111.56</u>
 Decreased by:			
Utilized as Anticipated Revenue	A-1/A-2	<u>67,332.39</u>	<u>900,000.00</u>
 Fund Balance December 31	A	<u>\$ 771,910.90</u>	<u>\$ 455,107.44</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Anticipated</u>				
		<u>Budget</u>	<u>Special N.J.S.A. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Ref.</u>				
Fund Balance Anticipated	A-1	\$ 67,332.39		\$ 67,332.39	-
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-8	24,500.00		22,759.20	\$ (1,740.80)
Fees and Permits:					
Other	A-2/A-8	72,000.00		142,917.37	70,917.37
Fines and Costs:					
Municipal Court	A-8	320,000.00		253,693.35	(66,306.65)
Interest and Costs on Taxes	A-8	140,000.00		235,657.72	95,657.72
Parking Meters	A-8	104,000.00		104,000.00	-
Interest on Investments and Deposits	A-8	9,800.00		10,197.00	397.00
Anticipated Utility Operating Surplus	A-8	481,000.00		481,000.00	-
Cable T.V. Franchise Fee	A-8	160,781.00		160,781.00	-
Verizon Cable TV	A-8	101,059.00		101,059.48	0.48
Administrative Fee	A-8	74,000.00		71,094.56	(2,905.44)
Anticipated Sanitation District Operating Surplus	A-8	126,035.00		126,035.00	-
Anticipated Water Utility Operating Surplus	A-8	260,000.00		84,097.33	(175,902.67)
Electric Inspection Fees	A-8	247,000.00		174,425.00	(72,575.00)
Property Maintenance Fees	A-8	159,000.00		215,825.00	56,825.00
Fees and Donations for Handicapped persons	A-8	7,800.00		8,667.00	867.00
Consolidated Municipal Property Tax Relief Aid	A-8	205,463.45		135,359.00	(70,104.45)
Energy Receipts Tax (P.L. 1997, Ch. 62 & 67)	A-8	1,235,614.55		1,305,719.00	70,104.45
Uniform Construction Code Fees	A-8	767,000.00		505,645.20	(261,354.80)
Mass Transit - Parking Lot Fees - N.J. Transit	A-8	400,000.00		378,016.41	(21,983.59)

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Ref.</u>	Anticipated			<u>Excess or (Deficit)</u>
		<u>Budget</u>	<u>Special N.J.S.A. 40A:4-87</u>	<u>Realized</u>	
Interlocal Services Agreements:					
Handicapped Persons Opportunity Act					
Township of Hazlet	A-8	\$ 24,500.00		\$ 25,610.00	\$ 1,110.00
Borough of Matawan	A-8	24,500.00		24,500.00	-
Township of Holmdel	A-8	5,000.00		5,000.00	-
School Police Services	A-8	71,500.00		71,000.00	(500.00)
Payment in Lieu of Taxes	A-8	688,000.00		697,167.09	9,167.09
Billboard Space Rental	A-8	7,200.00		7,200.00	-
Utility Operating Surplus of Prior Year	A-8	50,000.00		50,000.00	-
Reserve for Open Space	A-8	150,000.00		150,000.00	-
General Capital Reserve for Debt	A-8	182,188.36		170,756.36	(11,432.00)
Reserve for Infrastructure	A-8	91,744.41		91,744.41	-
Reserve for FEMA	A-8	75,751.65		75,751.65	-
Regional School Tax Advances	A-8	628,167.61			(628,167.61)
Bus Commuter Parking Fees	A-8	8,500.00		18,529.28	10,029.28
DWI Enforcement Grant	A-26		\$ 11,000.00	11,000.00	-
Body Armor Replacement Grant	A-26		3,472.77	3,472.77	-
Clean Communities Program	A-26		35,496.07	35,496.07	-
Safe and Secure Communities Program	A-26	60,000.00		60,000.00	-
Alcohol Education & Rehabilitation	A-26	1,208.63		1,208.63	-
Total Miscellaneous Revenues	A-1	<u>6,963,313.66</u>	<u>49,968.84</u>	<u>6,015,384.88</u>	<u>(997,897.62)</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Ref.</u>	Anticipated			<u>Excess or (Deficit)</u>
		<u>Budget</u>	Special N.J.S.A. <u>40A:4-87</u>	<u>Realized</u>	
Receipts from Delinquent Taxes	A-1/A-2	\$ 700,000.00		\$ 790,408.80	\$ 90,408.80
Amount to be Raised by Taxes for Support of Municipal Budget		11,106,687.58		11,897,309.73	790,622.15
Minimum Library Tax		691,599.78		691,599.78	-
Non-Budget Revenues	A-2	11,798,287.36		12,588,909.51	790,622.15
Total	A-1/A-2	<u>\$ 19,528,933.41</u>	<u>\$ 49,968.84</u>	<u>\$ 19,743,608.36</u>	<u>\$ 164,706.11</u>
	<u>Ref.</u>	<u>A-3</u>		<u>A-3</u>	

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2017

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	A-1/A-5	\$ 56,728,462.89
Allocated to School, County, and Special District Taxes	A-5	<u>45,098,087.11</u>
Balance for Support of Municipal Budget Appropriations		11,630,375.78

Add:

Reserve for Uncollected Taxes	A-3	<u>958,533.73</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 12,588,909.51</u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	A-5	\$ 768,643.51
Tax Title Lien Collections	A-6	<u>21,765.29</u>
	A-2	<u>\$ 790,408.80</u>

Fees and Permits Other:

Recreation		\$ 52,832.00
Planning and Zoning		29,384.00
Street Opening		36,576.25
Police		2,713.12
Health Inspection Fees		6,610.00
Registrar Fees		340.00
Marriage Ceremony		6,752.00
Miscellaneous		<u>7,710.00</u>
	A-2	<u>\$ 142,917.37</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2017

Analysis of Realized Revenues (Continued)

Analysis of Non-Budget Revenues:

Licenses - Other	\$ 1,494.00
Advertising Fee/Cost of Sale	10,663.63
Administration Fee - Senior Citizens and Veterans	2,643.12
Demolition and Clean Up Fees	5,303.02
Polling Place Rental	2,400.00
FEMA- Severe Winter Storm and Snow Storm 1/22/16	48,737.14
FEMA - Hurricane Irene 8/26/11	189,886.08
N.J. DMV Inspection Fines	5,577.00
Interest on Developer Escrows	1,831.65
PERS Overpayment	3,764.24
SCART	1,360.00
State of N.J. 2014 Homestead Benefit Program	787.80
Miscellaneous	<u>7,125.10</u>
	A-2/A-4 \$ 281,572.78

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2017

	Appropriated		Expended		Unexpended Balance Canceled	Over- Expenditure
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operations Within CAPS						
General Government:						
Administrative and Executive						
Salaries and Wages	\$ 182,425.00	\$ 161,425.00	\$ 158,597.95	\$ 2,827.05		
Other Expenses	89,950.00	78,253.00	66,786.22	11,466.78		
Purchasing						
Salaries and Wages	71,628.00	71,628.00	71,443.65	184.35		
Other Expenses	24,675.00	23,325.00	23,324.25	0.75		
Township Council						
Salaries and Wages	60,998.00	47,498.00	46,855.80	642.20		
Municipal Clerk						
Salaries and Wages	83,812.00	87,362.00	87,176.17	185.83		
Other Expenses	15,800.00	14,300.00	12,484.68	1,815.32		
Financial Administration						
Salaries and Wages	160,606.00	141,606.00	139,536.86	2,069.14		
Other Expenses	3,000.00	2,200.00	2,159.85	40.15		
Audit Services						
Other Expenses	53,500.00	53,500.00		53,500.00		
Data Processing						
Other Expenses	54,900.00	57,700.00	55,909.71	1,790.29		
Elections:						
Salaries and Wages	600.00	600.00	549.40	50.60		
Other Expenses	7,900.00	7,200.00	7,196.21	3.79		
Collection of Taxes						
Salaries and Wages	134,690.00	134,690.00	134,513.63	176.37		
Other Expenses	7,605.00	7,605.00	7,594.65	10.35		
Assessment of Taxes						
Salaries and Wages	89,660.00	89,710.00	89,689.21	20.79		
Other Expenses	59,400.00	55,200.00	54,628.67	571.33		

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2017

	Appropriated		Expended		Unexpended Balance Canceled	Over- Expenditure
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>		
Legal Services and Costs						
Other Expenses	\$ 272,000.00	\$ 296,180.00	\$ 227,793.90	\$ 68,386.10		
Engineering Services and Costs						
Other Expenses	40,000.00	37,500.00	35,826.75	1,673.25		
Municipal Court						
Salaries and Wages	179,451.00	179,451.00	179,451.00			
Other Expenses	16,000.00	16,000.00	15,890.25	109.75		
Planning Board						
Salaries and Wages	47,091.00	47,091.00	46,980.96	110.04		
Other Expenses	53,815.00	53,435.00	53,268.50	166.50		
Environmental Advisory Board						
Other Expenses	1,500.00	1,500.00	1,383.62	116.38		
Zoning Board of Adjustment						
Salaries and Wages	47,534.00	47,784.00	47,743.28	40.72		
Other Expenses	13,870.00	13,570.00	13,003.50	566.50		
Code Enforcement						
Salaries and Wages	138,049.00	148,899.00	148,593.45	305.55		
Other Expenses	2,880.00	2,180.00	1,570.00	610.00		
Insurance (N.J.S.A. 40A-45.3(00)						
General Liability	532,100.00	525,800.00	525,800.00			
Claims Deductible	2,000.00	2,000.00	2,000.00			
Employee Group Health	2,405,000.00	2,325,000.00	2,282,604.29	42,395.71		
Employee Opt Out	65,000.00	58,547.00	58,546.78	0.22		
Unemployment Insurance	2,000.00	2,000.00	2,000.00			
Public Safety:						
Police						
Salaries and Wages	4,668,636.00	4,782,936.00	4,782,936.00			
Other Expenses	218,170.00	218,170.00	217,590.01	579.99		
Emergency Management Services						
Salaries and Wages	3,500.00	3,500.00	3,299.86	200.14		
Other Expenses	20,820.00	15,820.00	15,758.81	61.19		

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2017

	Appropriated		Expended		Unexpended Balance Canceled	Over- Expenditure
	Budget	Budget After Modification	Paid or Charged	Reserved		
Streets and Roads:						
Road Repairs and Maintenance						
Salaries and Wages	\$ 503,637.00	\$ 488,637.00	\$ 488,298.82	\$ 338.18		
Other Expenses	231,740.00	229,740.00	225,233.86	4,506.14		
Snow Removal						
Salaries and Wages	35,000.00	35,000.00	35,000.00			
Other Expenses	25,000.00	25,000.00	25,000.00			
Street Signs						
Other Expenses	7,000.00	7,000.00	5,831.70	1,168.30		
Public Buildings and Grounds						
Salaries and Wages	107,597.00	107,597.00	107,313.43	283.57		
Other Expenses	57,122.00	57,822.00	56,852.32	969.68		
Mass Transit Parking Lot						
Salaries and Wages	95,946.00	95,946.00	95,539.01	406.99		
Other Expenses	103,892.00	103,892.00	87,242.41	16,649.59		
Health & Welfare:						
Board of Health						
Salaries and Wages	43,627.00	43,627.00	43,478.09	148.91		
Other Expenses	1,212.00	1,212.00	152.50	1,059.50		
Animal Control	5,000.00	36,000.00	36,000.00			
Recreation and Education:						
Handicapped Recreation Program					\$	2,054.00
Salaries and Wages	24,944.00	24,944.00	26,998.00			
Other Expenses	8,666.00	8,666.00	8,093.52	572.48		
Recreation						
Salaries and Wages	192,277.00	202,277.00	202,276.24	0.76		
Other Expenses	112,000.00	112,000.00	109,097.11	2,902.89		
Parks and Playgrounds						
Salaries and Wages	215,858.00	220,458.00	220,401.43	56.57		
Other Expenses	66,000.00	62,000.00	55,964.72	6,035.28		

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2017

	Appropriated		Expended		Unexpended Balance Canceled	Over- Expenditure
	Budget	Budget After Modification	Paid or Charged	Reserved		
Utility Expenses and Bulk Purchases:						
Electricity	\$ 48,000.00	\$ 53,100.00	\$ 52,605.05	\$ 494.95		
Street Lighting	183,500.00	183,500.00	169,997.42	13,502.58		
Telephone	50,200.00	50,200.00	47,574.37	2,625.63		
Natural Gas	21,400.00	27,000.00	21,016.04	5,983.96		
Gasoline	69,000.00	69,000.00	68,551.73	448.27		
Uniform Construction Code - Appropriations						
Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):						
State Uniform Construction Code Officials						
Salaries and Wages	275,684.00	258,684.00	257,728.14	955.86		
Other Expenses	6,740.00	6,490.00	5,734.53	755.47		
Aid to Organizations						
Senior Citizen Transportation	5,000.00	5,000.00	3,010.00	1,990.00		
Veterans of Foreign War	6,350.00	6,350.00	6,350.00			
Bayshore Youth and Family Services Bureau	15,000.00	15,000.00	7,500.00	7,500.00		
100th Anniversary	12,000.00	12,000.00	10,000.00	2,000.00		
Total Operations Within CAPS	12,359,957.00	12,359,307.00	12,099,328.31	262,032.69		2,054.00
Detail:						
Salaries and Wages	7,363,250.00	7,421,350.00	7,414,400.38	9,003.62		2,054.00
Other Expenses	4,996,707.00	4,937,957.00	4,684,927.93	253,029.07		
Deferred Charges and Statutory Expenditures Within CAPS						
Deferred Charges:						
Overexpenditure of Appropriation	587.40	587.40	587.40			
Overexpenditure of Grant	5,521.36	5,521.36	5,521.36			
Animal Deficit	34,080.81	34,080.81	34,061.41		19.40	
Statutory Expenditures:						
Public Employees Retirement System	333,739.31	333,739.31	333,739.31			

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2017

	Appropriated		Expended		Unexpended Balance Canceled	Over- Expenditure
	Budget	Budget After Modification	Paid or Charged	Reserved		
Social Security System (O.A.S.I.)	\$ 300,000.00	\$ 300,000.00	\$ 291,092.49	\$ 8,907.51		
Police and Fireman's Retirement System	1,034,472.00	1,034,472.00	1,037,152.95			\$ 2,680.95
Defined Compensation Retirement Program	2,500.00	3,150.00	2,877.30	272.70		
Deferred Charges and Statutory Expenditures						
Within CAPS	1,710,900.88	1,711,550.88	1,705,032.22	9,180.21	19.40	2,680.95
Total Appropriations Within CAPS	14,070,857.88	14,070,857.88	13,804,360.53	271,212.90	19.40	4,734.95
Operations Excluded from CAPS						
Maintenance of Free Public Library	691,599.78	691,599.78	691,599.78			
Court Security N.J.S.A. 4-45.3(CC)						
Salaries and Wages	23,000.00	23,000.00	23,000.00			
Shared Service Agreements						
School Services Police S&W	71,500.00	71,500.00	14,700.12	56,799.88		
Communications - 911 (County of Monmouth)	19,000.00	19,000.00	18,190.42	809.58		
Handicapped Persons Opportunity Act						
Salaries and Wages	40,002.00	40,002.00	43,301.86			3,299.86
Other Expenses	16,218.00	16,218.00	10,042.89	6,175.11		
D.A.R.E. Program	3,500.00	3,500.00	2,991.34	508.66		
Additional Appropriations Offset by Revenues						
(N.J.S. 40A:-45.3h):						
Mass Transit Parking Lot - Fee Increase:						
Salaries and Wages	25,000.00	25,000.00	25,000.00			
Other Expenses	337,504.00	337,504.00	322,277.00	15,227.00		
Public and Private Programs Offset by Revenues:						
Body Armor Replacement Grant:						
Other Expense		3,472.77	3,472.77			
Clean Communities Act:						
Other Expenses		35,496.07	35,496.07			
Supplemental Fire Services Program	6,657.00	6,657.00	6,657.00			

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2017

	Appropriated		Expended		Unexpended Balance Canceled	Over- Expenditure
	Budget	Budget After Modification	Paid or Charged	Reserved		
DWI Enforcement Grant		\$ 11,000.00	\$ 11,000.00			
Alcohol Education and Rehabilitation	\$ 1,208.63	1,208.63	1,208.63			
Safe and Secure Communities Program						
Grant Portion						
Salaries and Wages	60,000.00	60,000.00	60,000.00			
Matching Portion						
Salaries and Wages	387,164.00	387,164.00	387,164.00			
Total Operations - Excluded from CAPS	1,682,353.41	1,732,322.25	1,656,101.88	\$ 79,520.23		\$ 3,299.86
Detail:						
Salaries and Wages	606,666.00	606,666.00	553,165.98	56,799.88		3,299.86
Other Expenses	1,075,687.41	1,125,656.25	1,102,935.90	22,720.35		
Capital Improvements - Excluded from CAPS						
Capital Improvement Fund	450,000.00	450,000.00	450,000.00			
Total Capital Improvements Excluded from CAPS	450,000.00	450,000.00	450,000.00			
Municipal Debt Service Excluded from CAPS						
Payment of Bond Principal	1,295,000.00	1,295,000.00	1,295,000.00			
Payment of Bond Antic. Notes and Capital Notes	646,295.00	646,295.00	646,295.00			
Interest on Bonds	348,889.00	348,889.00	329,051.17		19,837.83	
Interest on Notes	75,000.00	75,000.00	74,150.97		849.03	
Total Municipal Debt Service Excluded from CAPS	2,365,184.00	2,365,184.00	2,344,497.14		20,686.86	

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2017

	Appropriated		Expended		Unexpended Balance Canceled	Over- Expenditure		
	Budget	Budget After Modification	Paid or Charged	Reserved				
Deferred Charges - Municipal Excluded from CAPS								
Deferred Charges:								
Overexpenditure of Ord 02-11	\$ 1,050.39	\$ 1,050.39	\$ 1,050.39					
Overexpenditure of Ord 23-05	954.00	954.00	954.00					
Total Deferred Charges Excluded from CAPS	2,004.39	2,004.39	2,004.39					
Total General Appropriations Excluded from CAPS	4,499,541.80	4,549,510.64	4,452,603.41	79,520.23	20,686.86	3,299.86		
Subtotal General Appropriations	18,570,399.68	18,620,368.52	18,256,963.94	350,733.13	20,706.26	8,034.81		
Reserve for Uncollected Taxes	958,533.73	958,533.73	958,533.73	-				
Total General Appropriations	\$ 19,528,933.41	\$ 19,578,902.25	\$ 19,215,497.67	\$ 350,733.13	\$ 20,706.26	\$ 8,034.81		

Ref. A-2

A-3

A-1/A-3

A/A-1

A/A-1

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Ref.</u>	<u>Budget After Modification</u>
Budget	A-2	\$ 19,528,933.41
Added by N.J.S. 40A:4-87	A-2	<u>49,968.84</u>
	A-3	<u><u>\$ 19,578,902.25</u></u>
		<u>Paid or Charged</u>
Disbursements	A-4	\$ 17,405,056.02
Reserve for Encumbrances	A-14	318,917.64
Interfund - Animal Control Trust Fund	A-12	34,061.41
Appropriated Reserves for		
Federal and State Grants	A-27	498,341.47
Reserve for Uncollected Taxes	A-2	958,533.73
Deferred Charges	A	<u>587.40</u>
	A-3	<u><u>\$ 19,215,497.67</u></u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
ASSETS			
Animal Control Trust Fund:			
Cash	B-1	\$ 814.79	
Due from State	B-3	4.40	\$ 19.40
Interfund - Current Fund	B-4	4,121.17	
Deferred Charges:			
Deficit in Reserve for Animal Control Expenditures	B-2	34,061.41	
		<u>4,940.36</u>	<u>34,080.81</u>
Trust Other Funds:			
Cash	B-1	4,702,247.00	4,514,065.32
Interfund - Payroll Fund	B-8	<u>33,368.75</u>	<u>4,514,065.32</u>
		<u>4,735,615.75</u>	<u>4,514,065.32</u>
		<u><u>\$ 4,740,556.11</u></u>	<u><u>\$ 4,548,146.13</u></u>
LIABILITIES AND RESERVES			
Animal Control Trust Fund:			
Deficit in Cash	B-1	\$ 4,140.57	
Reserve for Encumbrances	B-2	\$ 3,583.00	
Reserve for Animal Control Trust Fund Expenditures	B-2	1,357.36	
Interfund - Current Fund	B-4	29,940.24	
		<u>4,940.36</u>	<u>34,080.81</u>
Trust Other Funds:			
Reserve for Encumbrances	B-5	209,821.69	759,028.78
Various Reserves	B-6	4,523,962.41	3,748,916.84
Interfund - Current Fund	B-7	<u>1,831.65</u>	<u>6,119.70</u>
		<u>4,735,615.75</u>	<u>4,514,065.32</u>
		<u><u>\$ 4,740,556.11</u></u>	<u><u>\$ 4,548,146.13</u></u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

ASSETS	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Cash	C-1	\$ 4,357,780.20	\$ 3,992,791.85
Deferred Charges to Future Taxation:			
Funded	C-3	11,450,000.00	12,776,000.00
Unfunded	C-4	18,374,457.66	14,144,454.99
Grants Receivable	C-5	<u>746,683.69</u>	<u>2,592,888.05</u>
		<u><u>\$ 34,928,921.55</u></u>	<u><u>\$ 33,506,134.89</u></u>

LIABILITIES, RESERVES AND FUND BALANCE

Interfund - Water Utility Capital Fund	C	\$ 97,500.00	\$ -
Reserve for Grants Receivable	C-5	598,102.06	740,000.00
General Serial Bonds	C-6	11,450,000.00	12,776,000.00
Bond Anticipation Notes	C-7	13,507,272.00	8,958,737.00
Reserve for Encumbrances	C-8	6,996,936.55	4,861,355.68
Improvement Authorizations:			
Funded	C-9	8,152.46	1,433,114.78
Unfunded	C-9	1,716,815.18	3,925,026.00
Capital Improvement Fund	C-10	16,660.32	46,460.32
Miscellaneous Reserves	C-11	<u>537,482.98</u>	<u>765,441.11</u>
		<u><u>\$ 34,928,921.55</u></u>	<u><u>\$ 33,506,134.89</u></u>

There were bonds and notes authorized but not issued on December 31, 2017 of \$5,170,200.00 (Exhibit C-12)

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

ASSETS	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Operating Fund</u>			
Cash	D-5	\$ 535,953.59	\$ 1,798,224.08
Change Fund	D	<u>200.00</u>	<u>200.00</u>
		<u>536,153.59</u>	<u>1,798,424.08</u>
Receivables Without Reserves:			
Interfund - Current Fund	D-28	175,902.67	8,750.00
Interfund - Water Utility Capital Fund	D-28	<u>950,000.00</u>	<u> </u>
		<u>1,125,902.67</u>	<u>8,750.00</u>
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	D-7	136,176.84	160,470.80
Fire Hydrant Service Receivable	D-8	2,805.27	1,931.37
Water Utility Liens Receivable	D-14	<u> </u>	<u>549.74</u>
		<u>138,982.11</u>	<u>162,951.91</u>
Deferred Charges:			
Overexpenditure of Appropriations	D-9	<u> </u>	<u>5,340.18</u>
		<u> </u>	<u>5,340.18</u>
Total Operating Fund		<u>\$ 1,801,038.37</u>	<u>\$ 1,975,466.17</u>
<u>Capital Fund</u>			
Cash	D-5	\$ 383,990.41	\$ 385,615.42
Interfund - General Capital Fund	D-5	97,500.00	
Interfund - Sewer Utility Capital Fund	D-5	698,833.42	
Fixed Capital	D-15	13,423,662.32	13,423,662.32
Fixed Capital Authorized and Uncompleted	D-16	5,900,500.00	3,830,500.00
Due from State of New Jersey Environmental Infrastructure Trust	D-17	<u> </u>	<u>291,692.00</u>
Total Capital Fund		<u>\$ 20,796,178.15</u>	<u>\$ 17,639,777.74</u>
Total Assets		<u>\$ 22,597,216.52</u>	<u>\$ 19,615,243.91</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

LIABILITIES, RESERVES AND FUND BALANCE	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Operating Fund</u>			
Appropriation Reserves	D-4/D-10	\$ 132,501.50	\$ 11,174.12
Reserve for Encumbrances	D-11	237,391.75	204,952.04
Customer Overpayments	D-12	7,239.16	7,059.06
Accrued Interest Payable	D-13	<u>22,763.92</u>	<u>18,169.75</u>
		399,896.33	241,354.97
Reserve for Receivables and Other Assets	D	138,982.11	162,951.91
Fund Balance	D-1	<u>1,262,159.93</u>	<u>1,571,159.29</u>
Total Operating Fund		<u>\$ 1,801,038.37</u>	<u>\$ 1,975,466.17</u>
<u>Capital Fund</u>			
Interfund - Water Utility Operating Fund	D-5	\$ 950,000.00	
Serial Bonds	D-18	2,210,000.00	\$ 2,370,000.00
Bond Anticipation Notes	D-19	341,760.00	212,140.00
Reserve for Encumbrances	D-20	1,762,063.17	202,577.12
Improvement Authorizations:			
Funded	D-21	5,000.00	
Unfunded	D-21	3,264,147.47	3,271,671.07
Capital Improvement Fund	D-22	6,450.00	12,950.00
Reserve for Amortization	D-23	10,319,160.47	10,100,981.15
Deferred Reserve for Amortization	D-24	470,240.00	239,910.00
State of New Jersey Environmental Infrastructure:			
Loan Payable	D-25	892,974.85	951,154.17
Short-Term Trust Loan Payable	D-26	291,692.00	
Reserve for Debt Service	D-27	277,963.09	277,963.09
Reserve for Premium on Bond Anticipation Notes	D-27	4,295.96	
Fund Balance	D-2	<u>431.14</u>	<u>431.14</u>
Total Capital Fund		<u>\$ 20,796,178.15</u>	<u>\$ 17,639,777.74</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 22,597,216.52</u>	<u>\$ 19,615,243.91</u>

There were bonds and notes authorized but not issued on December 31, 2017 of \$4,798,335.00. (Exhibit D-29)

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:			
Operating Surplus Anticipated	D-3	\$ 308,999.36	\$ 100,237.00
Water Rents	D-3	2,258,947.37	2,232,350.38
Fire Hydrant Service	D-3	39,321.27	37,438.77
Miscellaneous Revenue	D-3	14,793.80	17,333.19
Lease of Diversion Rights	D-3	246,937.48	239,745.20
Water Tower Rents	D-3	84,738.56	79,598.24
Connection Fees	D-3	14,539.85	1,508,078.80
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-10	<u>17,483.73</u>	<u>28,923.07</u>
Total Revenue		<u>2,985,761.42</u>	<u>4,243,704.65</u>
Expenditures:			
Operating	D-4	2,294,660.00	2,154,565.68
Capital Improvements	D-4	200,000.00	80,000.00
Debt Service	D-4	317,903.05	305,165.49
Deferred Charges	D-4	5,340.18	95,000.00
Statutory Expenditures	D-4	83,760.86	65,487.50
Surplus (General Budget)	D-4	84,097.33	60,000.00
Prior Years' Revenue Refunded	D-5		
		<u>19,910.75</u>	
Total Expenditures		<u>2,985,761.42</u>	<u>2,780,129.42</u>
Excess (Deficit) in Revenue		-	1,463,575.23
Add: Expenditures Included Above Which are by Statute			
Deferred Charges to Budgets of Succeeding Year:			
Overexpenditure of Appropriation			5,340.18
Statutory Excess to Fund Balance		-	1,468,915.41
Fund Balance January 1	D	<u>1,571,159.29</u>	<u>202,480.88</u>
		<u>1,571,159.29</u>	<u>1,671,396.29</u>
Decreased by:			
Utilized as Anticipated Revenue	D-1/D-3	<u>308,999.36</u>	<u>100,237.00</u>
Fund Balance December 31	D	<u>\$ 1,262,159.93</u>	<u>\$ 1,571,159.29</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

Ref.

Balance, December 31, 2016 and 2017	D	\$ <u>431.14</u>
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The accompanying notes are an integral part of this statement.

**TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY**

WATER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Ref.</u>	Anticipated			Excess or (Deficit)
		<u>Budget</u>	<u>Realized</u>		
Operating Surplus Anticipated	D-1	\$ 308,999.36	\$ 308,999.36	\$	-
Water Rents	D-1/D-3	2,232,000.00	2,258,947.37		26,947.37
Fire Hydrant Service	D-1/D-8	37,000.00	39,321.27		2,321.27
Miscellaneous	D-1/D-3/D-5	17,000.00	14,793.80		(2,206.20)
Lease of Diversion Rights	D-1/D-5	239,000.00	246,937.48		7,937.48
Water Tower Rents	D-1/D-5	79,000.00	84,738.56		5,738.56
Connection Fees	D-1/D-5	250,000.00	14,539.85		(235,460.15)
		\$ 3,162,999.36	\$ 2,968,277.69	\$	(194,721.67)

Ref D-4

Analysis of Water Rents Revenue:

Collections	D-7	\$ 2,258,068.74
Water Lien Collections	D-14	<u>878.63</u>
	D-3	\$ 2,258,947.37

Analysis of Miscellaneous Revenue:

Interest Earned on Investments	\$ 1,901.26
Interest Earned on Delinquent Accounts	<u>12,892.54</u>
	\$ 14,793.80

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

**WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS**

For the Year Ended December 31, 2017

	Appropriated		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 378,060.00	\$ 390,560.00	\$ 389,708.07	\$ 851.93	
Other Expenses	1,595,500.00	1,583,000.00	1,454,508.73	128,491.27	
Employee Benefits	319,100.00	319,100.00	315,941.70	3,158.30	
Insurance - Other	2,000.00	2,000.00	2,000.00		
Capital Improvements:					
Capital Improvement Fund	200,000.00	200,000.00	200,000.00		
Debt Service:					
Payment of Bond Principal	160,000.00	160,000.00	160,000.00		
Payment of Note Principal	23,830.00	23,830.00	23,830.00		
Interest on Bonds	58,700.00	58,700.00	58,033.33		\$ 666.67
Interest on Notes	5,000.00	7,893.64	7,225.04		668.60
NJ EITF	71,708.32	68,814.68	68,814.68		
Deferred Charges:					
Overexpenditure	5,340.18	5,340.18	5,340.18		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	51,760.86	51,760.86	51,760.86		
Social Security System (O.A.S.I.)	28,000.00	28,000.00	28,000.00		
Unemployment Compensation Insurance	4,000.00	4,000.00	4,000.00		
Surplus (General Budget)	260,000.00	260,000.00	84,097.33		175,902.67
	\$ 3,162,999.36	\$ 3,162,999.36	\$ 2,853,259.92	\$ 132,501.50	\$ 177,237.94

Analysis of Paid or Charged:

Cash Disbursements	D-5	\$ 2,534,634.26
Deferred Charges	D-9	5,340.18
Reserve for Encumbrances	D-11	237,391.75
Accrued Interest Payable	D-13	<u>75,893.73</u>
	D-4	\$ 2,853,259.92

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

ASSETS	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Operating Fund</u>			
Cash	E-5	\$ 3,785,308.85	\$ 3,624,480.27
Interfund- Sewer Utility Capital Fund	E-24	<u>84,409.40</u>	<u>3,624,480.27</u>
		<u>3,869,718.25</u>	<u>3,624,480.27</u>
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	E-7	264,241.69	292,620.03
Deferred Charges:			
Emergency Authorization	E-4	<u>102,270.00</u>	<u> </u>
Total Operating Fund		<u>\$ 4,236,229.94</u>	<u>\$ 3,917,100.30</u>
<u>Capital Fund</u>			
Cash	E-5	\$ 169,540.40	\$ 704,764.12
Fixed Capital	E-12	23,077,455.27	23,077,455.27
Fixed Capital Authorized and Uncompleted	E-13	11,724,500.00	11,194,500.00
Due from State of New Jersey Environmental Infrastructure Trust	E-14	<u>2,048,471.00</u>	<u> </u>
Total Capital Fund		<u>\$ 37,019,966.67</u>	<u>\$ 34,976,719.39</u>
Total Assets		<u>\$ 41,256,196.61</u>	<u>\$ 38,893,819.69</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
LIABILITIES, RESERVES AND FUND BALANCE			

Operating Fund

Appropriation Reserves	E-4/E-8	\$ 89,106.32	\$ 64,798.96
Accounts Payable	E-8	7,764.00	-
Reserve for Encumbrances	E-9	118,020.61	78,029.66
Customer Overpayments	E-10	23,047.99	21,328.61
Accrued Interest Payable	E-11	68,597.98	76,931.13
Reserve for Hurricane Sandy	E	<u>45,154.00</u>	<u>45,154.00</u>
		<u>351,690.90</u>	<u>286,242.36</u>
Reserve for Receivables and Other Assets	E	264,241.69	292,620.03
Fund Balance	E-1	<u>3,620,297.35</u>	<u>3,338,237.91</u>
 Total Operating Fund		 <u>\$ 4,236,229.94</u>	 <u>\$ 3,917,100.30</u>

Capital Fund

Reserve for Encumbrances	E-15	\$ 4,806,182.82	\$ 495,573.85
General Serial Bonds	E-16	3,035,000.00	3,800,000.00
Bond Anticipation Notes	E-17	1,415,900.00	1,707,000.00
NJEIT Short-Term Loan Payable	E-18	2,048,471.00	
Improvement Authorizations - Funded	E-19		126,183.19
Improvement Authorizations - Unfunded	E-19	2,829,652.86	8,478,969.13
Interfund - Water Utility Capital Fund	E-19	698,833.42	
Capital Improvement Fund	E-20	527,746.00	16,746.00
Reserve for Amortization	E-21	19,661,205.27	18,645,055.27
Deferred Reserve for Amortization	E-22	1,878,850.00	1,684,900.00
Various Reserves	E-23	33,715.90	15,917.87
Interfund - Sewer Utility Operating Fund	E-24	84,409.40	
Fund Balance	E-2		<u>6,374.08</u>
 Total Capital Fund		 <u>\$ 37,019,966.67</u>	 <u>\$ 34,976,719.39</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 41,256,196.61</u>	 <u>\$ 38,893,819.69</u>

There were bonds and notes authorized but not issued on December 31, 2017 of \$6,762,529.00 (Exhibit E-25)

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:			
Operating Surplus Anticipated	E-1/E-3	\$ 41,527.07	\$ 427,196.00
Sewer Rents	E-3	5,578,748.65	5,528,107.82
Connection Fees	E-3	344,352.00	2,596,120.80
Interest	E-3	31,274.83	35,538.24
Sewer Capital Surplus	E-3	6,374.08	
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-8	<u>71,834.30</u>	<u>41,562.62</u>
Total Revenue		<u>6,074,110.93</u>	<u>8,628,525.48</u>
Expenditures:			
Operating	E-4	3,400,111.00	3,565,564.00
Capital Improvements	E-4	600,000.00	600,000.00
Debt Service	E-4	1,146,122.67	1,225,581.36
Statutory Expenditures	E-4	123,290.75	100,363.00
Deferred Charges	E-4	102,270.00	
Surplus (General Budget)	E-4	<u>481,000.00</u>	<u>460,000.00</u>
Total Expenditures		<u>5,852,794.42</u>	<u>5,951,508.36</u>
Excess/(Deficit) in Revenue		221,316.51	2,677,017.12
Adjustments to Income before Surplus:			
Expenditures included above which are by Statute			
Deferred Charges of Budget of Succeeding Year	E-4	<u>102,270.00</u>	<u></u>
Statutory Excess to Surplus		323,586.51	2,677,017.12
Fund Balance January 1	E	<u>3,338,237.91</u>	<u>1,088,416.79</u>
		3,661,824.42	3,765,433.91
Decreased by:			
Utilized as Anticipated Revenue	E-1/E-3	<u>41,527.07</u>	<u>427,196.00</u>
Fund Balance December 31	E	<u>\$ 3,620,297.35</u>	<u>\$ 3,338,237.91</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

Ref.

Balance, December 31, 2016	E	\$ 6,374.08
Decreased by:		
Payment to Sewer Utility Operating Fund as Anticipated Revenue	E-3	<u>6,374.08</u>
Balance, December 31, 2017	E	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY**

SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Ref.</u>	<u>Anticipated</u>		<u>Excess or</u>
		<u>Budget</u>	<u>Realized</u>	<u>(Deficit)</u>
Operating Surplus Anticipated	E-1	\$ 41,527.07	\$ 41,527.07	\$ -
Sewer Rents	E-1/E-7	5,528,000.00	5,578,748.65	50,748.65
Connection Fees	E-1/E-5	154,847.00	344,352.00	189,505.00
Interest	E-1/E-3	35,000.00	31,274.83	(3,725.17)
Sewer Capital Surplus	E-1/E-5	<u>21,964.68</u>	<u>6,374.08</u>	<u>(15,590.60)</u>
		\$ 5,781,338.75	\$ 6,002,276.63	\$ 220,937.88

Ref. E-4

Analysis of Interest:

Interest Earned on Delinquent Account	E-5	\$ 26,992.30
Interest Earned on Investments	E-5	<u>4,282.53</u>
	E-1/E-3	\$ 31,274.83

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
 COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Appropriated</u>		<u>Expended</u>			
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Canceled</u>	
Operating:						
Salaries and Wages	\$ 482,211.00	\$ 479,211.00	\$ 466,877.00	\$ 12,334.00		
Other Expenses	2,414,900.00	2,414,900.00	2,350,312.55	64,587.45		
Employee Benefits	506,000.00	506,000.00	498,009.00	7,991.00		
Capital Improvements:						
Capital Improvement Fund	600,000.00	600,000.00	600,000.00		-	
Debt Service:						
Payment of Bond Principal	660,000.00	675,000.00	675,000.00		-	
Payment of Bond Anticipation Note Principal	356,100.00	356,100.00	356,100.00		-	
Interest on Bonds	140,837.00	114,567.45	83,753.12		-	\$ 30,814.33
Interest on Notes	20,000.00	31,269.55	31,269.55		-	
Deferred Charges and Statutory Expenditures						
Statutory Expenditures:						
Contribution To:						
Public Employees' Retirement System	76,326.07	76,326.07	76,326.07		-	
Social Security System (O.A.S.I.)	34,964.68	37,964.68	33,772.75	4,191.93		
Unemployment Compensation Insurance (NJSA 43-21.3)	3,500.00	3,500.00	3,500.00		-	
Self Insurance	5,500.00	5,500.00	5,500.00		-	
Deferred Charges:						
Emergency Authorization - Beverly Place		102,270.00	102,268.06	1.94		
Surplus (General Budget)	<u>481,000.00</u>	<u>481,000.00</u>	<u>481,000.00</u>		<u>-</u>	
	<u><u>\$ 5,781,338.75</u></u>	<u><u>\$ 5,883,608.75</u></u>	<u><u>\$ 5,763,688.10</u></u>	<u><u>\$ 89,106.32</u></u>	<u><u>\$ 30,814.33</u></u>	
	<u>Ref.</u>	E-3	E-4	E-4	E/E-1	
Emergency Appropriation 40A:4-47	E-1		\$ 102,270.00			
Budget	E-3		<u>5,781,338.75</u>			
	E-4		<u><u>\$ 5,883,608.75</u></u>			
Analysis of Paid or Charged:						
Cash Disbursements	E-5		\$ 5,530,644.82			
Reserve for Encumbrances	E-9		118,020.61			
Accrued Interest Payable	E-11		<u>115,022.67</u>			
	E-1/E-4		<u><u>\$ 5,763,688.10</u></u>			

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SOLID WASTE COLLECTION DISTRICT FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2017</u>		<u>2016</u>	
ASSETS					
Cash	F-4	\$	365,138.10	\$	227,432.19
Deferred Charges:					
Overexpenditure of Appropriation Reserves	F-3			613.54	
Overexpenditure of Appropriations	F		<u>24,665.89</u>		<u>24,665.89</u>
		<u>\$</u>	<u>389,803.99</u>	<u>\$</u>	<u>252,711.62</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Appropriation Reserves	F-3/F-5	\$	93,535.26	\$	47,760.08
Reserve for Encumbrances	F-6		<u>213,206.19</u>		<u>106,358.37</u>
			306,741.45		154,118.45
Fund Balance	F-1		<u>83,062.54</u>		<u>98,593.17</u>
		<u>\$</u>	<u>389,803.99</u>	<u>\$</u>	<u>252,711.62</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SOLID WASTE COLLECTION DISTRICT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:			
Recycling Revenue	F-2	\$ 12,712.41	\$ 17,120.77
Tax Levy	F-2	2,363,131.00	2,316,795.00
Recycling Grant	F-2	39,851.32	
Miscellaneous Revenue Not Anticipated	F-2	181.62	138.10
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	F-5	<u>21,320.14</u>	<u>100,445.25</u>
Total Revenue		<u>2,437,196.49</u>	<u>2,434,499.12</u>
Expenditures:			
Operating		2,213,100.58	1,957,710.89
Deferred Charges		613.54	
Statutory Expenditures		62,978.00	53,750.00
Surplus (General Budget)		<u>126,035.00</u>	<u>350,000.00</u>
Total Expenditures	F-3	<u>2,402,727.12</u>	<u>2,361,460.89</u>
Statutory Excess to Fund Balance		34,469.37	73,038.23
Add: Expenditures Included Above Which are by Statute			
Deferred Charges to Budgets of Succeeding Year:			
Overexpenditure of Appropriations	F-3	<u>24,665.89</u>	
		34,469.37	97,704.12
Fund Balance January 1	F	<u>98,593.17</u>	<u>105,889.05</u>
		133,062.54	203,593.17
Decreased by:			
Surplus - Current Fund Budget	F-4	<u>50,000.00</u>	<u>105,000.00</u>
Fund Balance December 31	F	<u>\$ 83,062.54</u>	<u>\$ 98,593.17</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY**

**SOLID WASTE COLLECTION DISTRICT FUND
STATEMENT OF REVENUES - REGULATORY BASIS**

For the Year Ended December 31, 2017

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SOLID WASTE COLLECTION DISTRICT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2017

	Appropriated		Expended		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$ 379,666.58	\$ 387,666.58	\$ 386,572.56	\$ 1,094.02	
Other Expenses	256,900.00	246,900.00	219,815.63		27,084.37
Contractual Services	676,500.00	676,500.00	676,500.00		
Disposal Fees	676,800.00	676,800.00	618,819.68		57,980.32
Employee Group Health Insurance	225,234.00	225,234.00	219,142.18		6,091.82
Deferred Charges:					
Overexpenditure	613.54	613.54	613.54		
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System	29,478.00	29,478.00	29,478.00		
Social Security System (O.A.S.I.)	27,500.00	29,500.00	28,215.27		1,284.73
Unemployment Compensation Insurance	4,000.00	4,000.00	4,000.00		
Surplus (General Budget)	<u>126,035.00</u>	<u>126,035.00</u>	<u>126,035.00</u>		
	<u><u>\$ 2,402,727.12</u></u>	<u><u>\$ 2,402,727.12</u></u>	<u><u>\$ 2,309,191.86</u></u>	<u><u>\$ 93,535.26</u></u>	

<u>Ref.</u>	F-2	F-1	F-3	F/F-1
Cash Disbursements	F-4		\$ 2,095,372.13	
Deferred Charges - Overexpenditure	F		613.54	
Reserve for Encumbrances	F-6		<u>213,206.19</u>	
	F-3		<u><u>\$ 2,309,191.86</u></u>	

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

PAYROLL FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
ASSETS			
Cash	G	<u>\$ 145,120.23</u>	<u>\$ 51,681.98</u>
LIABILITIES			
Interfund - Trust Other Fund	G-1	\$ 33,368.75	
Payroll Liabilities		\$ 73,064.41	\$ 22,551.57
Miscellaneous		<u>38,687.07</u>	<u>29,130.41</u>
	G	<u>\$ 145,120.23</u>	<u>\$ 51,681.98</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSET ACCOUNT GROUP
COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS
REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
General Fixed Assets:			
Land	H-1	\$ 25,198,005.00	\$ 25,198,005.00
Building	H-1	3,814,892.00	3,814,892.00
Vehicles	H-1	3,324,862.00	3,421,755.00
Equipment	H-1	<u>582,988.71</u>	<u>710,634.00</u>
		<u>\$ 32,920,747.71</u>	<u>\$ 33,145,286.00</u>
 Investments in General Fixed Assets		 <u>\$ 32,920,747.71</u>	 <u>\$ 33,145,286.00</u>

**TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This report includes the financial statements of the Township of Aberdeen (“Township”), within the County of Monmouth, in the State of New Jersey, and reflects the activities of the municipality which is under the control of the Mayor and Township Council. The financial statements of the Board of Education, the Matawan-Aberdeen Public Library, and the two (2) Special Fire Districts are reported separately based on management’s interpretation of Governmental Accounting Standards Board (“GASB”) Standard No. 61.

A. Reporting Entity

In accordance with GASB 61, the Township’s financial statements include those of the Township of Aberdeen and any component units. Component units are legally separate, tax-exempt organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefit to, or impose specific financial burdens on, the primary government. An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

1. The primary government (Township) is legally entitled to or can otherwise access the organization’s resources.
2. The primary government is legally obligated or has otherwise assumed the obligations to finance the deficits of, or provide financial support to, the organization.
3. The primary government is obligated in some manner for the debt of the organization.

Based on the application of the above criteria, this report includes all programs and activities operated by the Township. There were no additional entities required to be included in the reporting entity under these criteria in the current fiscal year. Furthermore, the Township is not included in any other reporting entity on the basis of such criteria.

B. Basis of Presentation and Basis of Accounting

The financial statements are presented on the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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 the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP.

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation and Basis of Accounting (continued)

In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

The accounting principles and practices prescribed for municipalities by the Division differ in certain aspects from GAAP applicable to local governmental units. The more significant differences are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Fund Accounting - A fund is a self-balancing set of accounts. The accounting policies of the Township conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (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 activities through the following separate funds which differ from the fund structure required by accounting principles generally accepted in the United States of America:

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

Trust Fund - records the receipts, custodianship and disbursement of monies in accordance with the purpose for which each reserve was established.

General Capital Fund - records the receipt and disbursement of funds for the acquisition of general infrastructure and other capital facilities, other than those acquired through the Current Fund. General bonds and notes payable are recorded in this fund offset by deferred charges to future taxation.

Water and Sewer Utility Operating and Capital Funds - account for the operation and acquisition of capital facilities of the municipally-owned water and sewer utility.

Solid Waste Collection District Fund - account for the operations and costs of the Township's solid waste operations.

Payroll Fund - receipts and disbursements to account for the payroll and payroll tax liabilities of the Township. Amount are received from the Current, Water Utility, Sewer Utility and Solid Waste Collection District Funds.

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

General Fixed Assets Account Group - utilized to account for land, buildings, machinery, equipment and vehicles that have been acquired by other governmental funds, other than utility funds.

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

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

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

C. Cash, Cash Equivalents and Investments

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

The Township of Aberdeen is required to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-42 requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

**TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Cash, Cash Equivalents and Investments (continued)

Public funds are defined as the funds of any government unit. Public depositories include banks (both state and national banks), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories in the collateral pool, is available to pay the full amount of their deposits to the governmental units. The cash management plan adopted by the Township requires it to deposit funds in public depositories protected from loss under the provisions of the act.

The Township considers highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents.

D. Inventories of Supplies

The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The inventories have offsetting reserve amounts. The Township currently has no inventory.

E. 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. Property taxes are payable quarterly on the first day of February, May, August and November.

F. Grant Revenues and Expenditures

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. GAAP requires such revenues to be recognized in the accounting period when they are earned and the expenditures to be recognized when the liability is incurred.

G. Property Acquired for Taxes

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

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Interfunds

Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Revenue is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

I. 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 sheet. 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. The status of deferred charges at December 31, 2017 is set forth in Note 12.

J. Appropriation Reserves

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

K. Expenditures

Unexpended or uncommitted appropriations at December 31 are reported as expenditures through the establishment of appropriation reserves unless canceled 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.

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. 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.

M. 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 operating funds and the remaining obligations be recorded as a long-term obligation.

N. Reserve for 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 would be reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

O. Capital Leases

Capital Leases are not recorded at the lesser of the fair value of the leased property or the present value of the minimum lease payments. GAAP requires an amount equal to the lesser of the fair value of the leased property or the present value of the minimum lease payments to be recorded in General Fixed Assets Account Group and the long-term obligation be recorded as part of a General Long-Term Debt Account Group.

P. General Fixed Assets

Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed asset reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to June 30, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure")

**TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. General Fixed Assets (continued)

general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the fiscal year, must be included in the Township's basic financial statements.

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

Q. Fixed Assets - Utility

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

R. Comparative Data

Comparative total data for the various funds for the prior year has been presented in the accompanying Balance Sheets and Statements of Operations and Changes in Fund Balance in order to provide an understanding of changes in the Township's financial position. However, Comparative Statements of Revenues and Statements of Expenditures have not been presented since this inclusion would make the statements unduly complex and difficult to read.

S. Impact of Recently Issued Accounting Principles

Recently Issued Accounting Pronouncements

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plan*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

S. Impact of Recently Issued Accounting Principles (continued)

Recently Issued Accounting Pronouncements (continued)

for OPEB Plans. This Statement will be effective for the year ended December 31, 2018. Management has not yet determined the potential impact on the Township's financial statements.

Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This Statement will be effective for the year ended December 31, 2018. Management has not yet determined the potential impact on the Township's financial statements.

NOTE 2 CASH

Deposits

At December 31, 2017, the Township's deposits had a carrying amount of \$18,497,976.76.

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA should not be relied on to protect intermingled trust funds, bail funds, withholdings from an employee's salary or funds that may pass to the municipality upon the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 2 CASH (continued)

Custodial Credit Risk Related to Deposits (continued)

As of December 31, 2017, the Township's bank balances of \$18,888,096.79 were exposed to custodial credit risk as follows:

Insured by FDIC	\$ 1,489,501.86
Insured by GUDPA	15,426,306.67
Uninsured and Uncollateralized	<u>1,972,288.26</u>
	<u><u>\$ 18,888,096.79</u></u>

NOTE 3 PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	2017		2016		2015	
	Fire District #1	Fire District #2	Fire District #1	Fire District #2	Fire District #1	Fire District #2
Tax Rate (Per \$100 Assessed Valuation)	\$ 2.748	\$ 2.777	\$ 2.767	\$ 2.796	\$ 2.743	\$ 2.775
Apportionment of Tax Rate						
Municipality	0.568	0.568	0.570	0.570	0.550	0.550
County	0.275	0.275	0.290	0.290	0.296	0.296
Regional School	1.722	1.722	1.723	1.723	1.714	1.714
Fire District	0.049	0.078	0.050	0.079	0.050	0.082
Garbage	0.134	0.134	0.134	0.134	0.133	0.133

Assessed Valuation

2017	\$2,077,088,200.00
2016	\$2,029,285,839.00
2015	\$2,005,631,600.00

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 3 PROPERTY TAXES (continued)

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2017	\$57,397,739.47	\$56,728,462.89	98.83%
2016	56,139,677.82	55,376,394.93	98.64%
2015	55,072,392.38	54,367,620.30	98.72%

Delinquent Taxes and Tax Title Liens

<u>Year Ended December 31</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2017	\$437,297.43	\$623,265.62	\$1,060,563.05	1.85%
2016	385,467.01	789,277.16	1,174,744.17	2.09%
2015	322,756.08	704,349.24	1,027,105.32	1.86%

The following comparison is made of the number of tax title liens receivable on December 31st of the last three (3) years.

<u>Year</u>	<u>Number of Liens</u>
2017	31
2016	34
2015	22

NOTE 4 PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2017	\$1,399,800.00
2016	1,458,900.00
2015	1,458,900.00

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 5 WATER UTILITY SERVICE CHARGES

The following is a three-year comparison of water utility service charges (rents) for the current and previous two years:

<u>Year</u>	<u>Levy</u>	<u>Prior Year Delinquent</u>	<u>Cash Collections</u>
2017	\$2,234,103.67	\$160,470.80	\$2,258,068.74
2016	2,254,056.85	139,314.07	2,232,350.38
2015	2,266,196.87	124,030.83	2,250,913.63

NOTE 6 SEWER UTILITY SERVICE CHARGES

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

<u>Year</u>	<u>Levy</u>	<u>Prior Year Delinquent</u>	<u>Cash Collections</u>
2017	\$5,550,370.31	\$292,620.03	\$5,578,748.65
2016	5,563,219.97	257,507.88	5,528,107.82
2015	5,570,254.86	246,047.65	5,558,794.63

NOTE 7 COMPARISON OF SOLID WASTE COLLECTION DISTIRCT TAXES

The following is a three-year comparison of solid waste collection district tax levies for the current and previous two years:

<u>Year</u>	<u>Levy</u>
2017	\$2,363,131.00
2016	2,316,795.00
2015	2,271,368.00

NOTE 8 BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2017, the Township of Aberdeen had authorized but not issued bonds and notes as follows:

General Capital Fund: Bonds and Notes	\$5,170,200.00
Water Utility Capital Fund: Bonds and Notes	4,798,335.00
Sewer Utility Capital Fund: Bonds and Notes	6,762,529.00

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 9 LONG-TERM 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 statutory 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 are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The terms 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 such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the 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.

Bonds and Loans Payable

Annual debt service for principal and interest over the next five years and five-year increments thereafter for bonded debt issued and outstanding are as follows:

Year	General Capital Fund Bonds Payable		
	Principal	Interest	Total
2018	\$ 1,280,000.00	\$ 298,875.00	\$ 1,578,875.00
2019	1,260,000.00	273,275.00	1,533,275.00
2020	1,245,000.00	242,175.00	1,487,175.00
2021	1,255,000.00	211,425.00	1,466,425.00
2022	650,000.00	174,425.00	824,425.00
2023-2027	3,230,000.00	646,550.00	3,876,550.00
2028-2031	<u>2,530,000.00</u>	<u>189,300.00</u>	<u>2,719,300.00</u>
Total	<u>\$ 11,450,000.00</u>	<u>\$ 2,036,025.00</u>	<u>\$ 13,486,025.00</u>

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 9 LONG-TERM DEBT (continued)

Bonds and Loans Payable (continued)

Year	Water Utility Capital Fund Bonds Payable		
	Principal	Interest	Total
2018	\$ 160,000.00	\$ 55,500.00	\$ 215,500.00
2019	160,000.00	52,300.00	212,300.00
2020	160,000.00	49,100.00	209,100.00
2021	160,000.00	45,900.00	205,900.00
2022	160,000.00	42,700.00	202,700.00
2023-2027	800,000.00	157,900.00	957,900.00
2028-2031	<u>610,000.00</u>	<u>45,300.00</u>	<u>655,300.00</u>
Total	<u>\$ 2,210,000.00</u>	<u>\$ 448,700.00</u>	<u>\$ 2,658,700.00</u>
Sewer Utility Capital Fund Bonds Payable			
Year	Principal	Interest	Total
2018	\$ 645,000.00	\$ 96,200.00	\$ 741,200.00
2019	625,000.00	83,300.00	708,300.00
2020	605,000.00	64,550.00	669,550.00
2021	585,000.00	46,400.00	631,400.00
2022	<u>575,000.00</u>	<u>23,000.00</u>	<u>598,000.00</u>
Total	<u>\$ 3,035,000.00</u>	<u>\$ 313,450.00</u>	<u>\$ 3,348,450.00</u>
Water Utility Capital Fund Loans Payable			
Year	Principal	Interest	Total
2018	\$ 63,179.32	\$ 10,365.00	\$ 73,544.32
2019	63,179.32	9,615.00	72,794.32
2020	63,179.32	8,865.00	72,044.32
2021	63,179.32	8,115.00	71,294.32
2022	63,179.32	7,365.00	70,544.32
2023-2027	330,896.69	24,825.00	355,721.69
2028-2031	<u>246,181.56</u>	<u>6,370.00</u>	<u>252,551.56</u>
Total	<u>\$ 892,974.85</u>	<u>\$ 75,520.00</u>	<u>\$ 968,494.85</u>

**TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

NOTE 9 LONG-TERM DEBT (continued)

Bonds and Loans Payable (continued)

2006 Series General Improvement Bonds

In August 2006, the Township issued \$9,016,000.00 aggregate principal amount of Series 2006 General Improvement bonds. Interest rates range from 4.00% to 4.15%. The bonds maturing on or after August 1, 2017 are subject to redemption at the option of the Township prior to maturity, in whole on any date or in part on any interest payment date on or after August 1, 2016 at the redemption price of 100% of the principal amount being redeemed, plus accrued interest to the date fixed for redemption. These bonds were refunded in the General Improvement Refunding Bonds, Series 2017 as noted below.

General Improvement Refunding Bonds, Series 2017

In April 2017, the Township issued \$2,985,000.00 aggregate principal amount of General Improvement Refunding Bonds, Series 2017. The bonds were issued for the purpose of (1) refunding on a current basis, \$3,016,000.00 aggregate principal amount of the Township's outstanding Series 2006 General Improvement bonds dated August 1, 2006 and maturing from 2017 to 2021 (the "Refunded Bonds") as noted above, and (2) paying the costs and expense incurred by the Township in connection with the issuance and delivery of the Bonds. Interest rates range from 2.00% to 4.00%.

2012 Series General Improvement Bonds

In October 2012, the Township issued \$11,745,000.00 principal amount of Series 2012 General Improvement Bonds. Interest rates range from 2.00% to 3.00%.

2012 Series Water Utility Bonds

In October 2012, the Township issued \$2,975,000.00 principal amount of Series 2012 Water Utility Bonds. Interest rates range from 2.00% to 3.00%.

2006 Series Sewer Utility Refunding Bonds

In December 2006, the Township issued \$9,905,000.00 aggregate principal amount of Series 2006 Sewer Utility refunding bonds. The bonds were issued for the purpose of (1) refunding, on a current basis, \$9,545,000.00 aggregate principal amount of the Township's outstanding General Obligation Refunding Bonds, Series 1997 dated April 1, 1997 and maturing from 2009 to 2022 (the "Refunded Bonds") and (2) paying the costs and expenses incurred by the Township in connection with the issuance and delivery of the Bonds. These bonds were refunded in the Sewer Utility Refunding Bonds, Series 2017 as noted below. Interest rates range from 3.90% to 5.00%.

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 9 LONG-TERM DEBT (continued)

Bonds and Loans Payable (continued)

Sewer Utility Refunding Bonds, Series 2017

In April 2017, the Township issued \$3,050,000.00 aggregate principal amount of Sewer Utility Refunding Bonds, Series 2017. The bonds were issued for the purpose of (1) refunding, on a current basis, \$3,140,000.00 aggregate principal amount of the Township's outstanding Series 2006 Sewer Utility Refunding Bonds dated December 15, 2006 and maturing from 2018 to 2022 (the "Refunded Bonds") as noted above, and (2) paying the costs and expenses incurred by the Township in connection with the issuance and delivery of the Bonds. Interest rates range from 2.00% to 4.00%.

Water Loans Payable

On May 3, 2012, the Township entered into loan agreements funded by the New Jersey Infrastructure Trust in the amount of \$1,242,527.00 for water system improvements. \$295,000.00 was funded by a trust loan with interest rates ranging from 2.00% to 5.00%. The remaining \$947,527.00 was funded by a fund loan with 0.00% interest. In January, 2014, the fund loan was reduced to \$920,991.00.

Changes in Outstanding Long-Term Debt

Transactions for the year ended December 31, 2017 are summarized as follows:

	Balance Dec. 31, 2016	Additions	Deductions	Balance Dec. 31, 2017
General Capital Fund				
Serial Bonds	\$ 12,776,000.00	\$ 2,985,000.00	\$ 4,311,000.00	\$ 11,450,000.00
	<u>12,776,000.00</u>	<u>2,985,000.00</u>	<u>4,311,000.00</u>	<u>11,450,000.00</u>
Water Utility Capital Fund				
Serial Bonds	2,370,000.00	-	160,000.00	2,210,000.00
Loans Payable	951,154.17	-	58,179.32	892,974.85
	<u>3,321,154.17</u>	<u>-</u>	<u>218,179.32</u>	<u>3,102,974.85</u>
Sewer Utility Capital Fund				
Serial Bonds	3,800,000.00	3,050,000.00	3,815,000.00	3,035,000.00
	<u>3,800,000.00</u>	<u>3,050,000.00</u>	<u>3,815,000.00</u>	<u>3,035,000.00</u>
	<u>\$ 19,897,154.17</u>	<u>\$ 6,035,000.00</u>	<u>\$ 8,344,179.32</u>	<u>\$ 17,587,974.85</u>

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 10 SHORT-TERM DEBT

Bond Anticipation Notes

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuing 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 such notes must be paid no later than the tenth anniversary of the date of the original note.

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

<u>General Capital Fund</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
Environmental Remediation at the Former				
South River Metals Property	03-10-17	03-09-18	\$ 239,960.00	2.50%
Various Public Improvements and				
Acquisitions	03-10-17	03-09-18	976,500.00	2.50%
Various Public Improvements and				
Acquisitions	03-10-17	03-09-18	1,598,800.00	2.50%
Various Public Improvements and Acquisitions	03-10-17	03-09-18	2,197,040.00	2.50%
Supplemental Funding - Reconstruction				
of the Deerfield Lane Pedestrian Bridge	03-10-17	03-09-18	135,742.00	2.50%
Various Public Improvements and Acquisitions	03-10-17	03-09-18	3,164,400.00	2.50%
Various Capital Improvements	03-10-17	03-09-18	<u>5,194,830.00</u>	2.50%
			<u><u>\$ 13,507,272.00</u></u>	

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 10 SHORT-TERM DEBT (continued)

Bond Anticipation Notes (continued)

	Date of <u>Issue</u>	Date of <u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
<u>Water Utility Capital Fund</u>				
Acquisition of New, Additional or Replacement Equipment and Machinery	03-10-17	03-09-18	\$ 13,300.00	2.50%
Acquisition of New, Additional or Replacement Equipment and Machinery and New Information Technology Equipment	03-10-17	03-09-18	78,260.00	2.50%
Acquisition of New, Additional or Replacement Equipment and Machinery Consisting of Water Meters, Hydrants and Values	03-10-17	03-09-18	11,250.00	2.50%
Repair of Jersey Ave Equipment Storage Facility Roof	03-10-17	03-09-18	45,000.00	2.50%
Acquisition of New, Additional or Replacement Equipment and Machinery Consisting of Water Meters, Replacement Batteries for Water Meters, Hydrants and Values	03-10-17	03-09-18	31,500.00	2.50%
Acquisition of Equipment and Machinery	03-10-17	03-09-18	9,000.00	2.50%
Various Water Utility Improvements	03-10-17	03-09-18	<u>153,450.00</u>	2.50%
			<u><u>\$ 341,760.00</u></u>	

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 10 SHORT-TERM DEBT (continued)

Bond Anticipation Notes (continued)

	Date of Issue	Date of Maturity	Amount	Interest Rate
<u>Sewer Utility Capital Fund</u>				
Various Improvements to Sewer System and Acquisition of Equipment and Machinery	03-10-17	03-09-18	\$ 1,064,900.00	2.50%
Replacement of Sanitary Force Main	03-10-17	03-09-18	56,000.00	2.50%
Various Improvements	03-10-17	03-09-18	<u>295,000.00</u>	2.50%
			<u><u>\$ 1,415,900.00</u></u>	

Changes in Bond Anticipation Notes

Transactions for the year ended December 31, 2017 are summarized as follows:

	Balance Dec. 31, 2016	Additions	Deductions	Balance Dec. 31, 2017
General Capital Fund	\$ 8,958,737.00	\$ 5,194,830.00	\$ 646,295.00	\$ 13,507,272.00
Water Utility Capital Fund	212,140.00	153,450.00	23,830.00	341,760.00
Sewer Utility Capital Fund	<u>1,707,000.00</u>	<u>65,000.00</u>	<u>356,100.00</u>	<u>1,415,900.00</u>
	<u><u>\$ 10,877,877.00</u></u>	<u><u>\$ 5,413,280.00</u></u>	<u><u>\$ 1,026,225.00</u></u>	<u><u>\$ 15,264,932.00</u></u>

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 10 SHORT-TERM DEBT (continued)

Short-Term Loan Program

The New Jersey Environmental Infrastructure Program (“NJEIFP”) provides Short-Term Loans for terms up to three full fiscal years to allow for the completion of construction. The Loan acts like a line-of-credit wherein a borrower receives funds for eligible project expenses upon approval of submitted invoices, and as such, only pays interest, if applicable, on funds drawn. Upon completion of construction, short term loans are termed out through a traditional NJEIFP Loan.

Water Utility Capital Fund:

The initial short-term loan closing amount was \$1,305,099.00 dated June 23, 2017 and carries an interest rate of 0.00%. At December 31, 2017 the total allowable costs certified by the NJDEP were \$1,292,177.00. The remaining available balance at December 31, 2017 was \$1,000,485.00.

Sewer Utility Capital Fund:

The initial short-term loan closing amount was \$7,498,712.00 dated June 23, 2017 and carries an interest rate of 0.00%. At December 31, 2017 the total allowable costs certified by the NJDEP were \$7,424,467.00. The remaining available balance at December 31, 2017 was \$5,375,996.00.

Special Emergency Notes (40A:4-55)

The Township issues special emergency notes to fund special emergency appropriations prior to the funds being raised in the budget. The term of the notes cannot exceed one year but the notes may be renewed from time to time, but at least 1/5 of all such notes, and the renewals thereof, shall mature and be paid not later than the last day of the fifth year following the date of the emergency resolution.

On December 31, 2017 and 2016 the Township had \$0.00 outstanding in special emergency notes.

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 11 SUMMARY OF MUNICIPAL DEBT

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

	Year 2017	Year 2016	Year 2015
<u>Issued</u>			
General:			
Bonds and Notes	\$ 24,957,272.00	\$ 21,734,737.00	\$ 20,252,517.00
Water Utility:			
Bonds, Notes and Loans	3,736,426.00	3,533,294.17	3,657,053.49
Sewer Utility:			
Bonds, Notes and Loans	<u>6,499,371.00</u>	<u>5,507,000.00</u>	<u>6,264,800.00</u>
	<u>35,193,069.00</u>	<u>30,775,031.17</u>	<u>30,174,370.49</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	5,170,200.00	5,196,834.39	8,041,405.00
Water Utility:			
Bonds, Notes and Loans	4,798,335.00	3,379,977.00	682,217.00
Sewer Utility:			
Bonds, Notes and Loans	<u>6,762,529.00</u>	<u>8,435,000.00</u>	<u>365,000.00</u>
	<u>16,731,064.00</u>	<u>17,011,811.39</u>	<u>9,088,622.00</u>
Net Bonds, Notes and Loans Issued and Authorized But Not Issued	<u>\$ 51,924,133.00</u>	<u>\$ 47,786,842.56</u>	<u>\$ 39,262,992.49</u>

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 11 SUMMARY OF MUNICIPAL DEBT (continued)

Summary of Statutory Debt Condition – Annual Debt Statement

The summarization 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 1.394%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 35,321,000.00	\$ 35,321,000.00	\$ -
General Debt	30,127,472.00	480,456.98	29,647,015.02
Water Utility Debt	8,534,761.85	8,534,761.85	-
Sewer Utility Debt	<u>13,261,900.00</u>	<u>13,261,900.00</u>	<u>-</u>
	<u><u>\$ 87,245,133.85</u></u>	<u><u>\$ 57,598,118.83</u></u>	<u><u>\$ 29,647,015.02</u></u>

New Jersey statutes limit the debt of a municipality to 3.50% of the average of the last three preceding year's equalized valuations of the taxable real estate and improvements. The Township's statutory net debt at December 31, 2017 was 1.394% as calculated below. The Township's remaining borrowing power is 2.106%.

Net Debt \$29,647,015.02 divided by the Average Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,126,537,599.67 equals 1.394%.

Borrowing Power under N.J.S.A. 40A:2-6 as amended

3-1/2% Equalized Valuation Basis Municipal	\$ 74,428,815.99
Net Debt	<u>29,647,015.02</u>
Remaining Borrowing Power	<u><u>\$ 44,781,800.97</u></u>

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 11 SUMMARY OF MUNICIPAL DEBT (continued)

Calculation of “Self-liquidating purpose” – water utility per N.J.S. 40A:2-45

Cash Receipts From Fees, Rents or Other	
Charges for the Year	\$ 2,968,277.69
Deductions:	
Operating and Maintenance Costs	\$ 2,378,450.86
Debt Service Per Water Account	<u>317,757.06</u>
Total Deductions	<u>2,696,207.92</u>
Excess Revenue	<u><u>\$ 272,069.77</u></u>

Calculation of “Self-liquidating purpose” – sewer utility per N.J.S. 40A:2-45

Cash Receipts From Fees, Rents or Other	
Charges for the Year	\$ 6,002,276.63
Deductions:	
Operating and Maintenance Costs	\$ 3,523,401.75
Debt Service Per Water Account	<u>1,146,122.67</u>
Total Deductions	<u>4,669,524.42</u>
Excess Revenue	<u><u>\$ 1,332,752.21</u></u>

The annual debt statement as filed by the Chief Financial Officer should be amended.

NOTE 12 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. According to the New Jersey Statutes Annotated 40A:2-4, 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.

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 13 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2017, the following deferred charges are shown on the Balance Sheets of the various funds:

	Balance December 31, 2017	2018 Budget Requirement	Balance to Succeeding Budgets
Current Fund:			
Overexpenditure of Appropriations	<u>\$ 16,703.49</u>	<u>\$ 14,022.54</u>	<u>\$ 2,680.95</u>
Sewer Utility Operating Fund:			
Emergency Appropriation	<u>\$ 102,270.00</u>	<u>\$ 102,270.00</u>	<u>\$ -</u>
Federal and State Grant Fund:			
Overexpenditure of Grants Appropriated	<u>\$ 3,732.08</u>	<u>\$ 3,732.08</u>	<u>\$ -</u>
Solid Waste Collection District Fund:			
Overexpenditure of Appropriations	<u>\$ 24,665.89</u>	<u>\$ 24,665.89</u>	<u>\$ -</u>

NOTE 14 TAXES COLLECTED IN ADVANCE

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

	Balance December 31, 2017	2016
Prepaid Taxes	<u>\$ 2,046,402.72</u>	<u>\$ 496,517.84</u>

During 2017, the governor signed executive order No. 237. Due to various changes in the Internal Revenue Code including changes in the allowable deduction for State and local property taxes some tax payers found it advantageous to prepay their 2018 taxes in 2017. Executive order No. 237 assured that all New Jersey taxpayers who wished to prepay their taxes, would be able to do so in their municipality. As a result of the executive order, many municipalities saw sharp increases in their prepaid taxes balance at December 31, 2017, such was the case in the Township.

**TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

NOTE 15 ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the Township Tax Assessor as of October 1st in each year and filed with the County Board of Taxation (“Board”) by January 10th of the following year. Upon the filing of certified adopted budgets by the Township, Regional School District and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 20th, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector (“Collector”) on or before June 3rd.

Tax bills are prepared then mailed by the Collector of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the prior year’s tax. The preliminary payments are due and payable on February 1st and May 1st. The N.J. Statutes allow a grace period of 10 days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are delinquent as of the eleventh day of the eleventh month of the fiscal year, the delinquent amount is subject to “Tax Sale” which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

NOTE 16 REGIONAL SCHOOL DISTRICT TAXES

Under the provisions of statute, where the school tax is raised for a school year the unpaid portion of the tax on December 31 of the year of levy may be deferred to the extent of not more than 50% of the levy, provided that no requisition has been made for such amount or any portion of such amount.

Whereas the Regional School District Taxes are raised on a calendar year basis, the Township of Aberdeen has no deferred school taxes at year end.

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 17 FUND BALANCES APPROPRIATED

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

<u>Current Fund</u>		
<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
2017	\$ 771,910.90	\$ 650,000.00
2016	455,107.44	67,332.39
2015	935,111.56	900,000.00
2014	935,455.21	700,000.00
2013	479,658.96	175,000.00

<u>Water Utility Fund</u>		
<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
2017	\$ 1,262,159.93	\$ 206,500.00
2016	1,571,159.29	308,999.36
2015	202,480.88	100,237.00
2014	461,115.98	258,635.10
2013	37,233.43	-

<u>Sewer Utility Fund</u>		
<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
2017	\$ 3,620,297.35	\$ -
2016	3,338,237.91	41,527.07
2015	1,088,416.79	427,196.00
2014	1,379,534.55	364,000.00
2013	605,348.90	-

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 17 FUND BALANCES APPROPRIATED (continued)

<u>Solid Waste Collection District Fund</u>			
<u>Year</u>	<u>Balance December 31</u>	Utilized In Budget of Succeeding Year	
2017	\$ 83,062.54	\$	-
2016	98,593.17	-	-
2015	105,889.05	-	-
2014	64,628.17	-	-
2013	5,651.98	-	-

NOTE 18 PENSION PLANS

A. Public Employees' Retirement System (PERS)

General Information About the Plan

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

Vesting and Benefit Provisions - The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 18 PENSION PLANS (continued)

A. Public Employees' Retirement System (PERS) (continued)

General information about the Plan (continued)

Plan Description (continued)

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

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of the PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2016, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 18 PENSION PLANS (continued)

A. Public Employees' Retirement System (PERS) (continued)

Contributions (continued)

contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2017, the Township's contributions to the PERS was \$469,006.

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

Net Pension Liability - At December 31, 2017, the Township reported a liability of \$11,335,815 as the Township's proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The Township's proportion measured as of June 30, 2017, was 0.04870% which was a decrease of .00410% from its proportion measured as of June 30, 2016.

Pension Expense - At December 31, 2017, the Township's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2017 measurement date is \$817,632. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1.

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 18 PENSION PLANS (continued)

A. Public Employees' Retirement System (PERS) (continued)

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

Deferred Outflows and Deferred Inflows of Resources, and Pension Expense – At December 31, 2017 the State reported deferred outflows of resources and deferred inflows from resources attributable to the Township from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 266,919	
Changes in Assumptions	2,283,776	\$ 2,275,403
Net Difference between Projected and Actual Earnings on Pension Plan Investments	77,189	
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<hr/> 960,669	<hr/> 984,552
	<hr/> <u>\$ 3,588,553</u>	<hr/> <u>\$ 3,259,955</u>

The Township will amortize the above sources of deferred outflows and inflows related to the PERS over the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan with the exception of net differences between projected and actual earnings on pension plan investments which will be amortized over 5 years. The average of the expected remaining service lives of all employees are 6.44, 5.72, 5.57 and 5.48 for the years 2014, 2015, 2016 and 2017, respectively.

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 18 PENSION PLANS (continued)

A. Public Employees' Retirement System (PERS) (continued)

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

Deferred Outflows and Deferred Inflows of Resources, and Pension Expense (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions that would be recognized in future periods if the Township was on a GAAP basis of accounting, is as follows.

Year Ending	<u>Dec. 31,</u>	<u>PERS</u>
2018	\$ 315,270.00	
2019	453,260.00	
2020	278,459.00	
2021	(380,457.00)	
2022	<u>(337,934.00)</u>	
	<u><u>\$ 328,598.00</u></u>	

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2011 - June 30, 2014

**TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

NOTE 18 PENSION PLANS (continued)

A. Public Employees' Retirement System (PERS) (continued)

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

Actuarial Assumptions (continued)

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

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

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 18 PENSION PLANS (continued)

A. Public Employees' Retirement System (PERS) (continued)

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	<u>8.25%</u>	<u>13.08%</u>
	<u><u>100.00%</u></u>	

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 18 PENSION PLANS (continued)

A. Public Employees' Retirement System (PERS) (continued)

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

Discount Rate - The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 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. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current rate:

	1% Decrease <u>(4.00%)</u>	Current Discount Rate <u>(5.00%)</u>	1% Increase <u>(6.00%)</u>
Township's Proportionate Share of the Net Pension Liability	<u>\$14,062,848</u>	<u>\$11,335,815</u>	<u>\$9,063,858</u>

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 18 PENSION PLANS (continued)

A. Public Employees' Retirement System (PERS) (continued)

Required Supplementary Pension Information – In accordance with GASB 68, the following information is also presented for the PERS Pension Plan. These schedules are presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Township's Proportionate Share of the Net Pension Liability (Last 5 Plan Fiscal Years)

	2014	2015	2016	2017
Township's proportion of the net pension liability	0.0494690848%	0.0466894441%	0.0527930595%	0.4869670890%
Township's proportionate share of the net pension liability	\$ 9,261,966	\$ 10,480,845	\$ 15,635,790	\$ 11,335,815
Township's covered-employee payroll	\$ 3,297,890	\$ 3,507,380	\$ 3,375,921	\$ 3,591,372
Township's proportionate share of the net pension liability as a percentage of its covered-employee payroll	280.85%	298.82%	463.16%	315.64%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%

Schedule of the Township's Contributions (Last 5 Plan Fiscal Years)

	2014	2015	2016	2017
Contractually Required Contribution	\$ 407,816	\$ 401,404	\$ 469,006	\$ 451,123
Contributions in Relation to the contractually Required Contribution	407,816	401,404	469,006	451,123
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Township's covered-employee payroll	\$ 3,297,890	\$ 3,507,380	\$ 3,375,921	\$ 3,591,372
Contribution as a percentage of covered-employee payroll	12.37%	11.44%	13.89%	12.56%

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 18 PENSION PLANS (continued)

B. Police and Firemen's Retirement System (PFRS)

General Information About the Plan

Plan Description – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010.
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011.
3	Members who were eligible to enroll on or after June 28, 2011.

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

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 18 PENSION PLANS (continued)

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

General Information About the Plan (continued)

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2016, the State contributed an amount less than the actuarially determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2017, the Township's contributions to PFRS was \$988,544. The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

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

Net Pension Liability - At December 31, 2017, the Township's proportionate share of the PFRS net pension liability is valued to be \$19,302,065. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, to the measurement date of June 30, 2017. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The Township's proportion measured as of June 30, 2017, was .12503%, which was an increase of .00379% from its proportion measured as of June 30, 2016.

Pension Expense - At December 31, 2017, the Township's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2017 measurement date is \$1,750,563. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1.

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 18 PENSION PLANS (continued)

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

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

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2017, the Township had deferred outflows of resources and deferred inflows of resources related to the PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 125,220	\$ 113,287
Changes in Assumptions	2,380,160	3,161,114
Net Difference between Projected and Actual Earnings on Pension Plan Investments	368,329	
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>1,081,916</u>	<u>3,500</u>
	<u><u>\$ 3,955,625</u></u>	<u><u>\$ 3,277,901</u></u>

The Township will amortize the above sources of deferred outflows and inflows related to PFRS over the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan with the exception of net differences between projected and actual earnings on pension plan investments which will be amortized over 5 years. The average of the expected remaining service lives of all employees are 6.17, 5.53, 5.58 and 5.59 for the years 2014, 2015, 2016 and 2017, respectively.

**TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

NOTE 18 PENSION PLANS (continued)

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

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

Pension Expense and Deferred Outflows/Inflows of Resources

The following is a summary of the pension expense, deferred outflows of resources and deferred inflows of resources related to the PFRS that would be recognized in future periods if the Township was on GAAP basis of accounting:

<u>Year Ending</u>	<u>Dec 31,</u>	<u>Amount</u>
2018		\$509,846
2019		875,053
2020		275,872
2021		(661,446)
2022		(321,601)
		<u>\$677,724</u>

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 18 PENSION PLANS (continued)

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

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

Actuarial Assumptions- The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	2.10% - 8.98% Based on Age
Thereafter	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2010 - June 30, 2013

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females). The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013. 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.

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 18 PENSION PLANS (continued)

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

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

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

<u>Asset Class</u>	<u>Long-Term Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	<u>8.25%</u>	<u>13.08%</u>
	<u>100.00%</u>	

**TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

NOTE 18 PENSION PLANS (continued)

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

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

Discount Rate - The discount rate used to measure the total pension liability was 6.14% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 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. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Special Funding Situation

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

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 18 PENSION PLANS (continued)

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

Special Funding Situation (continued)

The State's proportionate share of the PFRS net pension liability attributable to the Township is \$2,161,994 as of December 31, 2017. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, to the measurement date of June 30, 2017. The State's proportion of the net pension liability associated with the Township 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 members, actuarially determined. The State's proportion measured as of June 30, 2017 was .12503%, which was an increase of .00379% from its proportion measured as of June 30, 2016, which is the same proportion as the Township's. At December 31, 2017, the Township's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 19,302,065
State of New Jersey's Proportionate Share of the Net Pension Liability Attributable to the Township	<u>2,161,994</u>
	<u>\$ 21,464,059</u>

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 18 PENSION PLANS (continued)

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

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.14%) or 1-percentage-point higher (7.14%) than the current rate:

	1% Decrease <u>(5.14%)</u>	Current Discount Rate <u>(6.14%)</u>	1% Increase <u>(7.14%)</u>
Township's Proportionate Share of the Net Pension Liability	\$ 25,432,060	\$ 19,302,065	\$ 14,265,577
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>2,848,605</u>	<u>2,161,994</u>	<u>1,597,865</u>
	<u><u>\$ 28,280,665</u></u>	<u><u>\$21,464,059</u></u>	<u><u>\$15,863,442</u></u>

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Township.

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 18 PENSION PLANS (continued)

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

Required Supplementary Pension Information – In accordance with GASB 68, the following information is also presented for the PFRS Pension Plan. These schedules are presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Township's Proportionate Share of the Net Pension Liability (Last 5 Plan Fiscal Years)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Township's proportion of the net pension liability	0.1138026600%	0.1159303700%	0.1212430700%	0.1250290300%
Township's proportionate share of the net pension liability	\$ 984,213	\$ 1,666,215	\$ 2,478,102	\$ 1,750,563
Township's covered-employee payroll	\$ 3,695,258.00	\$ 3,841,615.00	\$ 4,051,227.00	\$ 4,053,104.10
Township's proportionate share of the net pension liability as a percentage of its covered-employee payroll	26.63%	43.37%	61.17%	43.19%
Plan fiduciary net position as a percentage of the total pension liability	62.41%	56.31%	52.01%	58.60%

Schedule of the Township's Contributions (Last 5 Plan Fiscal Years)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually Required Contribution	\$ 874,083	\$ 942,341	\$ 988,544	\$ 1,106,530
Contributions in Relation to the contractually Required Contribution	<u>874,083</u>	<u>942,341</u>	<u>988,544</u>	<u>1,106,530</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's covered-employee payroll	\$ 3,695,258.00	\$ 3,841,615.00	\$ 4,051,227.00	\$ 4,053,104.10
Contribution as a percentage of covered-employee payroll	23.65%	24.53%	24.40%	27.30%

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 19 POST EMPLOYMENT BENEFITS

Plan Description

In addition to the pension benefits described in NOTE 18, the Township provides postemployment benefits to employees who retire from the Township with twenty-five years of pensionable services and at least fifteen years of service at the Township, and pension disability retirees. These are known as other post-employment benefits (“OPEB”). OPEB include post-employment health care benefits provided, regardless of the type of plan that provides them, and all postemployment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits. Benefits are provided through the Central Jersey Health Insurance Fund, an agent multiple-employer health insurance fund. The Central Jersey Health Insurance Fund issues publicly available financial statements which can be found at CJHIF.com.

Funding Policy

There are no contributions required from eligible retirees.

The Township’s contribution is based on monthly premiums for eligible retirees as calculated by the Central Jersey Health Insurance Fund and is financed on a pay-as-you-go basis.

Approximate contributions to the plan for the last four years and the number of former employees eligible for and participating in the post-employment health care benefits program as of the respective year ended December 31 was as follows:

<u>Year</u>	<u>Contribution</u>	<u>Number of Employees</u>
2017	\$ 1,055,316	45
2016	1,077,612	46
2015	1,008,480	45
2014	859,140	45

Accounting Policy

As described in Note 2, the accounting policies of the Township conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”). New Jersey laws currently do not provide for the accrual of reserves, the establishment of irrevocable trusts, or standards regarding the issuance of debt to fund the OPEB liability. Accordingly, costs are recognized when paid.

Funding Status and Funding Progress

The Township has not had an actuarial valuation of the accrued liability for postemployment benefits as of December 31, 2017.

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 20 DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not ordinarily available to employees until termination, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with the amounts, and all income attributable to these amounts are for the exclusive benefit of the Plan participants and their beneficiaries and the assets cannot be diverted to any other purpose. The Township serves as Trustee under the Plan.

NOTE 21 INTERFUND BALANCES

The composition of interfund balances as of December 31, 2017, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Current Fund	Federal and State Grant Fund	\$ 65,995.17
Current Fund	Trust Other Fund	<u>1,831.65</u>
		<u>67,826.82</u>
Water Utility Operating Fund	Current Fund	175,902.67
Water Utility Operating Fund	Water Utility Capital Fund	<u>950,000.00</u>
		<u>1,125,902.67</u>
Water Utility Capital Fund	Sewer Utility Capital Fund	698,833.42
Water Utility Capital Fund	General Capital Fund	<u>97,500.00</u>
		<u>796,333.42</u>
Sewer Utility Operating Fund	Sewer Utility Capital Fund	<u>84,409.40</u>
Animal Control Trust Fund	Current Fund	<u>4,121.17</u>
Trust Other Fund	Payroll Fund	<u>33,368.75</u>
		<u>\$ 2,111,962.23</u>

All balances resulted from the time lag between the dates that (1) reimbursable expenditures occur, (2) revenues/receipts are collected, and (3) payments between funds are made.

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 22 FIXED ASSETS AND FIXED CAPITAL

Fixed asset and fixed capital activity for the year ended December 31, 2017 was as follows:

Fixed Assets

	Balance Dec. 31, 2016	Additions	Deductions	Balance Dec. 31, 2017
Land	\$ 25,198,005.00	\$ -	\$ -	\$ 25,198,005.00
Building	3,814,892.00	-	-	3,814,892.00
Vehicles	3,421,755.00	71,526.00	168,419.00	3,324,862.00
Equipment	<u>710,634.00</u>	-	<u>127,645.29</u>	<u>582,988.71</u>
	<u><u>\$ 33,145,286.00</u></u>	<u><u>\$ 71,526.00</u></u>	<u><u>\$ 296,064.29</u></u>	<u><u>\$ 32,920,747.71</u></u>

Fixed Capital - Sewer Utility

	Balance Dec. 31, 2016	Additions	Deductions	Balance Dec. 31, 2017
Sewer System	<u>\$ 23,077,455.27</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,077,455.27</u>

Fixed Capital - Water Utility

	Balance Dec. 31, 2016	Additions	Deductions	Balance Dec. 31, 2017
Water System	<u>\$ 13,423,662.32</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,423,662.32</u>

TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 23 RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omission; injuries to employees; and natural disaster. The Township is a member of the Mid Jersey Municipal Joint Insurance Fund (JIF). This public entity risk pool is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The JIF will be self-sustaining through member premiums. The JIF participates in the Municipal Excess Liability Insurance program. There were no settlements in excess of insurance coverage in 2017, 2016, and 2015.

NOTE 24 CONTINGENT LIABILITIES

A. Accrued Sick Pay (Unaudited)

As discussed in Note 2 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused sick pay. The Township permits certain employees within limits to accumulate unused sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The total amount of the liability upon retirement, based upon the above data and limitations, is approximately \$1,130,000 at December 31, 2017. The gross potential accrued liability as of December 31, 2017, for all Township employees without agreement limitations and based on the data on file in the Finance Office is approximately \$1,846,000 at December 31, 2017. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

B. Unemployment Compensation Insurance

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et. seq.). The Township has elected to provide 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 reserve for unemployment compensation insurance at December 31, 2017 is \$8,690.08.

C. Litigation

The Township is involved in legal and administrative proceedings and claims of various types. While any litigation contains an element of uncertainty, Township Officials, based upon the opinion of the Township Counsel, presently believe that the outcome of each such proceeding or claim which is pending or known to be threatened, or all of them combined, will not have a material or 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 payment of its bonds or other obligations.

**TOWNSHIP OF ABERDEEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

NOTE 24 CONTINGENT LIABILITIES (continued)

D. Federal and State Grants

The Township receives financial assistance from the U.S. government and the State of New Jersey in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant 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, cost previously reimbursed could be disallowed and require payments to the grantor agency. As of December 31, 2017, the Township estimates that no material liabilities will result from such audits.

NOTE 25 SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after December 31, 2017 through the date of September 10, 2018 which is the date the financial statements were available to be issued.

SUPPLEMENTARY EXHIBITS

SUPPLEMENTARY EXHIBITS

CURRENT FUND

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF CASH - TREASURER

<u>Ref.</u>	<u>Current Fund</u>	<u>Grant Fund</u>
Balance, December 31, 2016	A \$ 1,914,175.46	\$ 45,782.54
Increased by Receipts:		
Non-Budget Revenues	A-2 \$ 281,572.78	
Taxes Receivable	A-5 56,842,801.82	
Tax Title Lien	A-6 21,765.29	
Revenue Accounts Receivable	A-8 5,828,455.76	
State of New Jersey (Ch. 20, P.L. 1971)	A-9 125,406.16	
Off Duty Police Service Receivable	A-10 367,958.71	
Interfunds - Other Funds	A-12 182,022.37	
Tax Overpayments	A-15 30,955.88	
Prepaid Taxes	A-16 1,999,922.33	
State Library Aid	A-21 7,894.00	
Due to State of New Jersey - Various	A-23 41,914.00	
Various Reserves and Payables	A-24 15,456.24	
Interfund - Federal and State Grant Fund	A-25 31,710.91	
Current Fund Appropriation - Deferred		
Charges	A \$ 5,521.36	
Federal and State Grant Fund Receivable	A-26 _____	\$ 41,776.47
	<u>65,777,836.25</u>	<u>47,297.83</u>
	67,692,011.71	93,080.37
Decreased by Disbursements:		
2017 Budget Appropriations	A-3 \$ 17,405,056.02	
Off Duty Police Services Advanced	A-10 369,454.16	
Interfunds - Other Funds	A-12 10,581.65	
2016 Appropriation Reserves	A-13 296,965.94	
Tax Overpayments	A-15 13,664.94	
Due to Solid Waste Collection District	A-17 2,363,131.00	
Fire District Taxes	A-18 1,209,808.00	
County Taxes Payable	A-19 5,729,139.49	
Regional School District Tax	A-20 35,759,351.04	
State Library Aid	A-21 7,894.00	
Due to State of New Jersey - Various	A-23 64,870.00	
Various Reserves and Payables	A-24 11,925.64	
Interfund - Federal and State Grant Fund	A-25 414,405.28	
Federal and State Grant Fund		
Appropriated Reserves	A-27	76,317.33
Refund of Prior Year Revenue	A-1 500.00	
Reserve for Solar Energy Project	A 719.40	
	<u>63,657,466.56</u>	<u>76,317.33</u>
Balance, December 31, 2017	A \$ 4,034,545.15	\$ 16,763.04

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance		Collections		Transferred to Tax Title Liens	Senior Citizens and <u>Veterans</u>	Tax Overpayments <u>Applied</u>	Canceled, Remitted or Abated	Balance	
	Dec. 31,2016	2017 Levy	2016	2017					Dec. 31,2017	
Prior	\$ 82,120.50			\$ 58,540.62	\$ 14,160.05	\$ (85.62)		\$ 2,500.00	\$ 7,005.45	
2016	<u>707,156.66</u>			<u>710,102.89</u>	<u>1,834.34</u>	<u>(5,423.29)</u>			<u>642.72</u>	
	<u>789,277.16</u>			<u>768,643.51</u>	<u>15,994.39</u>	<u>(5,508.91)</u>			<u>2,500.00</u>	<u>7,648.17</u>
2017	<u>\$ 57,397,739.47</u>	<u>\$ 496,517.84</u>	<u>56,074,158.31</u>	<u>42,639.46</u>	<u>136,664.38</u>	<u>\$ 21,122.36</u>	<u>11,019.67</u>	<u>615,617.45</u>		
	<u>\$ 789,277.16</u>	<u>\$ 57,397,739.47</u>	<u>\$ 496,517.84</u>	<u>\$ 56,842,801.82</u>	<u>\$ 58,633.85</u>	<u>\$ 131,155.47</u>	<u>\$ 21,122.36</u>	<u>\$ 13,519.67</u>	<u>\$ 623,265.62</u>	

Ref. A A-5 A-2/A-16 A-2/A-4 A-6 A-2/A-9 A-2/A-15 A

Analysis of 2017 Property Tax Levy

Ref.

Tax Yield:

General Purpose Tax		\$ 53,277,328.67
Special District Taxes		3,599,925.85
Added and Omitted Tax		511,951.54
6% Penalty		<u>8,533.41</u>
	A-5	<u>\$ 57,397,739.47</u>

Tax Levy:

Regional School Tax	A-20	\$ 35,759,351.00
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County Taxes:

County Tax	A-19	\$ 5,292,879.43
County Health Tax	A-19	106,781.40
County Open Space Tax	A-19	311,067.25
Due County for Added and Omitted Taxes	A-19	<u>55,066.03</u>

Total County Taxes		5,765,794.11
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Fire District No. 1 (Amount Certified)	A-18	649,811.00
Fire District No. 2 (Amount Certified)	A-18	<u>560,000.00</u>

1,209,811.00

2,363,131.00

Solid Waste Collection District	A-17	11,106,687.58
Local Tax for Municipal Purposes	A-2	691,599.78

Minimum Library Tax	A-2	<u>501,365.00</u>
Add: Additional Tax Levied		<u>12,299,652.36</u>

12,299,652.36

\$ 57,397,739.47

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

<u>Ref.</u>			
Balance, December 31, 2016	A	\$	385,467.01
Increased by:			
Transfer from Taxes Receivable	A-5	\$	58,633.85
Interest and Cost of Tax Sale			<u>14,961.86</u>
			<u>73,595.71</u>
			<u>459,062.72</u>
Decreased by:			
Cash Receipts	A-2/A-4		<u>21,765.29</u>
Balance, December 31, 2017	A	\$	<u>437,297.43</u>

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

<u>Ref.</u>			
Balance, December 31, 2016	A	\$	1,458,900.00
Decreased by:			
Adjustment to Assessed Value			<u>59,100.00</u>
Balance, December 31, 2017	A	\$	<u>1,399,800.00</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Ref.</u>	Balance Dec. 31, 2016	Accrued in 2017	<u>Collected</u>	Balance Dec. 31, 2017
Clerk:					
Licenses:					
Alcoholic Beverages	A-2		\$ 22,759.20	\$ 22,759.20	
Fees & Permits:					
Other	A-2		142,917.37	142,917.37	
Municipal Court:					
Fines and Costs	A-2	\$ 22,078.84	248,686.64	253,693.35	\$ 17,072.13
Other Revenue:					
Interest and Costs on Taxes	A-2		235,657.72	235,657.72	
Parking Meters	A-2		104,000.00	104,000.00	
Interest on Investments and Deposits	A-2		10,197.00	10,197.00	
Anticipated Utility Operating Surplus	A-2		481,000.00	481,000.00	
Cable T.V. Franchise Fee	A-2		160,781.00	160,781.00	
Verizon Cable TV	A-2		101,059.48	101,059.48	
Administrative Fee - Police Off Duty	A-2		71,094.56	71,094.56	
Anticipated Sanitation District Operating Surplus	A-2		126,035.00	126,035.00	
Anticipated Water Utility Operating Surplus	A-2		84,097.33	84,097.33	
Electric Inspection Fees	A-2		174,425.00	174,425.00	
Property Maintenance Fees	A-2		215,825.00	215,825.00	
Fees and Donations for Handicapped Persons	A-2		8,667.00	8,667.00	
Consolidated Municipal Property Tax Relief Aid	A-2		135,359.00	135,359.00	
Energy Receipts Tax	A-2		1,305,719.00	1,305,719.00	
Uniform Construction Code Fees	A-2		505,645.20	505,645.20	
Interlocal Services Agreements:					
Handicapped Persons Opportunity Act					
Township of Hazlet	A-2	25,610.00	24,500.00	25,610.00	24,500.00
Borough of Matawan	A-2		24,500.00	24,500.00	
Township of Holmdel	A-2		5,000.00	5,000.00	
School Police Services	A-2		71,000.00	71,000.00	
Mass Transit - Parking Lot Fees - N.J. Transit	A-2		378,016.41	378,016.41	
Utility Operating Surplus of Prior Year	A-2		50,000.00	50,000.00	
Reserve for Open Space	A-2		150,000.00	150,000.00	
General Capital Reserve for Debt	A-2		170,756.36	170,756.36	
Reserve for Infrastructure	A-2		91,744.41	91,744.41	
Reserve for FEMA	A-2		75,751.65	75,751.65	
Payment in Lieu of Taxes	A-2		697,167.09	697,167.09	
Billboard Space Rental	A-2		7,200.00	7,200.00	
Bus Commuter Parking Fee	A-2		<u>18,529.28</u>	<u>18,529.28</u>	
		<u>\$ 47,688.84</u>	<u>\$ 5,898,090.70</u>	<u>\$ 5,904,207.41</u>	<u>\$ 41,572.13</u>
	<u>Ref.</u>	A			A
Reserve for FEMA	A		\$ 75,751.65		
Cash Receipts	A-4			<u>5,828,455.76</u>	
	A-8			<u>\$ 5,904,207.41</u>	

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF DUE TO/(FROM) STATE - P.L. 1971, C. 20

Ref.

Balance, December 31, 2016	A	\$	6,584.93
Increased by:			
Received from State of New Jersey	A-4	\$	125,406.16
Prior Year Deductions Disallowed by Collect	A-1/A-5	<u>5,508.91</u>	
			130,915.07
Decreased by:			\$ 137,500.00
Deductions per Tax Duplicate:			
Senior Citizens		32,000.00	
Veterans		101,250.00	
Deductions Allowed by Collector		<u>4,500.00</u>	
			137,750.00
Less:			
Deductions Disallowed by Collector	A-5	<u>1,085.62</u>	
			136,664.38
Cancelled	A-1	<u>2,250.00</u>	
			138,914.38
Balance, December 31, 2017	A	\$	<u>(1,414.38)</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SCHEDULE OF OFF DUTY POLICE SERVICE RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2016	A	\$ 46,293.89
Increased by:		
Cash Disbursed - Advanced	A-1/A-4	<u>369,454.16</u>
		<u>415,748.05</u>
Decreased by:		
Received as Reimbursement	A-1/A-4	<u>367,958.71</u>
Balance, December 31, 2017	A	<u>\$ 47,789.34</u>

SCHEDULE OF EMPLOYEE PAYROLL ADVANCE

	<u>Ref.</u>	
Balance, December 31, 2016 and 2017	A	<u>\$ 2,098.64</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF INTERFUND - OTHER FUNDS

	<u>Ref.</u>	Total <u>(MEMO ONLY)</u>	Animal Control Fund	Trust Other Fund	Water Utility Operating Fund
Balance, December 31, 2016:					
Interfunds Receivable	A	\$ 36,059.94	\$ 29,940.24	\$ 6,119.70	
Interfunds Payable	A	<u>(8,750.00)</u>			\$ (8,750.00)
Increased by:					
Cash Disbursements	A-4	10,581.65		1,831.65	8,750.00
		<u>37,891.59</u>	<u>29,940.24</u>	<u>7,951.35</u>	<u>-</u>
Decreased by:					
Budget Appropriation	A-3	34,061.41	34,061.41		
Cash Receipts	A-4	182,022.37		6,119.70	175,902.67
		<u>216,083.78</u>	<u>34,061.41</u>	<u>6,119.70</u>	<u>175,902.67</u>
Balance, December 31, 2017:					
Interfunds Receivable	A	\$ 1,831.65		\$ 1,831.65	
Interfunds Payable	A	<u>\$ (180,023.84)</u>	<u>\$ (4,121.17)</u>		<u>\$ (175,902.67)</u>

Analysis of Net Charge/(Credit) to Operations:

Interfunds Accounts Receivable:

Balance, December 31, 2017	Above	\$ 1,831.65
Balance, December 31, 2016	Above	<u>36,059.94</u>

Net Interfunds Advanced		(34,228.29)
Grant Fund Advanced (Returned)	A-25	<u>(4,469.63)</u>

Net Charge/(Credit) to Operations	A-1	\$ <u>(38,697.92)</u>
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TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance Dec. 31, 2016</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>Operations Within CAPS</u>					
General Government:					
Administrative and Executive					
Other Expenses	\$ 833.70	\$ 7,148.21	\$ 7,381.91	\$ 7,283.34	\$ 98.57
Purchasing					
Salaries and Wages	379.83		29.83		29.83
Other Expenses	448.93	1,784.03	2,232.96	1,722.77	510.19
Township Council					
Salaries and Wages	1,824.32		24.32		24.32
Municipal Clerk					
Other Expenses	1,629.70	416.98	1,046.68	179.91	866.77
Financial Administration					
Salaries and Wages	1,572.97		472.97		472.97
Other Expenses	25.59	1,018.00	1,043.59	1,018.00	25.59
Audit Services					
Other Expenses	47,900.00		64,975.00	64,975.00	-
Data Processing Center					
Other Expenses	500.82	90.00	590.82	590.82	-
Elections					
Salaries and Wages	703.02		353.02		353.02
Other Expenses	116.67	3,000.00	3,116.67	2,500.00	616.67
Collection of Taxes					
Salaries and Wages	2.01		2.01		2.01
Other Expenses	58.83	522.40	581.23	522.40	58.83

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Reserve</u> <u>for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Assessment of Taxes					
Salaries and Wages	\$ 250.84		\$ 250.84		\$ 250.84
Other Expenses	163.80	\$ 7,353.56	7,517.36	\$ 4,437.42	3,079.94
Legal Services and Costs					
Other Expenses	26,535.84	50,636.06	77,171.90	28,703.43	48,468.47
Engineering Services and Costs					
Other Expenses	20,854.79	12,755.75	28,610.54	1,380.64	27,229.90
Municipal Court					
Salaries and Wages	474.83		124.83		124.83
Other Expenses	374.11	1,067.90	1,117.01	1,054.30	62.71
Planning Board					
Salaries and Wages	1,732.51		232.51		232.51
Other Expenses	187.80	83.00	270.80	19.50	251.30
Environmental Advisory Board					
Other Expenses	279.00	315.00	594.00	315.00	279.00
Zoning Board of Adjustment					
Salaries and Wages	1,340.37		90.37		90.37
Other Expenses	1,158.36	83.00	241.36	21.00	220.36
Code Enforcement					
Salaries and Wages	5,000.00				-
Other Expenses	225.41		225.41		225.41
Insurance (N.J.S.A. 40A-45.3(00)					
General Liability		587.44	587.44	584.94	2.50
Employee Group Health		950.00	15,950.00	7,943.60	8,006.40
Employee Opt Out	4,310.22		810.22		810.22

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Reserve</u> <u>for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Public Safety:					
Police					
Other Expenses	\$ 9,637.09	\$ 28,532.37	\$ 38,169.46	\$ 33,630.99	\$ 4,538.47
Emergency Management Services					
Salaries and Wages	96.10		96.10		96.10
Other Expenses	127.42	6,534.24	6,661.66	6,534.24	127.42
First Aid Organization Contributions					
Other Expenses	8,750.00		8,750.00		8,750.00
Streets and Roads:					
Road Repairs and Maintenance					
Salaries and Wages	221.69		221.69		221.69
Other Expenses		31,993.55	31,993.55	31,362.34	631.21
Snow Removal					
Other Expenses	20,551.79	21,627.00	42,178.79	11,398.88	30,779.91
Public Buildings and Grounds					
Salaries and Wages	51.48		51.48		51.48
Other Expenses		4,021.98	17,021.98	16,421.39	600.59
Mass Transit Parking Lot					
Salaries and Wages	2,385.33		2,385.33		2,385.33
Other Expenses	12,580.08	4,140.20	16,720.28	1,707.16	15,013.12
Board of Health					
Other Expenses	52.00	912.00	964.00		964.00
Handicapped Recreation Program					
Other Expenses	2,736.02	1,595.20	4,331.22	4,183.22	148.00

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Reserve</u> <u>for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Recreation					
Other Expenses	\$ 62.35	\$ 16,768.07	\$ 16,830.42	\$ 14,625.81	\$ 2,204.61
Parks and Playgrounds:					
Other Expenses	10,088.96	2,474.94	3,063.90	2,595.12	468.78
Utility Expenses and Bulk Purchases:					
Electricity	308.61	364.29	672.90	582.88	90.02
Street Lighting	15,818.68	18,477.46	34,296.14	23,852.34	10,443.80
Telephone	5,874.44	3,367.73	9,242.17	3,155.72	6,086.45
Natural Gas	639.75	4,268.17	4,907.92	4,907.92	-
Gasoline	9,447.66	8,891.00	7,838.66	6,883.71	954.95
Uniform Construction Code - Appropriations					
Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):					
Other Expenses	2,028.87		78.87		78.87
Aid to Organizations					
Bayshore Youth and Family Services	-	3,750.00	3,750.00	3,750.00	-
Senior Citizens Area Transport	812.00		812.00	812.00	-
Deferred Charges and Statutory Expenditures Within CAPS					
Defined Compensation Retirement Program	250.19		250.19		250.19
Total Appropriations (Including Contingent) Within CAPS	<u>221,404.78</u>	<u>245,529.53</u>	<u>466,934.31</u>	<u>289,655.79</u>	<u>177,278.52</u>
Total Appropriations Within CAPS	<u>221,404.78</u>	<u>245,529.53</u>	<u>466,934.31</u>	<u>289,655.79</u>	<u>177,278.52</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Reserve</u> <u>for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<u>Appropriations Excluded from CAPS</u>					
Shared Service Agreements					
Handicapped Person Opportunity Act					
Other Expenses	\$ 2,843.11	\$ 1,130.00	\$ 3,973.11	\$ 3,973.11	\$ -
Mass Transit					
Other Expenses		11,424.55	11,424.55		11,424.55
Public Library	0.40		0.40		0.40
Employee Group Health Insurance	2,518.14		2,518.14		2,518.14
Shared Service Agreements					
School Services Police S&W	43,196.26		43,196.26		43,196.26
County 911 Services					
Other Expenses	809.58		809.58		809.58
D.A.R.E. Program	63.69	3,436.31	3,500.00	3,465.81	34.19
Total Appropriations Excluded from CAPS	<u>49,431.18</u>	<u>15,990.86</u>	<u>65,422.04</u>	<u>7,438.92</u>	<u>57,983.12</u>
	<u><u>\$ 270,835.96</u></u>	<u><u>\$ 261,520.39</u></u>	<u><u>\$ 532,356.35</u></u>	<u><u>\$ 297,094.71</u></u>	<u><u>\$ 235,261.64</u></u>

Ref.

A

A-14

A-1

Cash Disbursements	A-4	\$ 296,965.94
Accounts Payable	A-22	\$ 128.77
		<u><u>\$ 297,094.71</u></u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2016	A	\$ 261,520.39
Increased by:		
Current Appropriations Charged	A-3	<u>318,917.64</u>
		<u>580,438.03</u>
Decreased by:		
Transferred to Appropriation Reserves	A-13	<u>261,520.39</u>
Balance, December 31, 2017	A	<u><u>\$ 318,917.64</u></u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>		
Balance, December 31, 2016	A	\$	-
Increased by:			
Receipts	A-4	\$	30,955.88
Refund Prior Year Tax Revenue	A-1	<u>70,046.05</u>	<u>101,001.93</u>
Decreased by:			
Refunds	A-4	\$	13,664.94
Applied to Taxes Receivable	A-5	21,122.36	
Applied to Prepaid Taxes	A-16	<u>46,480.39</u>	<u>81,267.69</u>
Balance, December 31, 2017		<u>\$</u>	<u>19,734.24</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>	
Balance, December 31, 2016	A	\$ 496,517.84
Increased by:		
Collections, 2018 Taxes	A-4	\$ 1,999,922.33
Transfer from Tax Overpayments	A-15	46,480.39
		2,046,402.72
		2,542,920.56
Decreased by:		
Applied to Taxes Receivable	A-5	496,517.84
Balance, December 31, 2017	A	\$ 2,046,402.72

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF DUE TO SOLID WASTE COLLECTION DISTRICT

	<u>Ref.</u>		
Balance, December 31, 2016	A	\$	-
Increased by:			
Tax Levy	A-1/A-5	<u>2,363,131.00</u>	
		<u>2,363,131.00</u>	
Decreased by:			
Cash Disbursed	A-4	<u>2,363,131.00</u>	
Balance, December 31, 2017	A	<u>\$</u>	<u>-</u>

SCHEDULE OF FIRE DISTRICTS' TAXES PAYABLE

	<u>Ref.</u>		
Balance, December 31, 2016	A	\$	0.75
Increased by:			
Fire District #1 Levy	A-5	\$ 649,811.00	
Fire District #2 Levy	A-5	<u>560,000.00</u>	
	A-1	<u>1,209,811.00</u>	
		<u>1,209,811.75</u>	
Decreased by:			
Cash Disbursed	A-4	<u>1,209,808.00</u>	
Balance, December 31, 2017	A	<u>\$</u>	<u>3.75</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2016	A	\$ 18,170.70
Increased by:		
County Tax	A-5	\$ 5,292,879.43
County Health Tax	A-5	106,781.40
County Open Space Tax	A-5	311,067.25
Due County for Added and Omitted Taxes	A-5	55,066.03
Miscellaneous Adjustment	A-1	240.71
	A-1	5,766,034.82
		5,784,205.52
Decreased by:		
Payments	A-4	5,729,139.49
Balance, December 31, 2017	A	\$ 55,066.03

SCHEDULE OF REGIONAL SCHOOL DISTRICT TAXES (PAYABLE)/RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2016	A	\$ 628,167.61
Increased by:		
Payments	A-4	35,759,351.04
		36,387,518.65
Decreased by:		
Levy - Calendar Year 2017	A-1/A-5	35,759,351.00
Balance, December 31, 2017	A/A-1	\$ 628,167.65

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF RESERVE FOR STATE LIBRARY AID

	<u>Ref.</u>		
Balance, December 31, 2016	A	\$	-
Increased by:			
Cash Receipts	A-4	<u>7,894.00</u>	
		<u>7,894.00</u>	
Decreased by:			
Cash Disbursements	A-4	<u>7,894.00</u>	
Balance, December 31, 2017	A	<u>\$</u>	<u>-</u>

SCHEDULE OF ACCOUNTS PAYABLE

	<u>Ref.</u>		
Balance, December 31, 2016	A	\$	-
Increased by:			
Transfer from Appropriation Reserves	A-13	<u>128.77</u>	
Balance, December 31, 2017	A	<u>\$</u>	<u>128.77</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY - VARIOUS

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Division of Youth and Family Services -				
Marriage Licenses	\$ 462.00	\$ 3,500.00	\$ 3,300.00	\$ 662.00
Department of Transportation -				
Mass Transit Capital Reserve	265,568.74			265,568.74
Department of Community Affairs -				
Training Fees	<u>28,009.00</u>	<u>38,414.00</u>	<u>61,570.00</u>	<u>4,853.00</u>
	<u><u>\$ 294,039.74</u></u>	<u><u>\$ 41,914.00</u></u>	<u><u>\$ 64,870.00</u></u>	<u><u>\$ 271,083.74</u></u>
<u>Ref.</u>	A	A-4	A-4	A

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF VARIOUS RESERVES AND PAYABLES

	<u>Balance</u>			<u>Balance</u>
	<u>Dec. 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2017</u>
Reserve for Bid Deposits	\$ 24,816.91	\$ 8,463.65	\$ 11,925.64	\$ 21,354.92
Accounts Payable - Commuter Bus Parking	<u>6,305.47</u>	<u>6,992.59</u>	<u> </u>	<u>13,298.06</u>
	<u><u>\$ 31,122.38</u></u>	<u><u>\$ 15,456.24</u></u>	<u><u>\$ 11,925.64</u></u>	<u><u>\$ 34,652.98</u></u>
Ref.	A	A-4	A-4	A

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF INTERFUND - FEDERAL AND STATE GRANT FUND

	<u>Ref.</u>		
Balance, December 31, 2016	A	\$	70,464.80
Increased by:			
Disbursed by Current Fund:			
Appropriated Reserves	A-4/A-27	\$	414,405.28
2017 Anticipated Revenue	A-2/A-26	<u>111,177.47</u>	<u>525,582.75</u>
		<u>525,582.75</u>	<u>596,047.55</u>
Decreased by:			
Deposited in Current Fund:			
Grants Receivable	A-4/A-26	\$	28,164.87
Grants Unappropriated	A-4/A-28	3,546.04	
2017 Budget Appropriations	A-3/A-27	<u>498,341.47</u>	<u>530,052.38</u>
Balance, December 31, 2017	A	<u>\$</u>	<u>65,995.17</u>

TOWNSHIP OF ABERDEEN
 COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>2017</u>	<u>Cash</u> <u>Received</u>	<u>Transfer</u> <u>from</u> <u>Unappropriated</u> <u>Reserves</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Clean Communities Program		\$ 35,496.07	\$ 35,496.07		
Safe and Secure Communities Program	\$ 20,000.00	60,000.00	20,000.00		\$ 60,000.00
Alcohol Education and Rehabilitation		1,208.63		\$ 1,208.63	
NJ D.O.T. Municipal Aid Program	49,569.00				49,569.00
DWI Enforcement Grant		11,000.00	10,972.50		27.50
Body Armor Replacement Grant		3,472.77	3,472.77		
	<u>\$ 69,569.00</u>	<u>\$ 111,177.47</u>	<u>\$ 69,941.34</u>	<u>\$ 1,208.63</u>	<u>\$ 109,596.50</u>
	<u>Ref.</u>	A	A-2/A-25		A-28
Received by Current Fund	A-25		\$ 28,164.87		
Received by Grant Fund	A-4		41,776.47		
			<u>\$ 69,941.34</u>		

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

<u>Grant</u>	Balance <u>Dec. 31, 2016</u>	Transfer from 2017 Budget <u>Appropriation</u>	Transfer from Reserve for <u>Encumbrances</u>	Add Back Over- <u>Expenditure</u>	Transfer to Reserve for <u>Encumbrances</u>	Balance <u>Dec. 31, 2017</u>
<u>N.J. Department of Law and Public Safety:</u>						
Drunk Driving Enforcement Fund				\$ 1,062.08	\$ 783.58	\$ 278.50
<u>N.J. Department of Law and Public Safety:</u>						
Safe and Secure Communities Program						
Grant Portion		\$ 60,000.00			60,000.00	
Matching Portion		387,164.00			387,164.00	
Body Armor Replacement Grant	\$ 5,026.25	3,472.77			2,398.95	\$ 6,100.07
<u>N.J. Department of Health and Senior Services:</u>						
Alcohol Education/Rehabilitation Program	2,430.94	1,208.63			1,208.63	2,430.94
<u>N.J. Department of Environmental Protection:</u>						
Clean Communities Program	10,897.40	35,496.07	\$ 17,368.67		25,497.45	38,264.69
NJ Forest Service Community Forestry Program	3,000.00					3,000.00
Recycling Tonnage Grant	4,034.71					4,034.71
South River Metals HDSRF	6,441.50					6,441.50
Total State Assistance	<u>31,830.80</u>	<u>487,341.47</u>	<u>17,368.67</u>	<u>1,062.08</u>	<u>477,052.61</u>	<u>278.50</u>
						60,271.91
<u>U.S. Department of Transportation, NHTSA</u>						
<u>N.J. Department of Law and Public Safety:</u>						
DWI Enforcement Grant		11,000.00			11,000.00	
Division of Highway Traffic Safety Bayshore Saturation Patrol				2,670.00	2,670.00	
Total Federal Assistance		<u>11,000.00</u>		<u>2,670.00</u>	<u>13,670.00</u>	
Total State and Federal Assistance	<u>\$ 31,830.80</u>	<u>\$ 498,341.47</u>	<u>\$ 17,368.67</u>	<u>\$ 3,732.08</u>	<u>\$ 490,722.61</u>	<u>\$ 278.50</u>
						\$ 60,271.91
	<u>Ref.</u>	A	A-3/A-25	A	A	A
Disbursed by Current Fund		A-25			\$ 414,405.28	
Disbursed by Grant Fund		A-4			<u>76,317.33</u>	
					<u>\$ 490,722.61</u>	

TOWNSHIP OF ABERDEEN
 COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Increases</u>	<u>Transferred</u> <u>to Grants</u> <u>Receivable</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Alcohol Education and Rehabilitation		\$ 128.68		\$ 128.68
Drunk Driving Enforcement Fund		3,417.36		3,417.36
Alcohol Education and Rehabilitation	<u>\$ 1,208.63</u>	<u>_____</u>	<u>\$ 1,208.63</u>	<u>_____</u>
	<u>\$ 1,208.63</u>	<u>\$ 3,546.04</u>	<u>\$ 1,208.63</u>	<u>\$ 3,546.04</u>

Ref.

A

A-25

A-26

A

SUPPLEMENTARY EXHIBITS

TRUST FUND

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND
SCHEDULE OF CASH

<u>Ref.</u>	<u>Animal Control Trust Fund</u>		<u>Trust Other Fund</u>
Balance, December 31, 2016	B	\$ (4,140.57)	\$ 4,514,065.32
Increased by Receipts:			
Reserve for Animal Control			
Trust Fund Expenditures	B-2	\$ 46,178.60	
Due to State of New Jersey	B-3	1,051.80	
Various Reserves	B-6		\$ 2,370,865.68
Interfund - Current Fund	B-7		1,831.65
		47,230.40	2,372,697.33
		43,089.83	6,886,762.65
Decreased by Disbursements:			
Due to State of New Jersey	B-3	\$ 1,036.80	
Animal Control Trust Fund			
Expenditures (R.S. 4:19-15.11)	B-2	41,238.24	
Various Reserves	B-6		\$ 2,178,395.95
Interfund - Current Fund	B-7		6,119.70
		42,275.04	2,184,515.65
Balance, December 31, 2017	B	<u>\$ 814.79</u>	<u>\$ 4,702,247.00</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR/(DEFICIT IN RESERVE FOR)
ANIMAL CONTROL FUND EXPENDITURES

Ref.

Balance, December 31, 2016	B	\$ (34,061.41)
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Increased by:

Dog License Fees Collected	\$ 7,182.00
Cat License Fees Collected	612.00
Miscellaneous Fees Collected	2,384.60
Current Fund Appropriation	<u>36,000.00</u>
B-1	<u>\$ 46,178.60</u>
Interfund - Current Fund	<u>B-4</u>
	<u>34,061.41</u>
	<u>80,240.01</u>
	<u>46,178.60</u>

Decreased by:

Expenditures Under R.S. 4:19-15.11	B-1	\$ 41,238.24
Reserve for Encumbrances	B	<u>3,583.00</u>
		<u>44,821.24</u>
Balance, December 31, 2017	B	<u>\$ 1,357.36</u>

License and Penalty Fees Collected:

<u>Year</u>	<u>Amount</u>
2015	\$ 11,030.80
2016	<u>8,922.60</u>
	<u>\$ 19,953.40</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE FROM/(TO) STATE OF NEW JERSEY

	<u>Ref.</u>	
Balance, December 31, 2016	B	\$ 19.40
Increased by:		
Disbursements	B-1	<u>1,036.80</u>
		<u>1,056.20</u>
Decreased by:		
Cash Receipts	B-1	<u>1,051.80</u>
Balance, December 31, 2017	B	<u><u>\$ 4.40</u></u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO/(FROM) CURRENT FUND

	<u>Ref.</u>	
Balance, December 31, 2016	B	\$ 29,940.24
Decreased by:		
Cash Disbursements	B-2	<u>34,061.41</u>
Balance, December 31, 2017	B	<u><u>\$ (4,121.17)</u></u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2016	B	\$ 759,028.78
Increased by:		
Transferred from Various Reserves	B-6	<u>209,821.69</u>
		<u>968,850.47</u>
Decreased by:		
Trtansferred to Various Reserves	B-6	<u>759,028.78</u>
Balance, December 31, 2017	B	<u>\$ 209,821.69</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND
SCHEDULE OF VARIOUS RESERVES

	Balance <u>Dec. 31, 2016</u>	Increased by			Decreased by		Balance <u>Dec. 31, 2017</u>
		Cash <u>Receipts</u>	Due from <u>Payroll Trust</u>	Reserve for <u>Encumbrances</u>	Cash <u>Disbursed</u>	Reserve for <u>Encumbrances</u>	
Engineering Inspection Fees	\$ 1,416,670.11	\$ 283,002.05		\$ 42,740.71	\$ 822,123.35	\$ 7,811.68	\$ 912,477.84
Unemployment Compensation Insurance	25,784.53	13,500.00	\$ 33,368.75		30,594.45		42,058.83
Developer's Escrow	974,275.67	154,268.04		1,000.01	107,984.31	3,303.38	1,018,256.03
Parking Offenses Adjudication Act	2,311.34	286.00					2,597.34
Law Enforcement Trust	39,701.70	2,482.80		1,785.00	5,906.02	3,850.00	34,213.48
Tax Title Lien Premiums	441,100.00	1,218,900.00		281,400.00	479,900.00	112,400.00	1,349,100.00
Tax Title Lien Redemptions Payable	5,107.33	357,194.87		397,170.06	683,549.52	73,770.43	2,152.31
D.A.R.E.	500.00						500.00
Affordable Housing	767,664.48	293,582.14		32,488.00	15,746.06		1,077,988.56
Celebration Fund	27,042.39	27,621.48		2,445.00	21,003.31	894.00	35,211.56
Self Insurance	43,485.79	11,500.00			8,903.77		46,082.02
Public Defender	1,352.06	3,030.00			1,200.00		3,182.06
Snow Reserve	3,921.44	5,498.30			1,485.16	7,792.20	142.38
	<u>\$ 3,748,916.84</u>	<u>\$ 2,370,865.68</u>	<u>\$ 33,368.75</u>	<u>\$ 759,028.78</u>	<u>\$ 2,178,395.95</u>	<u>\$ 209,821.69</u>	<u>\$ 4,523,962.41</u>

B

B-1

B-8

B-5

B-1

B-5

B

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND
SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Ref.</u>	
Balance, December 31, 2016	B	\$ 6,119.70
Increased by:		
Cash Receipts	B-1	<u>1,831.65</u>
		<u>7,951.35</u>
Decreased by:		
Cash Disbursements	B-1	<u>6,119.70</u>
Balance, December 31, 2017	B	<u><u>\$ 1,831.65</u></u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND
SCHEDULE OF INTERFUND - PAYROLL FUND

Ref.

Balance, December 31, 2016	B	\$	-
Increased by:			
Unemployment Withholdings	B-6		<u>33,368.75</u>
Balance, December 31, 2017	B	\$	<u><u>33,368.75</u></u>

SUPPLEMENTARY EXHIBITS

GENERAL CAPITAL FUND

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance, December 31, 2016	C	\$ 3,992,791.85
Increased by Receipts:		
Deferred Charges to Future Taxation-Unfunded	C-4	\$ 2,004.39
Grants Receivable	C-5	1,996,204.36
Bond Anticipation Notes	C-7	5,194,830.00
Capital Improvement Fund	C-10	450,000.00
Miscellaneous Reserves	C-11	<u>187,042.64</u>
		<u>7,830,081.39</u>
		<u>11,822,873.24</u>
Decreased by Disbursements:		
Improvement Authorizations	C-9	7,050,092.27
Miscellaneous Reserves	C-11	412,500.77
Miscellaneous Reserves	C-11	<u>2,500.00</u>
		<u>7,465,093.04</u>
Balance, December 31, 2017	C	<u>\$ 4,357,780.20</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH

	<u>Balance</u>
	<u>Dec. 31, 2017</u>
Capital Improvement Fund	\$ 16,660.32
Grants Receivable Net of Reserve for Grants Receivable	(148,581.63)
Reserve for Encumbrances	6,996,936.55
Miscellaneous Reserves	537,482.98
Excess Bond Anticipated Notes	303,014.34
Interfund - Water Utility Capital Fund	97,500.00

Improvement Authorizations:

Ordinance Number	<u>Improvement Description</u>	
09-12	Various Public Improvements and Acquisition of Various Equipment, Machinery and Vehicles	1.00
04-13	Various Public Improvements and the Acquistion of New Additional or Replacement Equipment and Machinery, New Communication and Signal Systems Equipment, New Information Technology Equipment and New New Additional Furnishing and New Automotive Vehicles, Vehicles, Including Original Apparatus and Equipment	15,908.63
05-14	Various Public Improvements and the Acquistion of New Additional or Replacement Equipment and Machinery, New Communication and Signal Systems Equipment, New Information Technology Equipment and New Additional Furnishings (B) Improvements to Public Property (C) Acquisition of New Information Technology (D) Acquisition of New Communication and Signal Systems Equipment or Replacement Equipment and Machinery for the Police Department (E) Acquisition of New Communication and Signal Systems Equipment - Emergency Radio Upgrade Equipment for the Office of Emergency Management	14,017.70 4,000.00 21.78 3,130.68
	05-14 Section 20 Costs	2,500.00

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH

		<u>Balance</u>
		<u>Dec. 31, 2017</u>
06-15	Various Public Improvements and Acquisitions:	
	(A) Road Improvements	\$ 547,230.39
	(F) Acquisition of New Communication and Signal Systems Equipment for the Police Department	88,462.30
15-16/6-17/	Various Capital Improvements	
11/17	(B) Department of Public Works	
	(1) Improvements to Cliffwood Waterfront Park	250,000.00
	(2) Acquisition of Salt Spreaders and Truck Lifts	23,931.00
	(3) Acquisition of Trucks	0.91
	(C) Police	
	(1) Acquisition of Four Wheel Drive Utility Vehicles	1,557.16
	(2) Upgrades to Mobile Video Records	3,694.50
	Installation of Prefabricated Salt Shed	10,678.00
3-17	Various Capital Improvements	
	(A) (1) Contract Administration and Construction of West Concourse, Deerfield Lane and Deborah Lane	(2,782,552.20)
	(2) Milling and Paving on Various Streets	(701,600.00)
	(3) Improvements to Deerfield Park and Playground and Midland Park and Playground	(258,931.88)
	(B) Equipment/Department of Public Works/Buildings and Grounds:	
	(1) Acquisition of a Dump Truck, Mason Truck and Bodies	(33,589.11)
	(2) Acquisition and Installation of a Camera System for the Yard	(5,755.00)
	(3) Acquisition of Equipment and Improvements to Public Property	(164,948.73)
	(C) Planning and Zoning/Building: The Acquisition of Data and Document Management	1,000.00
	(D) Police:	
	(1) Acquisition of Sport Utility Vehicles and Mobile Data Terminals	(125,213.78)
	(2) Acquisition and Installation of Security Doors at the Municipal Building and Cell Doors	(12,997.50)

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH

		<u>Balance</u>
		<u>Dec. 31, 2017</u>
	(E) Administration: Acquisition of Furniture, File Cabinets, Chairs, Desks and Computer Equipment	\$ (96,730.09)
16-15/07/17	Environmental Remediation at the Former South River Metals Products Site	<u>(229,048.12)</u>
		<u><u>\$ 4,357,780.20</u></u>

Ref. C

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>Ref.</u>	
Balance, December 31, 2016	C	\$ 12,776,000.00
Increased by:		
Refunding Bonds Issued	C-6	<u>2,985,000.00</u>
		<u>15,761,000.00</u>
Decreased by:		
Budget Appropriation to Pay Bonds	C-6	\$ 1,295,000.00
Refunded Serial Bonds	C-6	<u>3,016,000.00</u>
		<u>4,311,000.00</u>
Balance, December 31, 2017	C	<u>\$ 11,450,000.00</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	2017 Authorizations	Reappropriated	Grant Proceeds	Funded By Budget Appropriation	Notes Paid By Budget Appropriation	Balance Dec. 31, 2017	Analysis of Balance, Dec. 31, 2017		
									Expenditures	Bond Anticipation Notes	Unexpended Improvement Authorizations
09-05	Various Capital Improvements	\$ 954.00				\$ 954.00					
02-11	Various Road Improvements and Acquisition of Information Technology Equipment	1,050.39				1,050.39					
08-12	Environmental Remediation at the Former South River Metals Property	274,240.00					\$ 34,280.00	\$ 239,960.00			\$ 239,960.00
09-12	Various Public Improvements and Acquisition of Various Equipment, Machinery and Vehicles	1,116,000.00					139,500.00	976,500.00			976,500.00
04-13	Various Public Improvements and the Acquisition of New, Additional or Replacement Equipment and Machinery, New Communication and Signal Systems Equipment, New Information Technology Equipment, New Additional Furnishing and New Automotive Vehicles, Including Original Apparatus and Equipment	1,816,083.60					228,400.00	1,587,683.60			1,598,800.00
05-14/	Various Public Improvements and Acquisitions										\$ (11,116.40)
6-2017/	(A) Road Improvements	1,482,850.00			\$ (22,809.00)		148,285.00	1,311,756.00			1,311,756.00
11-2017	(B) Improvements to Public Property	958,305.00			(235,000.00)		95,830.00	627,475.00			627,475.00
	Improvements to Parks & Playgrounds				235,000.00			235,000.00			235,000.00
	Installation of Prefabricated Salt Shed				22,809.00			22,809.00			22,809.00
13-14	Various Public Improvements										
	(B) Supplemental Funding - Reconstruction of the Deerfield Lane Pedestrian Bridge	135,742.00						135,742.00			135,742.00
06-15	Various Public Improvements and Acquisitions										
	(A) Road Improvements	2,363,400.00						2,363,400.00			2,363,400.00
	(B) Acquisition of New or Replacement Equipment and Machinery	45,000.00						45,000.00			45,000.00
	(C) Resurfacing of Basketball Courts and Improvements to Playgrounds and Acquisition of New or Replacement Machinery for the Department of Public Works	342,000.00						342,000.00			342,000.00
	(F) Acquisition of New Communication and Signal Systems Equipment for the Police Department	270,000.00						270,000.00			270,000.00
	(G) New Information Technology Equipment and New Additional Furnishings for Administration	144,000.00						144,000.00			144,000.00
15-2016/	Various Capital Improvements										
6-2017/	(A) Department of Public Works - Roads										
11-2017	(1) Preliminary Planning and Design - West Concourse	225,000.00						225,000.00			225,000.00
	(2) Preliminary Planning and Design - Deerfield Lane	243,000.00						243,000.00			243,000.00

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	2017 Authorizations	Reappropriated	Grant Proceeds	Funded By Budget	Notes Paid By Budget	Balance Dec. 31, 2017	Analysis of Balance, Dec. 31, 2017		
									Expenditures	Bond Anticipation Notes	Unexpended Improvement Authorizations
	(3) Preliminary Planning and Design - Deborah Lane	\$ 36,000.00						\$ 36,000.00		\$ 36,000.00	
	(4) Milling and Paving of County Road	490,000.00			\$ 291,897.94			198,102.06		490,000.00	\$ (291,897.94)
(B) Department of Public Works											
	(1) Improvements to Cliffwood Waterfront Park	2,597,750.00						2,597,750.00		2,597,750.00	
	(2) Acquisition of Salt Spreaders and Truck Lifts	85,500.00						85,500.00		85,500.00	
	(3) Acquisition of Trucks	81,000.00		\$ (10,678.00)				70,322.00		70,322.00	
(C) Police											
	(1) Acquisition of Four Wheel Drive Utility Vehicles	133,200.00						133,200.00		133,200.00	
	(2) Upgrades to Mobile Video Records	67,500.00						67,500.00		67,500.00	
(D) Recreation - Acquisition and Installation of Fences, Playground Structures and a Rubber Surface		112,500.00		(112,500.00)							
(E) Administration - Acquisition of Furniture, File Cabinets, Chairs, Desks and Computer Equipment		171,000.00						171,000.00		171,000.00	
(F) Beach - Seawall Restoration from Beach Drive to Lakeshore		952,380.00						952,380.00		952,380.00	
Improvements to Parks & Playgrounds					112,500.00			112,500.00		112,500.00	
Installation of Prefabricated Salt Shed					10,678.00			10,678.00		10,678.00	
3-2017 Various Capital Improvements											
	(A) (1) Contract Administration and Construction of West Concourse, Deerfield Lane and Deborah Lane	\$ 2,815,000.00						2,815,000.00	\$ 2,782,552.20		\$ 32,447.80
	(2) Milling and Paving on Lake Boulevard, 1st Street, 2nd Street, 6th Street, Cashel Drive, Claire Court and Wood Brook Drive, Design for Roads on Indigo Lane, Carol Lane, Crystal Street and Wayside Drive and Lights for Seawall Walkway in Cliffwood Beach	1,020,000.00						1,020,000.00	701,600.00		318,400.00
	(3) Improvements to Deerfield Park and Playground	270,000.00						270,000.00	258,931.88		11,068.12
(B) Equipment/Department of Public Works/Buildings and Grounds:											
	(1) Acquisition of a Dump Truck, Mason Truck and Bodies	176,142.00						176,142.00	33,589.11		142,552.89
	(2) Acquisition and Installation of a Camera System for the Yard	5,755.00						5,755.00	5,755.00		
	(3) Acquisition of Equipment, Including Snow Plows, Equipment and Machinery for the Department of Public Works, Fences for the Department of Public Works, a Storage Container, Water Softner System for Towns Hall, and Doors for Senior Center and Department of Public Works, Upgrades to the HVAC System at the										

**TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY**

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	2017 Authorizations	Reappropriated	Grant Proceeds	Funded By Budget Appropriation	Notes Paid By Budget Appropriation	Balance Dec. 31, 2017	Analysis of Balance, Dec. 31, 2017			
									Expenditures	Bond Anticipation Notes	Unexpended Improvement Authorizations	Excess Bond Anticipation Notes
	Municipal Building and Improvements to the Roof at the Department of Public Works	\$ 222,203.00						\$ 222,203.00	\$ 164,948.73		\$ 57,254.27	
(C) Planning and Zoning/Building: The Acquisition of Data and Document Management		6,000.00						6,000.00			6,000.00	
(D) Police												
(1) Acquisition of Sport Utility Vehicles and Mobile Data Terminals		130,000.00						130,000.00	125,213.78		4,786.22	
(2) Acquisition and Installation of Security Doors at the Municipal Building and Cell Doors		40,100.00						40,100.00	12,997.50		27,102.50	
(E) Administration: Acquisition of Furniture, File Cabinets, Chairs, Desks and Computer Equipment		135,000.00						135,000.00	96,730.09		38,269.91	
16-15/ 7-2017	Environmental Remediation at the Former South River Metals Products Site		350,000.00					350,000.00	229,048.12		120,951.88	
		\$ 14,144,454.99	\$ 5,170,200.00	\$ -	\$ 291,897.94	\$ 2,004.39	\$ 646,295.00	\$ 18,374,457.66	\$ 4,411,366.41	\$ 13,507,272.00	\$ 758,833.59	\$ (303,014.34)

Ref. C C-9/C-12 C-5 C-1 C-7 C Ref.

Less: Unexpended Proceeds of Bond Anticipation Notes:

<u>Ordinance</u>		
09-12	C-2	\$ 1.00
04-13	C-2	15,908.63
05-14 (B)	C-2	14,017.70
05-14 Section 20	C-2	2,500.00
06-15 (A)	C-2	547,230.39
06-15 (F)	C-2	88,462.30
15-2016 (B)(1)	C-2	250,000.00
15-2016 (B)(2)	C-2	23,931.00
15-2016 (B)(3)	C-2	0.91
15-2016 (C)(1)	C-2	1,557.16
15-2016 (C)(2)	C-2	3,694.50
15-2016 (11/2017)	C-2	10,679.99

C-5 \$ 758,833.59

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE

<u>Ordinance Number</u>	<u>Project</u>	<u>Grantor</u>	<u>Balance Dec. 31, 2016</u>	<u>Increased by</u>	<u>Decreased by</u>	<u>Balance Dec. 31, 2017</u>
			Grants Awarded	Cash Receipts		
09-12	South Atlantic Avenue	N.J. Department of Transportation	\$ 85,000.00			\$ 85,000.00
05-14(A)	Rose Street	N.J. Department of Transportation	62,500.00			62,500.00
05-14(A)	Lakeshore Drive	N.J. Department of Transportation	46,250.00		\$ 46,250.00	
16-15	Environmental Remediation at the Former South River Metals Products Site	NJ Department of Environmental Protection	1,659,138.05		1,658,056.42	1,081.63
15-2016(A)(4)	Milling and Paving of County Road	NJ Department of Transportation	490,000.00		291,897.94	198,102.06
15-2016(B)(1)	Improvements to Cliffwood Waterfront Park	County of Monmouth - Open Space Grant	250,000.00			250,000.00
3-2017(A)(3)	Improvements to Deerfield Park and Playground	County of Monmouth - Open Space Grant	\$ 150,000.00			\$ 150,000.00
			<u>\$ 2,592,888.05</u>	<u>\$ 150,000.00</u>	<u>\$ 1,996,204.36</u>	<u>\$ 746,683.69</u>

Ref.

C

C

C-1/C-4

C

**TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY**

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturity of Bonds			Interest Rate	Balance Dec. 31, 2016	Refunding Bonds Issued	Serial Bonds Refunded	Paid by Budget Appropriation	Balance Dec. 31, 2017
			Outstanding December 31, 2017								
General Improvements	08/01/06	\$ 9,016,000.00					\$ 3,016,000.00			\$ 3,016,000.00	
General Improvements	10/15/12	11,745,000.00	10/15/18	\$ 680,000.00	2.000%						
			10/15/19	670,000.00	2.000%						
			10/15/20-21	660,000.00	2.000%						
			10/15/22	650,000.00	2.125%						
			10/15/23	650,000.00	2.250%						
			10/15/24	650,000.00	2.375%						
			10/15/25	650,000.00	2.500%						
			10/15/26-28	640,000.00	3.000%						
			10/15/29-31	630,000.00	3.000%		9,760,000.00			\$ 680,000.00	\$ 9,080,000.00
Refunding Bonds	03-23-17	2,985,000.00	08/01/18	600,000.00	2.000%						
			08/01/19	590,000.00	3.000%						
			08/01/20	585,000.00	3.000%						
			08/01/21	595,000.00	4.000%						
							\$ 2,985,000.00			615,000.00	2,370,000.00
							\$ 12,776,000.00	\$ 2,985,000.00	\$ 3,016,000.00	\$ 1,295,000.00	\$ 11,450,000.00

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance <u>Number</u>	<u>Improvement Description</u>	Issue of						Issued for <u>Cash</u>	Decreased by		Balance <u>Dec. 31, 2017</u>
		Original <u>Note</u>	Date of <u>Issue</u>	Date of <u>Maturity</u>	Interest <u>Rate</u>	Balance <u>Dec. 31, 2016</u>	Budget <u>Appropriation</u>				
08-12	Environmental Remediation at the Former South River Metals Property	03-14-14	03-10-17	03-09-18	2.50%	\$ 274,240.00		\$ 34,280.00			\$ 239,960.00
09-12	Various Public Improvements and Acquisition of Various Equipment, Machinery, and Vehicles	03-14-14	03-10-17	03-09-18	2.50%	1,116,000.00		139,500.00			976,500.00
04-13	Various Public Improvements and the Acquisition of New Additional or Replacement Equipment and Machinery, New Communication and Signal Systems Equipment, New Information Technoloty Equipment, New New Additional Furnishing and New Automotive Vehicles, Including Original Apparatus and Equipment	03-14-14	03-10-17	03-09-18	2.50%	1,827,200.00		228,400.00			1,598,800.00
05-14	Various Public Improvements and Acquisitions	03-13-15	03-10-17	03-09-18	2.50%	2,441,155.00		244,115.00			2,197,040.00
13-14	Various Public Improvements (B) Supplemental Funding - Reconstruction of the Deerfield Lane Pedestrian Bridge	03-13-15	03-10-17	03-09-18	2.50%	135,742.00					135,742.00
06-15	Various Public Improvements and Acquisitions	03-11-16	03-10-17	03-09-18	2.50%	3,164,400.00					3,164,400.00
15-2016	Various Capital Improvements	03-10-17	03-10-17	03-09-18	2.50%		\$ 5,194,830.00				\$ 5,194,830.00
						\$ 8,958,737.00	\$ 5,194,830.00	\$ 646,295.00			\$ 13,507,272.00
							<u>Ref.</u>	<u>C</u>	<u>C-1/C-12</u>	<u>C-4</u>	<u>C/C-4</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2016	C	\$ 4,861,355.68
Increased by:		
Charged to Improvement Authorizations	C-9	<u>6,996,936.55</u>
		<u>11,858,292.23</u>
Decreased by:		
Applied to Improvement Authorizations	C-9	<u>4,861,355.68</u>
Balance, December 31, 2017	C	<u><u>\$ 6,996,936.55</u></u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2016		Increased by			Decreased by			Balance Dec. 31, 2017	
				Funded	Unfunded	Reappropriated	2017 Authorizations	Reserve for Encumbrances	Paid	Reserve for Encumbrances	Funded	Unfunded	
09-12	Various Public Improvements and Acquisition of Various Equipment, Machinery, and Vehicles	06-07-12	\$ 1,974,000.00		\$ 6,250.83				\$ 2,249.83	\$ 4,000.00			\$ 1.00
04-13	Various Public Improvements and the Acquisition of New Additional or Replacement Equipment and Machinery, New Communication and Signal Systems Equipment, New Information Technology Equipment, New New Additional Furnishing and New Automotive Vehicles, Including Original Apparatus and Equipment	06-05-13	2,534,000.00		289,737.50			\$ 53,617.03	7,502.87	319,943.03			15,908.63
05-14/ 6-2017/ 11-2017	Various Public Improvements and Acquisitions: (A) Road Improvements (B) Improvements to Public Property Section 20 Costs Associated with Road Improvements and Improvements to Public Property (C) Acquisition of New Information Technology (D) Acquisition of New Communication and Signal Systems Equipment or Replacement Equipment and Machinery for the Police Department (E) Acquisition of New Communication and Signal Systems Equipment - Emergency Radio Upgrade Equipment for the Office of Emergency Management Improvements to Parks & Playgrounds	06-17-14 9-07-17	1,780,155.00 1,071,845.00 300,000.00 7,000.00 82,000.00 4,000.00		341,196.10 \$ (212,191.00) 2,952.44 (22,809.00) 191.78 4,000.00			348,750.76 97,740.74 3,087.00 235,000.00	348,739.90 38,561.40 76,426.00 3,000.00 3,257.00 869.32 55,086.19	10.86 76,426.00 2,500.00 21.78 179,913.81			14,017.70
06-15	Various Public Improvements and Acquisitions: (A) Road Improvements (B) Acquisition of New or Replacement Equipment and Machinery (D) Municipal Building Improvements (F) Acquisition of New Communication and Signal Systems Equipment for the Police Department	05-19-15	2,626,000.00 50,000.00 42,500.00 300,000.00		601,384.35 4,303.70 189.00 91,953.30			1,544,488.15 4,303.70 189.00 1,115.00	816,461.46 4,303.70 1,115.00 2,376.00	782,180.65 120,951.88			547,230.39
16-15/ 7-2017	Environmental Remediation at the Former South River Metals Products Site	11-10-15 6-15-17					\$ 350,000.00	267,987.95 1,748,159.72		110,490.35			
15-2016/ 6-2017/ 11-2017	Various Capital Improvements (A) Department of Public Works - Roads (1) Preliminary Planning and Design - West Concourse (2) Preliminary Planning and Design - Deerfield Lane (4) Milling and Paving of County Road (B) Department of Public Works (1) Improvements to Cliffwood Waterfront Park (2) Acquisition of Salt Spreaders and Truck Lifts (3) Acquisition of Trucks (C) Police (1) Acquisition of Four Wheel Drive Utility Vehicles (2) Upgrades to Mobile Video Records (D) Recreation - Acquisition and Installation of Fences, Playground Structures and a Rubber Surface (E) Administration - Acquisition of Furniture, File Cabinets, Chairs, Desks and Computer Equipment (F) Beach - Seawall Restoration from Beach Drive to Lakeshore Improvements to Parks & Playgrounds Installation of Prefabricated Salt Shed	6-21-16 9-07-17	2,315,929.00 1,361,614.00 250,000.00 270,000.00 490,000.00 2,810,250.00 95,000.00 90,000.00 148,000.00 75,000.00 125,000.00 190,000.00 1,000,000.00					199,827.75 161,154.00 490,000.00 880,689.00 47,092.00 13,528.00 (10,678.00) 1,557.16 3,694.50 112,500.00 (125,000.00) 3,961.12 952,380.00 125,000.00 10,678.00	183,089.25 81,846.00 97,500.00 2,451,203.88 661.00 76,472.00 79,321.09 4,647.00 71,305.50 117,099.55 115,620.67 47,620.00 952,380.00 125,000.00 10,678.00	16,738.50 161,154.00 392,500.00 22,500.00 23,931.00 0.91 94,663.37 22,500.00 71,305.50 4,647.00 71,305.50 5,440.00 952,380.00 125,000.00 10,678.00			

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2016		Increased by		Decreased by		Balance Dec. 31, 2017	
				Funded	Unfunded	Reappropriated	2017 Authorizations	Reserve for Encumbrances	Paid	Reserve for Encumbrances	Funded
3-2017	Various Capital Improvements	5-18-17									
	(A) (1) Contract Administration and Construction of West Concourse, Deerfield Lane and Deborah Lane		\$ 3,115,000.00				\$ 3,115,000.00		\$ 272,619.50	\$ 2,809,932.70	\$ 32,447.80
	(2) Milling and Paving on Lake Boulevard, 1st Street, 2nd Street, 6th Street, Cashel Drive, Claire Court and Wood Brook Drive, Design for Roads on Indigo Lane, Carol Lane, Crystal Street and Wayside Drive and Lights for Seawall Walkway in Cliffwood Beach		1,100,000.00				1,100,000.00		152,373.59	629,226.41	318,400.00
	(3) Improvements to Deerfield Park and Playground and Midland Park and Playground		290,000.00				290,000.00		37,677.63	241,254.25	11,068.12
	(B) Equipment/Department of Public Works/Buildings and Grounds:										
	(1) Acquisition of a Dump Truck, Mason Truck and Bodies		195,000.00				195,000.00		8,570.78	43,876.33	142,552.89
	(2) Acquisition and Installation of a Camera System for the Yard		8,000.00				8,000.00		8,000.00		
	(3) Acquisition of Equipment, Including Snow Plows, Equipment and Machinery for the Department of Public Works, Fences for the Department of Public Works, a Storage Container, Water Softner System for Town Hall, and Doors for Senior Center and Department of Public Works, Upgrades to the HVAC System at the Municipal Building and Improvements to the Roof at the Department of Public Works		246,000.00				246,000.00		182,683.73	6,062.00	57,254.27
	(C) Planning and Zoning/Building: The Acquisition of Data and Document Management		7,000.00				7,000.00			\$ 1,000.00	6,000.00
	(D) Police:										
	(1) Acquisition of Sport Utility Vehicles and Mobile Data Terminals		145,000.00				145,000.00		127,920.95	12,292.83	4,786.22
	(2) Acquisition and Installation of Security Doors at the Municipal Building and Cell Doors		44,000.00				44,000.00		16,897.50		27,102.50
	(E) Administration: Acquisition of Furniture, File Cabinets, Chairs, Desks and Computer Equipment		150,000.00				150,000.00		107,023.95	4,706.14	38,269.91
				\$ 1,433,114.78	\$ 3,925,026.00	\$ -	\$ 5,650,000.00	\$ 4,861,355.68	\$ 7,147,592.27	\$ 6,996,936.55	\$ 8,152.46
											\$ 1,716,815.18
Detail:		Ref.		C	C		C-9	C-8	C-9	C-8	C/C-4
Deferred Charges to Future Taxation - Unfunded		C-4					\$ 5,170,200.00				
Capital Improvement Fund		C-10					479,800.00				
Cash Disbursements		C-1								\$ 7,050,092.27	
Interfund - Water Utility Capital Fund		C								97,500.00	
		C-9					\$ 5,650,000.00				
										\$ 7,147,592.27	

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2016	C	\$ 46,460.32
Increased by:		
2017 Budget Appropriation	C-1	<u>450,000.00</u>
		<u>496,460.32</u>
Decreased by:		
Appropriated to Finance Improvement		
Authorizations	C-9	<u>479,800.00</u>
Balance, December 31, 2017	C	<u>\$ 16,660.32</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF MISCELLANEOUS RESERVES

<u>Description</u>	Increased by:		Decreased by:		<u>Balance</u> <u>Dec. 31, 2017</u>
	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Anticipated</u> <u>in Current</u> <u>Fund Budget</u>	<u>Cash</u> <u>Disbursements</u>	
Reserve for Infrastructure	\$ 91,744.41	\$ 7,100.00	\$ 91,744.41		\$ 7,100.00
Reserve for Open Space/Recreation	150,000.00		150,000.00		-
Reserve for South River Metals Developer Subsidy	350,000.00				350,000.00
Various Capital Reserves	2,940.34				2,940.34
Reserve to Pay Serial Bonds	170,756.36		170,756.36		-
Reserve for Bond Anticipation Notes Premium		169,788.01			169,788.01
Reserve 2017 Bond Refund	10,154.63		\$ 2,500.00		7,654.63
	<u>\$ 765,441.11</u>	<u>\$ 187,042.64</u>	<u>\$ 412,500.77</u>	<u>\$ 2,500.00</u>	<u>\$ 537,482.98</u>
<u>Ref.</u>	C	C-1	C-1	C-1	C

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	2017 Authorizations	Decreased by:		Balance Dec. 31, 2017
				Budget Appropriation	Notes Issued	
09-05/23-05	Various Capital Improvements	\$ 954.00		\$ 954.00		
02-11 15-2016/ 6-2017/11-2017	Various Road Improvements and Acquisition of Information Technology Equipment	1,050.39		1,050.39		
	Various Capital Improvements	5,194,830.00			\$ 5,194,830.00	
16-15/ 7-2017	Environmental Remediation at the Former South River Metals Products Site		\$ 350,000.00			\$ 350,000.00
3-2017	Various Capital Improvements		4,820,200.00			4,820,200.00
		<u>\$ 5,196,834.39</u>	<u>\$ 5,170,200.00</u>	<u>\$ 2,004.39</u>	<u>\$ 5,194,830.00</u>	<u>\$ 5,170,200.00</u>

C-4

C-4

C-7

(Footnote C)

SUPPLEMENTARY EXHIBITS

WATER UTILITY FUND

TOWNSHIP OF ABERDEEN
 COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY FUND
SCHEDULE OF CASH

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2016	D	\$ 1,798,224.08	\$ 385,615.42
Increased by Receipts:			
Miscellaneous Revenue	D-3	\$ 14,793.80	
Lease of Diversion Rights	D-3	246,937.48	
Water Tower Rents	D-3	84,738.56	
Connection Fees	D-3	14,539.85	
Consumer Accounts Receivable	D-7	2,251,272.18	
Fire Hydrant Service	D-8	39,058.77	
Customer Overpayments	D-12	7,239.16	
Water Lien Rents	D-14	878.63	
Bond Anticipation Notes	D-19		\$ 153,450.00
Capital Improvement Fund	D-22		200,000.00
Premium on Bond Anticipation Notes	D-27		4,295.96
Interfund - Current Fund	D-28	8,750.00	
Interfund - Water Utility Fund	D	<hr/> 2,668,208.43	<hr/> 950,000.00
		<hr/> 4,466,432.51	<hr/> 1,307,745.96
			1,693,361.38
Decreased by Disbursements:			
2017 Appropriations	D-4	2,534,634.26	
Appropriation Reserves	D-10	198,642.43	
Accrued Interest Payable	D-13	71,299.56	
Improvement Authorizations	D-21		513,037.55
Interfund - Current Fund	D-28	175,902.67	
Interfund - General Capital Fund	D		97,500.00
Interfund - Sewer Utility Capital Fund	D	<hr/> 950,000.00	<hr/> 698,833.42
		<hr/> 3,930,478.92	<hr/> 1,309,370.97
Balance, December 31, 2017	D	<hr/> \$ 535,953.59	<hr/> \$ 383,990.41

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND
ANALYSIS OF WATER UTILITY CAPITAL CASH

	<u>Balance</u>
	<u>Dec. 31, 2017</u>
Reserve for Encumbrances	\$ 1,762,063.17
Capital Improvement Fund	6,450.00
Fund Balance	431.14
Reserve for Debt Service	282,259.05
Interfund - Water Utility Operating Fund	950,000.00
Interfund - General Capital Fund	(97,500.00)
Interfund - Sewer Utility Capital Fund	(698,833.42)
Due from State of New Jersey Environmental Infrastructure Trust	(291,692.00)

<u>Ordinance</u> <u>Number</u>	<u>Improvement Description</u>	<u>Amount</u>
04-11	Various Improvements to Water System and Acquisition of Equipment and Machinery	(1,527.00)
11-12	Acquisition of New Additional or Replacement Equipment and Machinery	56.00
05-13	Acquisition of New Additional or Replacement Equipment and Machinery and New Information and Technology Equipment	22,471.91
07-14 (B)	Acquisition of New Additional or Replacement Equipment and Machinery Consisting of Water Meters, Replacement Batteries for Water Meters and Hydrants and Valves	144.60
07-15(A)	Relocation of the Water Line in Conjunction with in Relocation of the Amboy Avenue Bridge	50,000.00
07-15(B)	Acquisition of New Additional or Replacement Equipment and Machinery Consisting of Water Meters, Replacement Batteries for Water Meters and Hydrants and Valves	34.18
07-15(C)	Acquisition of Equipment and Machinery	120.00
06-16	The Woodfield Area Water System Rehabilitation Project	(718,930.96)
16-16	Various Water Utility Improvements	78.74
4-2017 (A)	Acquisition and Installation of Water Meters, Meter Transceiver Units, Hydrants and Valves, the Acquisition of Department of Public Works Equipment and Machinery, Improvements to Roof, Windows and Doors of Jersey Avenue Water Plant Building, Dismantling and Removal of Water Tank on Jersey Avenue and Cathodic Protection	(4,135.00)
4-2017 (B)	West Concourse Water Main Replacement and Water Main Extension on Church Street, 7th and 8th Including Milling and Paving	<u>(877,500.00)</u>
		<u><u>\$ 383,990.41</u></u>

Ref. D

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 160,470.80
Increased by:		
Water Rents Levied		<u>2,234,103.67</u>
		<u>2,394,574.47</u>
Decreased by:		
Collections	D-5	\$ 2,251,272.18
Overpayments Applied	D-12	<u>6,796.56</u>
	D-3	<u>2,258,068.74</u>
Transfer to Utility Title Liens	D-14	<u>328.89</u>
		<u>2,258,397.63</u>
Balance, December 31, 2017	D	<u>\$ 136,176.84</u>

SCHEDULE OF FIRE HYDRANT SERVICE RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 1,931.37
Increased by:		
Billings		<u>40,195.17</u>
		<u>42,126.54</u>
Decreased by:		
Collections	D-5	\$ 39,058.77
Overpayments Applied	D-12	<u>262.50</u>
	D-3	<u>39,321.27</u>
Balance, December 31, 2017	D	<u>\$ 2,805.27</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF DEFERRED CHARGES

		Decreased by:	
	Balance	2017 Budget	Balance
	<u>Dec. 31, 2016</u>	<u>Appropriation</u>	<u>Dec. 31, 2017</u>
Overexpenditure of Appropriations	\$ <u>5,340.18</u>	\$ <u>5,340.18</u>	\$ <u>-</u>
	<u>Ref.</u>	D	D-4

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:					
Other Expenses	\$ 11,151.39	\$ 204,952.04	\$ 216,103.43	\$ 198,642.43	\$ 17,461.00
Statutory Expenditures:					
Contribution to:					
Employee Benefits	22.73		22.73		22.73
	<u>\$ 11,174.12</u>	<u>\$ 204,952.04</u>	<u>\$ 216,126.16</u>	<u>\$ 198,642.43</u>	<u>\$ 17,483.73</u>

Ref.

D

D-11

D-5

D-1

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 204,952.04
Increased by:		
Transferred from Budget Appropriations	D-4	<u>237,391.75</u>
		<u>442,343.79</u>
Decreased by:		
Transferred to Appropriation Reserves	D-10	<u>204,952.04</u>
Balance, December 31, 2017	D	<u>\$ 237,391.75</u>

SCHEDULE OF CUSTOMER OVERPAYMENTS

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 7,059.06
Increased by:		
Cash Received - Water Rents		\$ 7,238.91
Cash Received - Fire Hydrant Service	D-5	<u>0.25</u>
		<u>7,239.16</u>
		<u>14,298.22</u>
Decreased by:		
Applied to Customer Accounts Receivable	D-7	6,796.56
Applied to Fire Hydrant Service Receivable	D-8	<u>262.50</u>
		<u>7,059.06</u>
Balance, December 31, 2017	D	<u>\$ 7,239.16</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST PAYABLE

	<u>Ref.</u>		
Balance, December 31, 2016	D	\$	18,169.75
Increased by:			
Budget Appropriations	D-4		<u>75,893.73</u>
			<u>94,063.48</u>
Decreased by:			
Interest Paid	D-5		<u>71,299.56</u>
Balance, December 31, 2017	D	<u>\$</u>	<u>22,763.92</u>

Analysis of Accrued Interest December 31, 2017

Principal Outstanding <u>Dec. 31, 2017</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
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Serial Bonds:

\$ 2,210,000.00	Various	10-15-17	12-31-17	2 1/2 Months	\$ 11,562.50
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Bond Anticipation Notes

\$ 341,760.00	2.50%	3-10-17	12-31-17	290 Days	6,882.67
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NJ Environmental Infrastructure Trust Note:

\$ 1,305,099.00	0.00%	6-23-17	12-31-17	188 Days	
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NJ Environmental Infrastructure Trust Loan:

\$ 647,974.85	0.00%	08-01-17	12-31-17	5 Months	
245,000.00	Various	08-01-17	12-31-17	5 Months	<u>4,318.75</u>
					<u>\$ 22,763.92</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF WATER UTILITY TITLE LIENS

Ref.

Balance, December 31, 2016	D	\$ 549.74
Increased by:		
Transfer from Consumer Accounts Receivable	D-7	<u>328.89</u>
		<u>878.63</u>
Decreased by:		
Cash Receipts	D-5	<u>878.63</u>
Balance, December 31, 2017	D	<u>\$ -</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

Ref.

Balance, December 31, 2016 and 2017	D	\$ <u>13,423,662.32</u>
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TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Dec. 31, 2016</u>	<u>2017 Authorizations</u>	<u>Balance Dec. 31, 2017</u>
11-12	Acquisition of New Additional or Replacement Equipment and Machinery	06-07-12	\$ 60,000.00	\$ 60,000.00		\$ 60,000.00
05-13	Acquisition of New Additional or Replacement Equipment and Machinery and New Information Technology Equipment	06-05-13	117,500.00	117,500.00		117,500.00
07-14 (B)	Acquisition of New Additional or Replacement Equipment and Machinery Consisting of Water Meters, Replacement Batteries for Water Meters and Hydrants and Valves	06-17-14	62,500.00	62,500.00		62,500.00
07-15 (A)	Repair of Jersey Ave Equipment Storage Facility Roof	05-29-15	50,000.00	50,000.00		50,000.00
07-15 (B)	Acquisition of New Additional or Replacement Equipment and Machinery Consisting of Water Meters, Replacement Batteries for Water Meters and Hydrants and Valves	05-29-15	60,000.00	60,000.00		60,000.00
07-15 (C)	Acquisition of Equipment and Machinery	05-29-15	10,000.00	10,000.00		10,000.00
06-16	The Woodfield Area Water System Rehabilitation Project	04-19-16	3,300,000.00	3,300,000.00		3,300,000.00
16-16	Various Water Utility Improvements	06-21-16	170,500.00	170,500.00		170,500.00
4-2017 (A)	Acquisition and Installation of Water Meters, Meter Transceiver Units Hydrants, Valves, the Acquisition of Department of Public Works, Equipment and Machinery, Improvements to Roof, Windows and Doors of Jersey Avenue Water Plant Building, Dismantling and Removal of Water Tank on Jersey Avenue and Cathodic Protection	05-18-17	1,095,000.00		1,095,000.00	1,095,000.00

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Dec. 31, 2016</u>	<u>2017 Authorizations</u>	<u>Balance Dec. 31, 2017</u>
4-2017 (B)	West Concourse Water Main Replacement and Water Main Extension on Church Street, 7th and 8th, Including Milling and Paving	5-18-17	\$ 975,000.00	\$ 975,000.00	\$ 975,000.00	\$ 975,000.00
			<u>\$ 3,830,500.00</u>	<u>\$ 2,070,000.00</u>	<u>\$ 5,900,500.00</u>	
			<u>Ref.</u>	D	D-21	D

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF DUE FROM THE STATE OF NEW JERSEY
ENVIRONMENTAL INFRASTRUCTURE TRUST

Ref.

Balance, December 31, 2016	D	\$	-
Increased by:			
Payments Requisitioned	D-26		<u>291,692.00</u>
Balance, December 31, 2017	D	\$	<u>291,692.00</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF WATER UTILITY SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	Maturities of Bonds			<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
			Outstanding December 31, 2017						
Water Utility Bonds	10/15/12	\$ 2,975,000.00	10/15/18-21	\$ 160,000.00	2.000%				
			10/15/22	160,000.00	2.125%				
			10/15/23	160,000.00	2.250%				
			10/15/24	160,000.00	2.375%				
			10/15/25	160,000.00	2.500%				
			10/15/26-28	160,000.00	3.000%				
			10/15/29-31	150,000.00	3.000%	\$ 2,370,000.00	\$ 160,000.00	\$ 2,210,000.00	
						\$ 2,370,000.00	\$ 160,000.00	\$ 2,210,000.00	

Ref.

D

D-23

D

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF WATER UTILITY BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2016	Increased	Decreased by:		Balance Dec. 31, 2017
								Budget Appropriation		
11-12	Acquisition of New Additional or Replacement Equipment and Machinery	03-14-14	03-10-17	03-09-18	2.50%	\$ 15,200.00		\$ 1,900.00		\$ 13,300.00
05-13	Acquisition of New Additional or Replacement Equipment and Machinery and New Information and Technology Equipment	03-14-14	03-10-17	03-09-18	2.50%	89,440.00		11,180.00		78,260.00
07-14 (B)	Acquisition of New Additional or Replacement Equipment and Machinery Consisting of Water Meters, Replacement Batteries for Water Meters and Hydrants and Valves	03-11-16	03-10-17	03-09-18	2.50%	12,500.00		1,250.00		11,250.00
07-15 (A)	Repair of Jersey Ave Equipment Storage Facility Roof	03-11-16	03-10-17	03-09-18	2.50%	50,000.00		5,000.00		45,000.00
07-15 (B)	Acquisition of New Additional or Replacement Equipment and Machinery Consisting of Water Meters, Replacement Batteries for Water Meters and Hydrants and Valves	03-11-16	03-10-17	03-09-18	2.50%	35,000.00		3,500.00		31,500.00
07-15 (C)	Acquisition of Equipment and Machinery	03-11-16	03-10-17	03-09-18	2.50%	10,000.00		1,000.00		9,000.00
16-16	Various Water Utility Improvements	03-10-17	03-10-17	03-09-18	2.50%		\$ 153,450.00			\$ 153,450.00
						\$ 212,140.00	\$ 153,450.00	\$ 23,830.00	\$ 341,760.00	
						<u>Ref.</u>	D	D-5/D-29	D-24	D

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 202,577.12
Increased by:		
Charged to Improvement Authorizations	D-21	<u>1,762,063.17</u>
		<u>1,964,640.29</u>
Decreased by:		
Transfer to Improvement Authorizations	D-21	<u>202,577.12</u>
Balance, December 31, 2017	D	<u><u>\$ 1,762,063.17</u></u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2016		Increased by:		Decreased by:		Balance Dec. 31, 2017	
				2017 Authorizations	Unfunded	Reserve for Encumbrances	Paid	Reserve for Encumbrances	Funded	Unfunded	
11-12	Acquisition of New Additional or Replacement Equipment and Machinery	06-07-12	\$ 60,000.00	\$ 3,786.00			\$ 3,730.00			\$ 56.00	
05-13	Acquisition of New Additional or Replacement Equipment, Machinery and New Information and Technology Equipment	06-05-13	117,500.00	24,320.41			1,848.50			22,471.91	
07-14	(B) Acquisition of New Additional or Replacement Equipment and Machinery Consisting of Water Meters, Replacement Batteries for Water Meters and Hydrants and Valves	06-17-14	62,500.00	144.60						144.60	
07-15	(A) Repair of Jersey Ave Equipment Storage Facility Roof	05-29-15	50,000.00	50,000.00					\$ 5,000.00	45,000.00	
	(B) Acquisition of New Additional or Replacement Equipment and Machinery Consisting of Water Meters, Replacement Batteries for Water Meters and Hydrants and Valves	05-29-15	60,000.00	34.18						34.18	
	(C) Acquisition of Equipment and Machinery	05-29-15	10,000.00	10,000.00			9,380.00	\$ 500.00		120.00	
06-16	The Woodfield Area Water System Rehabilitation Project	04-19-16	3,300,000.00	3,173,409.00		\$ 74,219.00	282,391.79	750,859.17		2,214,377.04	
16-16	Various Water Utility Improvements	06-21-16	170,500.00	9,976.88		128,358.12	138,256.26			78.74	
04-17	(A) Acquisition and Installation of Water Meters, Meter Transceiver Units Hydrants and Valves, the Acquisition of Department of Public Works, Equipment and Machinery, Improvements to Roof, Windows and Doors of Jersey Avenue Water Plant Building, Dismantling and Removal of Water Tank on Jersey Avenue and Cathodic Protection	05-18-17	1,095,000.00		\$ 1,095,000.00		77,431.00	35,704.00		981,865.00	
	(B) West Concourse Water Main Replacement and Water Main Extension on Church Street, 7th and 8th, Including Milling and Paving	5-18-17	975,000.00		975,000.00		975,000.00				
				\$ 3,271,671.07	\$ 2,070,000.00	\$ 202,577.12	\$ 513,037.55	\$ 1,762,063.17	\$ 5,000.00	\$ 3,264,147.47	
				<u>Ref.</u>	D	D-20	D-5	D-20	D	D	
	Capital Improvement Fund			D-22/D-24	\$ 206,500.00						
	Deferred Charge to Future Revenue			D-29	1,863,500.00						
				D-16	\$ 2,070,000.00						

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

<u>Ref.</u>			
Balance, December 31, 2016	D	\$	12,950.00
Increased by:			
Budget Appropriation	D-5		<u>200,000.00</u>
			<u>212,950.00</u>
Decreased by:			
Appropriated to Finance Improvement			
Authorizations	D-21		<u>206,500.00</u>
Balance, December 31, 2017	D	\$	<u>6,450.00</u>

SCHEDULE OF RESERVE FOR AMORTIZATION

<u>Ref.</u>			
Balance, December 31, 2016	D	\$	10,100,981.15
Increased by:			
Serial Bonds Paid by Operating Budget	D-18	\$	160,000.00
NJEIT Paid by Operating Budget	D-25		<u>58,179.32</u>
			<u>218,179.32</u>
Balance, December 31, 2017	D	\$	<u>10,319,160.47</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2016</u>	<u>Increased by</u>		<u>Notes Paid from Operating Budget</u>	<u>Balance Dec. 31, 2017</u>
				<u>Fixed Capital Authorized</u>			
11-12	Acquisition of New, Additional or Replacement Equipment and Machinery	06-07-12	\$ 44,800.00			\$ 1,900.00	\$ 46,700.00
05-13	Acquisition of New Additional or Replacement Equipment, Machinery and New Information and Technology Equipment	06-05-13	28,060.00			11,180.00	39,240.00
07-14	(B) Acquisition of New Additional or Replacement Equipment and Machinery Consisting of Water Meters, Replacement Batteries for Water Meters and Hydrants and Valves	06-17-14	50,000.00			1,250.00	51,250.00
07-15	(A) Repair of Jersey Ave Equipment Storage Facility Roof	05-29-15				5,000.00	5,000.00
	(B) Acquisition of New Additional or Replacement Equipment and Machinery Consisting of Water Meters, Replacement Batteries for Water Meters and Hydrants and Valves	05-29-15	25,000.00			3,500.00	28,500.00
	(C) Acquisition of Equipment and Machinery	05-29-15				1,000.00	1,000.00
06-16	The Woodfield Area Water System Rehabilitation Project	04-19-16	75,000.00				75,000.00
16-16	Various Water Utility Improvements	06-21-16	17,050.00				17,050.00

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2016</u>	<u>Increased by</u>		<u>Notes Paid from Operating Budget</u>	<u>Balance Dec. 31, 2017</u>
				<u>Fixed Capital Authorized</u>	<u>Notes Paid from Operating Budget</u>		
04-2017	(A) Acquisition and Installation of Water Meters, Meter Transceiver Units Hydrants and Valves, the Acquisition of Department of Public Works, Equipment and Machinery, Improvements to Roof, Windows and Doors of Jersey Avenue Water Plant Building, Dismantling and Removal of Water Tank on Jersey Avenue and Cathodic Protection	05-18-17		\$ 109,000.00			\$ 109,000.00
	(B) West Concourse Water Main Replacement and Water Main Extension on Church Street, 7th and 8th, Including Milling and Paving	05-18-17			97,500.00		97,500.00
				\$ 239,910.00	\$ 206,500.00	\$ 23,830.00	\$ 470,240.00
				<u>Ref.</u>	<u>D</u>	<u>D-21</u>	<u>D-19</u>
							D

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF STATE OF NEW JERSEY ENVIRONMENTAL
INFRASTRUCTURE LOAN PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 951,154.17
Decreased by:		
Paid by Operating Fund	D-23	<u>58,179.32</u>
Balance, December 31, 2017	D	<u><u>\$ 892,974.85</u></u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF STATE OF NEW JERSEY ENVIRONMENTAL
INFRASTRUCTURE SHORT-TERM TRUST LOAN PAYABLE

Ref.

Balance, December 31, 2016	D	\$	-
Increased by:			
Loan Obligated	D-17/D-29		<u>291,692.00</u>
Balance, December 31, 2017	D	\$	<u>291,692.00</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF VARIOUS RESERVES

	<u>Balance Dec. 31, 2016</u>	<u>Cash Receipts</u>	<u>Balance Dec. 31, 2017</u>
Debt Service	\$ 277,963.09		\$ 277,963.09
Bond Anticipation Notes Premium		\$ 4,295.96	4,295.96
	<u>\$ 277,963.09</u>	<u>\$ 4,295.96</u>	<u>\$ 282,259.05</u>

TOWNSHIP OF ABERDEEN
 COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF INTERFUND

	<u>Ref.</u>	<u>Total (MEMO ONLY)</u>	<u>Current Fund</u>	<u>Water Utility Capital Fund</u>
Balance December 31, 2016				
Interfund Receivable	D	\$ 8,750.00	\$ 8,750.00	
Increased by:				
Cash Disbursed	D-5	<u>1,125,902.67</u>	<u>175,902.67</u>	<u>\$ 950,000.00</u>
		<u>1,134,652.67</u>	<u>184,652.67</u>	<u>950,000.00</u>
Decreased by:				
Cash Receipts	D-5	<u>8,750.00</u>	<u>8,750.00</u>	<u> </u>
Balance December 31, 2017				
Interfund Receivable	D	<u>\$ 1,125,902.67</u>	<u>\$ 175,902.67</u>	<u>\$ 950,000.00</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2016</u>	<u>2017 Authorizations</u>	<u>New Jersey Environmental Infrastructure Trust Note Issued</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2017</u>
04-11	Various Improvements to Water System and Acquisition of Equipment and Machinery	\$ 1,527.00				\$ 1,527.00
06-16	The Woodfield Area Water System Rehabilitation Project	3,225,000.00		\$ 291,692.00		2,933,308.00
16-16	Various Water Utility Improvements	153,450.00			\$ 153,450.00	
4-2017	(A) Acquisition and Installation of Water Meters, Meter Transceiver Units, Hydrants, Valves, the Acquisition of Department of Public Works, Equipment and Machinery, Improvements to Roof, Windows and Doors of Jersey Avenue Water Plant Building, Dismantling and Removal of Water Tank on Jersey Avenue and Cathodic Protection		\$ 986,000.00			986,000.00
	(B) West Concourse Water Main Replacement and Water Main Extension on Church Street, 7th and 8th, Including Milling and Paving		877,500.00			877,500.00
		<u>\$ 3,379,977.00</u>	<u>\$ 1,863,500.00</u>	<u>\$ 291,692.00</u>	<u>\$ 153,450.00</u>	<u>\$ 4,798,335.00</u>
		<u>Ref.</u>	D-21	D-26	D-19	(Footnote D)

SUPPLEMENTARY EXHIBITS

SEWER UTILITY FUND

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND
SCHEDULE OF CASH

<u>Ref.</u>	<u>Operating</u>		<u>Capital</u>
Balance, December 31, 2016	E	\$ 3,624,480.27	\$ 704,764.12
Increased by Receipts:			
Connection Fees	E-3	\$ 344,352.00	
Interest on Delinquent Accounts	E-3	26,992.30	
Interest on Investments	E-3	4,282.53	
Sewer Capital Surplus	E-3	6,374.08	
Consumer Accounts Receivable	E-7	5,557,420.04	
Sewer Overpayments	E-10	23,047.99	
Interfund - Sewer Utility Operating Fund	E-24		\$ 100,000.00
Interfund - Sewer Utility Capital Fund	E	15,590.60	
Bond Anticipation Notes	E-17		65,000.00
Premium from Bond Anticipation Notes	E-23		17,798.03
Capital Improvement Fund	E-20		600,000.00
		5,978,059.54	782,798.03
		9,602,539.81	1,487,562.15
Decreased by Disbursements:			
2017 Appropriations	E-4	5,530,644.82	
Appropriation Reserves	E-8	63,230.32	
Accrued Interest on Bonds and Notes	E-11	123,355.82	
Sewer Utility Capital Fund Balance	E-2		6,374.08
Interfund - Sewer Utility Operating Fund	E-24		15,590.60
Interfund - Sewer Utility Capital Fund	E	100,000.00	
Improvement Authorizations	E-19		1,296,057.07
		5,817,230.96	1,318,021.75
Balance, December 31, 2017	E	\$ 3,785,308.85	\$ 169,540.40

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
ANALYSIS OF SEWER UTILITY CAPITAL CASH

	<u>Balance</u>
	<u>Dec. 31, 2017</u>
Capital Improvement Fund	\$ 527,746.00
Reserve for Encumbrances	4,806,182.82
Reserve for Debt Service	15,590.60
Reserve for Bond Issuance Costs	327.27
Reserve for Bond Anticipation Note Premium	17,798.03
Interfund - Sewer Utility Operating Fund	84,409.40
Interfund - Water Utility Capital Fund	698,833.42
Due from State of New Jersey Environmental Trust	(2,048,471.00)

<u>Ordinance Number</u>	<u>Improvement Description</u>	
15-2009	Various Public Sewer Improvements	43,910.68
12-2011	Various Improvements and Acquisition of Equipment	76.96
10-2012	Various Improvements and Acquisition of Equipment	750.75
06-2013	Various Public Improvements and the Acquisition of New Additional Equipment or Replacement Equipment and Machinery	0.85
06-2014 /01-2015	Various Public Improvements (A) Preliminary Engineering and Design Phase for the Woodfield Sewer Project	0.84
08-2015	Various Public Improvements and Acquisition of Equipment (A) Sewer Improvements	(70,000.00)
5-2016	The Woodfield Area Sanitary Sewer Collection System Installation and Stormwater System Upgrade Project	(3,592,061.38)
5-2017	Various Sewer Utility Improvements	<u>(315,554.84)</u>
		<u>\$ 169,540.40</u>

Ref.

E

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>		
Balance, December 31, 2016	E	\$	292,620.03
Increased by:			
Sewer Rents Levied		<u>5,550,370.31</u>	
		<u>5,842,990.34</u>	
Decreased by:			
Collections	E-5	\$	5,557,420.04
Overpayments Applied	E-10	<u>21,328.61</u>	
	E-3	<u>5,578,748.65</u>	
Balance, December 31, 2017	E	<u>\$</u>	<u>264,241.69</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance <u>Dec. 31, 2016</u>	Reserve for <u>Encumbrances</u>	Balance <u>After Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 143.19		\$ 143.19		\$ 143.19
Other Expenses	64,632.54	\$ 78,029.66	142,662.20	\$ 70,994.32	71,667.88
Employee Benefits	22.73		22.73		22.73
Public Employees' Retirement System	0.50		0.50		0.50
	<u>\$ 64,798.96</u>	<u>\$ 78,029.66</u>	<u>\$ 142,828.62</u>	<u>\$ 70,994.32</u>	<u>\$ 71,834.30</u>
	<u>Ref.</u>	<u>E</u>	<u>E-9</u>	<u>E-8</u>	<u>E-1</u>
Analysis of Paid or Charged:					
Cash Disbursed	E-5			\$ 63,230.32	
Accounts Payable	E			<u>7,764.00</u>	
	<u>E-8</u>			<u>\$ 70,994.32</u>	

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

		<u>Ref.</u>
Balance, December 31, 2016		\$ 78,029.66
Increased by:		
Transferred from Budget Appropriations	E-4	<u>118,020.61</u>
		<u>196,050.27</u>
Decreased by:		
Transferred to Appropriation Reserves	E-8	<u>78,029.66</u>
Balance, December 31, 2017	E	<u>\$ 118,020.61</u>

SCHEDULE OF CUSTOMER OVERPAYMENTS

		<u>Ref.</u>
Balance, December 31, 2016		\$ 21,328.61
Increased by:		
Cash Receipts	E-5	<u>23,047.99</u>
		<u>44,376.60</u>
Decreased by:		
Applied to Consumer Accounts Receivable	E-7	<u>21,328.61</u>
Balance, December 31, 2017	E	<u>\$ 23,047.99</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST PAYABLE

	<u>Ref.</u>		
Balance, December 31, 2016	E	\$	76,931.13
Increased by:			
Budget Appropriations	E-4	<u>115,022.67</u>	
		<u>191,953.80</u>	
Decreased by:			
Interest Paid	E-5	<u>123,355.82</u>	
Balance, December 31, 2017	E	<u>\$ 68,597.98</u>	

Analysis of Accrued Interest December 31, 2017

Principal Outstanding <u>Dec. 31, 2017</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:					
\$ 3,035,000.00	Various	08-01-17	12-31-17	150 Days	\$ 40,083.33
Bond Anticipation Notes:					
\$ 1,415,900.00	2.50%	03-11-17	12-31-17	290 Days	<u>28,514.65</u>
					<u>\$ 68,597.98</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

Ref.

Balance, December 31, 2016 and 2017	E	\$ <u>23,077,455.27</u>
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TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2016</u>	<u>Capital Fund</u>	<u>Deferred Charges to Future Revenue</u>	<u>Balance Dec. 31, 2017</u>
15-2009	Various Public Sewer Improvements	08-04-09	\$ 205,000.00	\$ 205,000.00			\$ 205,000.00
12-2011	Various Improvements and Acquisition of Equipment	08-02-11	195,000.00	195,000.00			195,000.00
10-2012	Various Improvements and Acquisition of Equipment	06-07-12	240,500.00	240,500.00			240,500.00
06-2013	Various Public Improvements and the Acquistion of New Additional Equipment or Replacement Equipment and Machinery	06-05-13	634,000.00	634,000.00			634,000.00
06-2014/ 01-2015	Various Public Improvements (A) Preliminary Engineering and Design Phase for the Woodfield Sewer Project (B) Various Sewer Improvements	06-17-14 03-17-15	395,000.00		300,000.00 95,000.00		300,000.00 95,000.00
08-2015	Various Public Improvements and Acquisition of Equipment (A) Sewer Improvements (B) Acquisition of Equipment and Machinery	05-19-15	110,000.00		95,000.00 15,000.00		95,000.00 15,000.00
5-2016	The Woodfield Area Sanitary Sewer Collection System Installation and Stormwater System Upgrade Project	4-19-16	9,300,000.00	9,300,000.00			9,300,000.00
17-2016	Various Sewer Utility Improvements (A) Line Rehabilitation, Wet Well Coating, and Pump Replacement (B) Aquisition of a Truck		95,000.00 20,000.00	95,000.00 20,000.00			95,000.00 20,000.00
5-2017	Various Sewer Utility Improvements	5-18-17	530,000.00		\$ 89,000.00	\$ 441,000.00	530,000.00
				\$ 11,194,500.00	\$ 89,000.00	\$ 441,000.00	\$ 11,724,500.00

Ref.

E

E-20

E-19

E

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF DUE FROM THE STATE OF NEW JERSEY
ENVIRONMENTAL INFRASTRUCTURE TRUST

Ref.

Balance, December 31, 2016	E	\$ -	-
Increased by:			
Payments Requisitioned	E-18	<u>2,048,471.00</u>	
Balance, December 31, 2017	E	\$ <u>2,048,471.00</u>	

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

Ref.

Balance, December 31, 2016	E	\$ 495,573.85
Increased by:		
Transferred from Improvement Authorizations	E-19	<u>4,806,182.82</u>
		<u>5,301,756.67</u>
Decreased by:		
Transferred to Improvement Authorizations	E-19	<u>495,573.85</u>
Balance, December 31, 2017	E	<u><u>\$ 4,806,182.82</u></u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF SEWER UTILITY SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	Maturities of Bonds			<u>Refunding Bonds Issued</u>	<u>Serial Bonds Refunded</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
			<u>Outstanding December 31, 2017</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>				
Sewer Utility Refunding Bonds	12-15-06	\$ 9,905,000.00			\$ 3,800,000.00		\$ 3,140,000.00	\$ 660,000.00	
Sewer Utility Refunding Bonds	4-07-17	3,140,000.00	08-01-18	645,000.00 2.000%					
			08-01-19	625,000.00 3.000%					
			08-01-20	605,000.00 3.000%					
			08-01-21	585,000.00 4.000%					
			08-01-22	575,000.00 4.000%					
						\$ 3,050,000.00		15,000.00	\$ 3,035,000.00
						\$ 3,800,000.00	\$ 3,050,000.00	\$ 3,140,000.00	\$ 675,000.00
									\$ 3,035,000.00

Ref.

E

E-21

E-21

E-21

E

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF SEWER UTILITY BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
07-2007	Various Improvements to Sewer System and Acquisition of Equipment and Machinery	07-24-07	03-10-17	03-09-18	2.50%	\$ 78,150.00		\$ 78,150.00	
08-2008	Various Public Improvements and the Acquistion of New or Replacement Equipment and Machinery	07-24-09	03-10-17	03-09-18	2.50%	490,250.00		165,000.00	\$ 325,250.00
15-2009	Various Public Sewer Improvements	07-23-10	03-10-17	03-09-18	2.50%	60,000.00		15,000.00	45,000.00
12-2011	Various Improvements and Acquisition of Equipment	03-14-14	03-10-17	03-09-18	2.50%	88,000.00		11,000.00	77,000.00
10-2012	Various Improvements and Acquisition of Equipment	03-14-14	03-10-17	03-09-18	2.50%	164,400.00		20,550.00	143,850.00
18-2012	Replacement of Sanitary Force Main	03-14-14	03-10-17	03-09-18	2.50%	64,000.00		8,000.00	56,000.00
06-2013	Various Public Improvements and the Acquistion of New Additional Equipment or Replacement Equipment and Machinery	03-14-14	03-10-17	03-09-18	2.50%	467,200.00		58,400.00	408,800.00
06-2014	Various Public Improvements (A) Preliminary Engineering and Design Phase for the Woodfield Sewer Project (B) Various Sewer Improvements	3-11-16	03-10-17	03-09-18	2.50%	295,000.00			295,000.00

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF SEWER UTILITY BOND ANTICIPATION NOTES

Ordinance <u>Number</u>	<u>Improvement Description</u>	Issue of					<u>Balance</u>	<u>Paid by</u>	<u>Budget</u>	<u>Balance</u>
		<u>Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>				
17-2016	Various Sewer Utility Improvements	03-10-17	03-10-17	03-09-18	2.50%		\$ 65,000.00			\$ 65,000.00
						\$ 1,707,000.00	\$ 65,000.00	\$ 356,100.00		\$ 1,415,900.00
							Ref.	E	E-5/E-25	E-17
	Reserve for Amortization					E-21			\$ 251,150.00	
	Deferred Reserve for Amortization					E-22			<u>104,950.00</u>	
						E-17			\$ 356,100.00	

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF STATE OF NEW JERSEY ENVIRONMENTAL
INFRASTRUCTURE SHORT-TERM TRUST LOAN PAYABLE

Ref.

Balance, December 31, 2016	E	\$	-
Increased by:			
Loan Obligations	E-14/E-25		<u>2,048,471.00</u>
Balance, December 31, 2017	E	\$	<u>2,048,471.00</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance		Increased by		Decreased by		Balance	
				Dec. 31, 2016		Reserve for Encumbrances	2017 Authorizations	Paid	Reserve for Encumbrances	Dec. 31, 2017	
				Funded	Unfunded				Unfunded		
15-2009	Various Public Sewer Improvements	08-04-09	\$ 205,000.00	\$ 32,560.92	\$ 90,000.00	\$ 6,592.00			\$ 85,242.24	\$ 43,910.68	
12-2011	Various Improvements and Acquisition of equipment	08-02-11	195,000.00		20,076.96				20,000.00	76.96	
10-2012	Various Improvements and Acquisition of equipment	06-07-12	240,500.00		2,219.86	5,915.23		\$ 1,469.11	5,915.23	750.75	
06-2013	Various Public Improvements and the Acquisition of New Additional Equipment or Replacement Equipment and Machinery	06-05-13	634,000.00		692.85	3,599.37		692.00	3,599.37	0.85	
06-2014/ 01-2015	Various Public Improvements (A) Preliminary Engineering and Design Phase for the Woodfield Sewer Project (B) Various Sewer Improvements	06-17-14 03-17-15	395,000.00 300,000.00 95,000.00		0.84 7,969.39	16,010.00				0.84	
08-2015	Various Improvements and Acquisition of equipment (A) Sewer Improvements (B) Acquisition of Equipment and Machinery	05-19-15	95,000.00 15,000.00		18,603.93			15,747.43 14,647.00	2,856.50 353.00		
5-2016	The Woodfield Area Sanitary Sewer Collection System Installation and Stormwater System Upgrade Project	4-19-16	9,300,000.00	78,622.27	8,300,000.00	431,878.85		1,726,415.52	4,424,617.98	2,659,467.62	
17-2016	Various Sewer Utility Improvements (A) Line Rehabilitation, Wet Well Coating and Pump Replacement (B) Acquisition of a Truck	6-21-16	95,000.00 20,000.00		39,405.30	11,578.40 20,000.00		50,983.70 20,000.00			
5-2017	Various Sewer Utility Improvements	5-18-17	530,000.00				\$ 530,000.00	140,956.34	263,598.50	125,445.16	
				\$ 126,183.19	\$ 8,478,969.13	\$ 495,573.85	\$ 530,000.00	\$ 1,994,890.49	\$ 4,806,182.82	\$ 2,829,652.86	
				<u>Ref.</u>	<u>E</u>	<u>E</u>	<u>E-15</u>	<u>E-19</u>	<u>E-19</u>	<u>E-15</u>	<u>E</u>
Capital Improvement Fund				E-20/E-22				\$ 89,000.00			
Deferred Charges to Future Revenue				E-13/E-25				441,000.00			
Cash Disbursements				E-5					\$ 1,296,057.07		
Interfund - Water Utility Capital Fund				E					698,833.42		
				E-19				\$ 530,000.00	\$ 1,994,890.49		

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2016	E	\$ 16,746.00
Increased by:		
Budget Appropriations	E-5	<u>600,000.00</u>
		<u>616,746.00</u>
Decreased by:		
Appropriated to Finance Improvement		
Authorizations	E-13/E-19	<u>89,000.00</u>
Balance, December 31, 2017	E	<u>\$ 527,746.00</u>

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance, December 31, 2016	E	\$ 18,645,055.27
Increased by:		
Serial Bonds Paid by Operating Budget	E-16	\$ 675,000.00
Serial Bonds Refunded	E-16	3,140,000.00
Bond Anticipation Notes Paid by Operating Budget	E-17	<u>251,150.00</u>
		<u>4,066,150.00</u>
Decreased by:		
Refunding Bonds Issued	E-16	<u>3,050,000.00</u>
Balance, December 31, 2017	E	<u>\$ 19,661,205.27</u>

TOWNSHIP OF ABERDEEN
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2016</u>	<u>Fixed Capital Authorized</u>	<u>Bond Anticipation Notes</u>	<u>Paid from Operating Budget</u>	<u>Balance Dec. 31, 2017</u>
15-2009	Various Public Sewer Improvements	08-04-09	\$ 145,000.00		\$ 15,000.00	\$ 160,000.00	
12-2011	Various Improvements and Acquisition of Equipment	08-02-11	107,000.00		11,000.00		118,000.00
10-2012	Various Improvements and Acquisition of Equipment	06-07-12	76,100.00		20,550.00		96,650.00
06-2013	Various Public Improvements and the Acquisition of New Additional Equipment or Replacement Equipment and Machinery	06-05-13	166,800.00		58,400.00		225,200.00
06-2014/ 01-2015	Various Public Improvements (A) Preliminary Engineering and Design Phase for the Woodfield Sewer Project (B) Various Sewer Improvements	06-17-14 03-17-15		5,000.00 95,000.00			5,000.00 95,000.00
08-2015	Various Improvements and Acquisition of equipment (A) Sewer Improvements (B) Acquisition of Equipment and Machinery	05-19-15		25,000.00 15,000.00			25,000.00 15,000.00

TOWNSHIP OF ABERDEEN
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2016</u>	<u>Fixed Capital Authorized</u>	<u>Bond Anticipation Notes</u>	<u>Paid from Operating Budget</u>	<u>Balance Dec. 31, 2017</u>
5-2016	The Woodfield Area Sanitary Sewer Collection System Installation and Stormwater System Upgrade Project	4-19-16	\$ 1,000,000.00				\$ 1,000,000.00
17-2016	Various Sewer Utility Improvements (A) Line Rehabilitation, Wet Well Coating and Pump Replacement (B) Acquisition of a Truck	6-21-16	40,000.00 10,000.00				40,000.00 10,000.00
5-2017	Various Sewer Utility Improvements	5-18-17	\$ 89,000.00				\$ 89,000.00
			\$ 1,684,900.00	\$ 89,000.00	\$ 104,950.00		\$ 1,878,850.00

Ref

E

E-19

E-17

E

**TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY**

SEWER UTILITY CAPITAL FUND
SCHEDULE OF VARIOUS RESERVES

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF INTERFUND - SEWER UTILITY OPERATING FUND

	<u>Ref.</u>	
Balance, December 31, 2016	E	\$ -
Increased by:		
Cash Receipts	E-5	<u>100,000.00</u>
		<u>100,000.00</u>
Decreased by:		
Cash Disbursements	E-5	<u>15,590.60</u>
Balance, December 31, 2017	E	<u>\$ 84,409.40</u>

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, December 31, 2016</u>	<u>2017 Authorizations</u>	<u>New Jersey Environmental Infrastructure Trust Note Issued</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance, December 31, 2017</u>
08-2015	Various Public Improvements and Acquisition of Equipment (A) Sewer Improvements	\$ 70,000.00				\$ 70,000.00
5-2016	The Woodfield Area Sanitary Sewer Collection System Installation and Stormwater System Upgrade Project	8,300,000.00		\$ 2,048,471.00		6,251,529.00
17-2016	Various Sewer Utility Improvements (A) Line Rehabilitation, Wet Well Coating and Pump Replacement (B) Acquisition of a Truck	55,000.00 10,000.00			\$ 55,000.00 10,000.00	
5-2017	Various Sewer Utility Improvements	\$ 8,435,000.00	\$ 441,000.00	\$ 2,048,471.00	\$ 65,000.00	\$ 6,762,529.00
	<u>Ref.</u>	E-19	E-18	E-17	(Footnote E)	

SUPPLEMENTARY EXHIBITS
SOLID WASTE COLLECTION DISTRICT FUND

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SOLID WASTE COLLECTION DISTRICT FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>		
Balance, December 31, 2016	F	\$	227,432.19
Increased by:			
Tax Levy	F-2	\$	2,363,131.00
Recycling Revenue	F-2	12,712.41	
Recycling Grant	F-2	39,851.32	
Miscellaneous Revenue Not Anticipated	F-2	<u>181.62</u>	
		<u>2,415,876.35</u>	
		<u>2,643,308.54</u>	
Decreased by:			
Surplus - Current Fund Budget	F-1	\$	50,000.00
2017 Appropriations	F-3	2,095,372.13	
2016 Appropriation Reserves	F-5	<u>132,798.31</u>	
		<u>2,278,170.44</u>	
Balance, December 31, 2017	F	<u>\$</u>	<u>365,138.10</u>

TOWNSHIP OF ABERDEEN
 COUNTY OF MONMOUTH, NEW JERSEY

SOLID WASTE COLLECTION DISTRICT FUND
 SCHEDULE OF APPROPRIATION RESERVES

	Balance <u>Dec. 31, 2016</u>	Reserve <u>for Encumbrances</u>	Balance <u>After Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:					
Other Expenses	\$ 9,181.59	\$ 9,824.90	\$ 19,006.49	\$ 13,167.28	\$ 5,839.21
Contractual Services	0.04	48,958.33	48,958.37	48,958.33	0.04
Disposal Fees	<u>38,578.45</u>	<u>47,575.14</u>	<u>86,153.59</u>	<u>70,672.70</u>	<u>15,480.89</u>
	<u>\$ 47,760.08</u>	<u>\$ 106,358.37</u>	<u>\$ 154,118.45</u>	<u>\$ 132,798.31</u>	<u>\$ 21,320.14</u>

Ref.

F

F-6

F-4

F-1

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

SOLID WASTE COLLECTION DISTRICT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2016	F	\$ 106,358.37
Increased by:		
Transferred from Budget Appropriations	F-3	<u>213,206.19</u>
		<u>319,564.56</u>
Decreased by:		
Transfer to Appropriation Reserves	F-5	<u>106,358.37</u>
Balance, December 31, 2017	F	<u>\$ 213,206.19</u>

SUPPLEMENTARY EXHIBITS

PAYROLL FUND

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

PAYROLL FUND
SCHEDULE OF INTERFUND - TRUST OTHER FUND

Ref.

Balance, December 31, 2016	G	\$	-
Increased by:			
Cash Receipts			<u>33,368.75</u>
Balance, December 31, 2017	G	\$	<u>33,368.75</u>

SUPPLEMENTARY EXHIBITS

GENERAL FIXED ASSETS ACCOUNT GROUP

TOWNSHIP OF ABERDEEN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSET ACCOUNT GROUP
 SCHEDULE OF INVESTMENTS IN GENERAL FIXED ASSETS

	Balance <u>Dec. 31, 2016</u>	Additions	Deletions	Balance <u>Dec. 31, 2017</u>
General Fixed Assets:				
Land	\$ 25,198,005.00			\$ 25,198,005.00
Building	3,814,892.00			3,814,892.00
Vehicles	3,421,755.00	\$ 71,526.00	\$ 168,419.00	3,324,862.00
Equipment	<u>710,634.00</u>	<u> </u>	<u>127,645.29</u>	<u>582,988.71</u>
	<u><u>\$ 33,145,286.00</u></u>	<u><u>\$ 71,526.00</u></u>	<u><u>\$ 296,064.29</u></u>	<u><u>\$ 32,920,747.71</u></u>
<u>Ref.</u>	H			H

TOWNSHIP OF ABERDEEN

COUNTY OF MONMOUTH

PART II

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2017

FALLON & COMPANY LLP

Certified Public Accountants

1390 Route 36, Suite 102
Hazlet, New Jersey 07730-1716
Telephone: (732) 888-2070
FAX: (732) 888-6245

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08

To the Honorable Mayor
And Members of the Township Council
Township of Aberdeen
County of Monmouth
Township of Aberdeen, New Jersey

Report on Compliance for Each Major State Program

We have audited the Township of Aberdeen's (Township) compliance with the types of compliance requirements described by reference in New Jersey OMB Circular 15-08 that could have a direct and material effect on each of the Township's major state programs for the year ended December 31, 2017. The Township's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) as referenced by New Jersey OMB's Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and the New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Township's compliance.

Opinion on Each Major State Program

In our opinion, the Township complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state program for the year ended December 31, 2017.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2017-002 that we consider to be material weaknesses.

The Township's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Township's response was not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Charles J. Fallon CPA RMA

Charles J. Fallon
Certified Public Accountant
Registered Municipal Accountant #506

Fallon & Company LLP

FALLON & COMPANY LLP

Hazlet, NJ
September 10, 2018

TOWNSHIP OF ABERDEEN
 COUNTY OF MONMOUTH
 STATE OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For the Year Ended December 31, 2017

<u>State Grantor / Pass - Through Grantor / Program</u>	<u>State Account Number or Other Identifying Number</u>	<u>Grant Period</u>	<u>Grant/Loan Award</u>	<u>Program Expenditures</u>	<u>Cumulative Expenditures</u>
<u>N.J. Department of Law and Public Safety:</u>					
Drunk Driving Enforcement Fund	66-6400-100-078	Open	783.58	\$ 783.58	\$ 783.58
Safe and Secure Communities Program	66-1020-100-232	08/04/15 - 08/03/16	\$ 60,000.00	60,000.00	60,000.00
Body Armor Replacement Grant	66-1020-718-001	Open	3,472.77	2,398.95	2,398.95
Body Armor Replacement Grant	66-1020-718-001	Open	5,026.25		
Total N.J. Department of Law and Public Safety				<u>\$ 63,182.53</u>	<u>\$ 63,182.53</u>
<u>N.J. Department of Health and Senior Services:</u>					
Alcohol Education and Rehabilitation	098-9735-760-000	Open	2,430.94		
Alcohol Education and Rehabilitation	098-9735-760-001	Open	1,208.63	\$ 1,208.63	\$ 1,208.63
Total N.J. Department of Health and Senior Services				<u>\$ 1,208.63</u>	<u>\$ 1,208.63</u>
<u>N.J. Department of Environmental Protection:</u>					
NJEIT Short-Term Construction Loan - Sewer	N/A	6/23/17-6/23/20	2,048,471.00	\$ 1,726,415.52	\$ 2,048,471.00
NJEIT Short-Term Construction Loan - Water	N/A	6/23/17-6/23/20	291,692.00	282,391.79	291,692.00
Total N.J. Department of Environmental Protection				<u>\$ 2,008,807.31</u>	<u>\$ 2,340,163.00</u>
<u>N.J. Department of Environmental Protection:</u>					
Clean Communities Program	042-4900-765-004	Open	35,496.07	\$ 25,497.45	\$ 25,497.45
Clean Communities Program	042-4900-765-004	Open	28,266.07		
Recycling Tonnage Grant	042-4910-752-001	Open	4,034.71		
NJ Forest Service Community Forestry Program	N/A	Open	3,000.00		
Total N.J. Department of Environmental Protection				<u>- \$ 25,497.45</u>	<u>\$ 25,497.45</u>
<u>N.J. Department of Environmental Protection/NJEDA:</u>					
South River Metals HDSRF	N/A	Open	6,441.50		
South River Metals HDSRF	N/A	Open	1,748,159.72	\$ 1,748,159.72	\$ 1,748,159.72
Total N.J. DEP/N.J. EDA Partnership				<u>\$ 1,748,159.72</u>	<u>\$ 1,748,159.72</u>
Total State Financial Assistance				<u>\$ 3,846,855.64</u>	<u>\$ 4,178,211.33</u>

See accompanying notes to the schedule of expenditures of state financial assistance.

TOWNSHIP OF ABERDEEN
NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance (the “Schedule”) includes the state award activity of the Township of Aberdeen under programs of the State of New Jersey for the year ended December 31, 2017. The information in this Schedule is presented in accordance with the requirements of New Jersey OMB Circular 15-08. Because the Schedule presents only a selected portion of the operations of the Township, it is not intended to and does not represent the fund balance, changes in fund balance, or cash flows of the Township.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such expenditures are recognized following the cost principles contained in the New Jersey OMB Circular 15-08, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 RELATIONSHIP TO THE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Township’s financial statements. Expenditures from awards are reported in the Township’s financial statements as follows:

<u>Fund</u>	<u>Amount</u>
Grant Fund	\$ 89,888.61
Capital Fund	1,748,159.72
Water Capital Fund	282,391.79
Sewer Capital Fund	<u>1,726,415.52</u>
Total State Awards	<u>\$ 3,846,855.64</u>

TOWNSHIP OF ABERDEEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Section I - Summary of Auditor's Results

Financial Statements Section

Type of auditor's report issued on whether the financial Statements audited were prepared in accordance with GAAP:

Adverse

Type of auditor's report issued on whether the financial Statements audited were prepared in accordance with the regulatory basis of accounting promulgated by the Division of Local Government Service, Department Community Affairs, State of New Jersey:

Unmodified

Internal control over financial reporting:

Material weakness identified?

X Yes No

Significant deficiency(ies) identified?

 Yes X None reported

Noncompliance material to financial statements noted?

 Yes X No

State Awards

Internal Control over major programs:

Material weakness(es) identified?

X Yes No

Significant deficiency(ies) identified?

 Yes X None reported

Type of auditor's report issued on compliance for major state programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB's 15-08?

 Yes X No

Identification of major state programs:

Name of State Program or Cluster

N.J.E.I.T. Short-Term Construction Loans
 N.J. D.E.P./N.J. E.D.A. - HDSRF

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000.00

Auditee qualified as low risk auditee?

 Yes X No

**TOWNSHIP OF ABERDEEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Section II – Financial Statement Findings:

Finding Reference: 2017-001

Classification of Finding: Material Weakness in Internal Controls Over Financial Reporting and Preparation of Financial Statements.

Condition:

The general ledger was incomplete at the time of audit. There were subsidiary ledgers that were not properly reconciled to control totals at the time of audit. There were revenues and expenditures that were charged/credited to inappropriate accounts.

Criteria:

N.J.A.C. 5:30-5.7

Context:

During our basic audit procedures, we noted that numerous account balances in and between the funds needed to be corrected.

Cause:

There is a material weakness in the design, implementation and monitoring over internal controls related to financial statement preparation.

Effect:

The financial statements prepared from the general ledger may be materially misstated.

Recommendation:

Internal controls over the preparation and fair presentation of financial statements in accordance with the accounting principles promulgated by the Division of Local Government Services should be reviewed and revised as needed to reasonably ensure the accounting policies of the governing body and those of the Division of Local Government Services are being carried out as intended.

Managements Response:

Management has reviewed this finding and has indicated that corrective actions will be taken.

**TOWNSHIP OF ABERDEEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Section III – State Award Findings and Questioned Costs

Finding Reference: **2017-002**
State Agency: **Economic Development Authority**
Category of Finding: **New Jersey Statutes**
Classification of Finding: **Material Weakness in Internal Control Over Compliance**

Condition:

There were expenditures without authorization related to the project(s) funded by the HDSRF grant that is sponsored by the EDA.

Criteria:

Municipalities may only spend funds as allowed by New Jersey Statutes. Those methods are: through the budget process, by ordinance, or through dedication by rider (NJSA 40A:4-1 et seq., NJSA 40A:2-1 et seq., 40A:4-39).

Context:

During our expenditure testing of the HDSRF grant we noted there were expenditures that exceeded the amount of the ordinance and therefore, the amount of the authorization in this case. The unauthorized expenditures were cured during the year by the adoption of another ordinance. Those expenditures amounted to \$229,018.12.

Cause:

There is a material weakness in the design, implementation and monitoring over the compliance function related to the HDSRF grant.

Effect:

There were expenditures made without authorization. Those expenditures are not in compliance with New Jersey Statutes and therefore, may be in material non-compliance with grant agreements. It is possible there is a contingent liability due to the expenditure without authorization.

Recommendation:

Management should design, implement and monitor a system of internal controls that will reasonably assure compliance with the statutes governing the authorization of payment.

Managements Response:

Management has reviewed this finding and has indicated that corrective action will be taken.

**TOWNSHIP OF ABERDEEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Status of Prior Year Findings

No prior year findings

TOWNSHIP OF ABERDEEN

COUNTY OF MONMOUTH

PART III

**OFFICIALS IN OFFICE AND SURETY BONDS
GENERAL COMMENTS
APPRECIATION**

FOR THE YEAR ENDED DECEMBER 31, 2017

OFFICIALS IN OFFICE AND SURETY BONDS

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

Name	Title
Fred Tagliarini	Councilman, Mayor
Margaret Montone	Councilwoman, Deputy Mayor
Gregory Cannon	Councilman
Concetta Kelley	Councilwoman
Joseph Martucci	Councilman
Robert Swindle	Councilman
Arthur Hirsch	Councilman
Holly Reycraft	Township Manager
Karen Ventura	Municipal Clerk
Angela Morin	Director of Finance, Chief Financial Officer *
Marie Taylor	Tax Collector/Tax Search Officer, Water Utility and Sewer Utility Collector *
Michael Pugliese	Magistrate *
Michele Wieczorek	Court Administrator *
Katherine Moelius	Deputy Court Clerk *
J. Sheldon Cohen	Township Attorney

* All employees are covered by a dishonesty Public Employees' Blanket Bond in the amount of \$50,000.00, written by Central Jersey Municipal Joint Insurance Fund. In addition, there are blanket bonds for secondary coverage with the Municipal Excess Liability Joint Insurance Fund in the amount of \$950,000.00 for Public Employees.

GENERAL COMMENTS

Contracts and Agreements Required To Be Advertised for N.J.S. 40A:11-4

N.J.S. 40-A: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 fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the Township Counsel’s opinion should be sought before a commitment is made.

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

- Grass Cutting and Lawn Maintenance
- 2017 Budget Year Road Program
- Public Works Electrical Maintenance
- Public Works Routine and Emergency Repair
- Odor Control and Corrosion Control - Bioxide
- Public Works Materials for Maintenance and Repairs
- Public Works Road Materials for Maintenance and Repairs
- Snow Removal at Mass Transit Parking Lots
- Woodfield Area Wastewater collection System and Water System Rehabilitation Project
- Non-Leaded Gasoline and Diesel Fuel
- 2017 Park Improvements: Andover Park, Deerfield Park and Midland Park
- Maintenance and Repair of Heating and Cooling System
- Sewerage Grinders (Communitors)

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

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

Our examination of expenditures did not reveal individual payments in excess of the bid threshold “for the provision or performance 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 provision of N.J.S. 40A:11-6.

GENERAL COMMENTS (continued)

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

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

Collection of Interest on Delinquent Taxes, Water Utility Rents, Sewer Utility Rents and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes and assessments on or before the date when they would become delinquent.

The Governing Body, on January 5, 2017, adopted the following resolution authorizing interest to be charged on delinquent taxes, assessments, municipal charges or water and sewer rents:

WHEREAS, N.J.S.A. 54:4-67 permits the governing body of each municipality to fix the rate of interest to be charged for nonpayment of taxes, assessments, municipal charges or water and sewer rents, subject to any abatement or discount of the late payment of taxes, assessments, municipal charges and water and sewer rents as provided by law; and

WHEREAS, N.J.S.A. 54:4-67 has been amended to permit the fixing of said rate of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 and allows an additional penalty of 6% to be collected against a delinquency in excess of \$10,000.00 on properties that fail to pay the delinquency prior to the end of the calendar year; and

WHEREAS, N.J.S.A. 54:5-50 has been amended to permit the amount required to redeem a Tax Sale Certificate to allow a penalty of 2% on amounts from \$200.00 to \$5,000.00, 4% on amounts from \$5,000.01 to \$10,000.00 and 6% on amounts over \$10,000.00.

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Aberdeen, County of Monmouth, State of New Jersey, as follows:

The Tax Collector, Water Collector, and Sewer Collector are hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes and water and sewer rents becoming delinquent after the due date and 18% per annum on any amount of taxes and water and sewer rents in excess of \$1,500.00 becoming delinquent after the due date, and taxes and water and sewer rents in excess of \$10,000 remaining in arrears beyond December 31, 2017, an additional penalty of 6% shall be charged against the delinquency.

The Tax Collector, Water Collector, and Sewer Collector are hereby authorized and directed to impose the following surcharges on Tax Title Lien Certificates at the time of redemption: 2% on amounts between \$200.00 and \$5,000.00, 4% from \$5,000.01 to \$10,000.00 and 6% on amounts over \$10,000.00.

GENERAL COMMENTS (continued)

Collection of Interest on Delinquent Taxes, Water Utility Rents, Sewer Utility Rents and Assessments (continued)

Effective January 1, 2017, there will be a ten (10) day grace period of quarterly tax payments and a thirty (30) day billing period of quarterly water and sewer rent payments made by cash, check or money order.

Water and sewer rents and charges are to be added to delinquent taxes when meeting the \$10,000.00 threshold for the purpose of charging the 6% surcharge.

Any payment not made in accordance with paragraph two of this resolution shall be charged interest from the due date as set forth in paragraph one of this resolution.

Tax Sale

The last tax sale was held on October 30, 2017.

Other Comments

Current Year Comments

The general ledger was incomplete at the time of audit. There were subsidiary ledgers that were not properly reconciled to control totals at the time of audit. There were revenues and expenditures that were charged/credited to inappropriate accounts.

There were expenditures without authorization related to the project(s) funded by the HDSRF grant that is sponsored by the EDA. Although, the expenditures were cured later in the year through adoption of a bond ordinance.

There were various interfund balances outstanding at year end.

Status of Prior Year Comments – No comments in 2016

Recommendations

Internal controls over the preparation and fair presentation of financial statements in accordance with the accounting principles promulgated by the Division of Local Government Services should be reviewed and revised as needed to reasonably ensure the accounting policies of the governing body and those of the Division of Local Government Services are being carried out as intended.

Management should design, implement and monitor a system of internal controls that would reasonably assure compliance with the statutes governing authorization of payment.

To improve internal controls over financial reporting all interfund balances should be liquidated before year end.

Appreciation

We express our appreciation for the cooperation received from the Township Officials and Employees and the courtesies extended during the course of the audit.

Very truly yours,

Charles J. Fallon CPA RMA

Charles J. Fallon
Certified Public Accountant
Registered Municipal Accountant # 506

For the Firm
FALON & COMPANY LLP