

**TOWNSHIP OF WILLINGBORO
COUNTY OF BURLINGTON**

REPORT OF AUDIT

**WITH
SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED
DECEMBER 31, 2017**

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TOWNSHIP OF WILLINGBORO

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2017**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Willingboro
Willingboro, NJ 08046

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Willingboro, in the County of Burlington, State of New Jersey (Township), as of December 31, 2017 and 2016, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township'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 Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

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

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

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

In our opinion, because of the significance of the matter discussed in the "*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Willingboro, in the County of Burlington, State of New Jersey, as of December 31, 2017 and 2016, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Willingboro, in the County of Burlington, State of New Jersey, as of December 31, 2017 and 2016, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 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.

Other Matters

Other Information

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

The supplemental statements and schedules presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental statements and schedules described in the previous paragraph are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2018 on our consideration of the Township of Willingboro, in the County of Burlington, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Willingboro's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Kirk N. Applegate

Kirk N. Applegate
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 26, 2018

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Willingboro
Willingboro, NJ 08046

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Township of Willingboro, in the County of Burlington, State of New Jersey (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 basic financial statements, and have issued our report thereon dated June 26, 2018. That report indicated that the Township's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying *Schedule of Findings and Recommendations*, that we consider to be significant deficiencies as findings no. 2017-001 and 2017-002.

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 those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and which are described in the accompanying *Schedule of Findings and Recommendations* as finding no. 2017-001.

The Township of Willingboro's Response to Findings

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

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Kirk N. Applegate
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 26, 2018

TOWNSHIP OF WILLINGBORO
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2017 and 2016

<u>ASSETS</u>	<u>Ref.</u>	<u>Year 2017</u>	<u>Year 2016</u>
Regular Fund:			
Cash--Treasurer	SA-1	\$ 6,736,156.62	\$ 9,021,791.78
Cash--Change Fund	A	300.00	300.00
		<u>6,736,456.62</u>	<u>9,022,091.78</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	3,554,604.81	2,831,989.46
Tax Title Liens Receivable	SA-4	444,009.31	358,184.91
Revenue Accounts Receivable	SA-5	8,875.81	10,809.67
Other Accounts Receivable	SA-6	299,180.51	225,699.52
Special Assessment and PILOT Program Receivable	SA-7	90,003.46	217,911.22
Due from State & Federal Grant Fund	A	7,874.31	75,934.49
Due from Trust - Other Fund	SB-3		63,030.40
Due from General Capital Fund	SC-3	3,669,514.01	1,163,388.22
		<u>8,074,062.22</u>	<u>4,946,947.89</u>
Deferred Charges:			
Deficit from Operations	SA-9	612,825.59	
Emergency - Legal Settlement	SA-9	50,000.00	
		<u>662,825.59</u>	<u>-</u>
		<u>15,473,344.43</u>	<u>13,969,039.67</u>
Federal and State Grant Fund:			
Federal Aid Receivable	SA-17	27,677.09	27,677.09
State Aid Receivable	SA-17	84,180.25	22,886.00
Local Receivables	SA-17	556,364.91	552,908.20
		<u>668,222.25</u>	<u>603,471.29</u>
		<u>\$ 16,141,566.68</u>	<u>\$ 14,572,510.96</u>

(Continued)

TOWNSHIP OF WILLINGBORO

CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2017 and 2016

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Year 2017</u>	<u>Year 2016</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3&SA-8	\$ 2,014,012.56	\$ 1,791,382.97
Encumbrances Payable	A-3&SA-8	492,726.91	422,434.95
Due to State of New Jersey:			
Senior Citizens' and Veterans' Deductions	SA-2	62,459.81	47,709.81
Reserve for Master Plan, Codification, Revaluation and Tax Map, Compensated Absences and Hurricane	SA-1	39,845.42	40,168.34
Payroll Deductions Payable	SA-14	148,805.75	117,040.83
Prepaid Taxes	SA-12	693,472.60	360,931.32
Tax Overpayments	SA-13	679,344.24	594,274.83
Due County for Added and Omitted Taxes	SA-15	15,595.37	44,920.15
Due to Trust--Other Funds	SB-2	49,207.97	
Due to State of New Jersey:			
Training Fees for New Construction	SA-10	8,848.00	8,315.00
Marriage License Fees	SA-11	1,075.00	1,025.00
		4,205,393.63	3,428,203.20
Reserves for Receivables and Other Assets		8,074,062.22	4,946,947.89
Fund Balance	A-1	3,193,888.58	5,593,888.58
		15,473,344.43	13,969,039.67
Federal and State Grant Fund:			
Due to Current	A	7,874.31	75,934.49
Encumbrances Payable	SA-19	82,977.40	44,603.10
Unappropriated Reserves	SA-18	136,405.26	88,594.30
Appropriated Reserves	SA-19	440,965.28	394,339.40
		668,222.25	603,471.29
		\$ 16,141,566.68	\$ 14,572,510.96

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

TOWNSHIP OF WILLINGBORO
CURRENT FUND

Statements of Operations and Changes in Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2017 and 2016

<u>Revenue and Other Income Realized</u>	<u>Year 2017</u>	<u>Year 2016</u>
Fund Balance Utilized	\$ 2,400,000.00	\$ 2,345,000.00
Miscellaneous Revenues Anticipated	7,338,203.54	7,150,989.87
Receipts from Delinquent Taxes	2,089,159.48	2,490,912.18
Receipts from Current Taxes	68,011,215.48	68,055,474.85
Non-Budget Revenue	690,909.84	670,349.83
Other Credits to Income:		
Property Maintenance	32,093.07	29,750.63
Unexpended Balance of Appropriation Reserves	1,609,433.89	1,648,780.31
Liquidation of Reserves for:		
Other Accounts Receivable		57,515.08
Due from Federal and State Grant Fund	68,060.18	71,071.51
Due from Special Assessment and PILOT Program Receivable	127,907.76	
Due from Trust - Other Fund	63,030.40	
Total Income	82,430,013.64	82,519,844.26
<u>Expenditures</u>		
Budget Appropriations:		
Operations--Within "CAPS":		
Salaries and Wages	17,406,492.91	16,827,593.02
Other Expenses	12,006,632.95	11,654,399.30
Deferred Charges and Statutory Expenditures		
Municipal--Within "CAPS"	4,192,373.48	4,767,809.53
Operations--Excluded from "CAPS":		
Salaries and Wages	979,870.58	1,010,343.15
Other Expenses	1,921,675.00	1,837,486.53
Capital Improvements--Excluded from "CAPS"	796.22	428,911.05
Municipal Debt Service--Excluded from "CAPS"	5,180,863.83	5,181,035.98
Deferred Charges and Statutory Expenditures		
Municipal--Excluded from "CAPS"	149,700.00	253,952.87
Judgements	50,000.00	
County Taxes	6,585,810.11	6,569,286.01
Due County for Added and Omitted	15,595.37	44,920.15
Local School District Taxes	32,023,422.00	30,871,641.03
Creation of Reserve for:		
Other Accounts Receivable	73,480.99	
Due from Federal and State Grant Fund		532,937.91
Due from General Capital Fund	2,506,125.79	59,249.19
Due from Trust - Other Fund		47,890.31
Due from Special Assessment and PILOT Program Receivable		170,020.91
Total Expenditures	83,092,839.23	80,257,476.94
Excess in Revenue (Carried Forward)		2,262,367.32
Deficit in Revenue (Carried Forward)	662,825.59	

(Continued)

TOWNSHIP OF WILLINGBORO
CURRENT FUND
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2017 and 2016

	<u>Year 2017</u>	<u>Year 2016</u>
Excess in Revenue (Brought Forward)		\$ 2,262,367.32
Deficit in Revenue (Brought Forward)	\$ 662,825.59	
Adjustment to Income Before Fund Balance:		
Expenditures Included above which are by Statute Deferred Charges to Budget of Succeeding Year	<u>50,000.00</u>	-
Statutory Excess to Fund Balance		2,262,367.32
Deficit in Operations to be Raised in the Budget of Succeeding Year	<u>612,825.59</u>	
Balance Jan. 1	<u>5,593,888.58</u>	<u>5,676,521.26</u>
	5,593,888.58	7,938,888.58
Decreased by:		
Utilized as Revenue	<u>2,400,000.00</u>	<u>2,345,000.00</u>
Balance Dec. 31	<u>\$ 3,193,888.58</u>	<u>\$ 5,593,888.58</u>

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

TOWNSHIP OF WILLINGBORO
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2017

	<u>Anticipated Budget</u>	<u>Special NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 2,400,000.00	\$ -	\$ 2,400,000.00	\$ -
Miscellaneous Revenues:				
Licenses--Clerk	13,424.00		14,535.20	1,111.20
Fees and Permits -- Other	272,051.00		255,429.05	(16,621.95)
Fines and Costs--Municipal Court	194,763.00		169,518.78	(25,244.22)
Interest and Costs on Taxes	421,170.00		190,776.57	(230,393.43)
Interest on Investments and Deposits	13,430.00		19,794.30	6,364.30
C.A.T.V. Franchise Fee	83,974.00		91,311.46	7,337.46
Consolidated Municipal Property Tax Relief Aid	540,269.00		540,269.00	
Energy Receipts Taxes	3,144,006.00		3,144,006.00	
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S. 40A:4-36 and N.J.A.C. 5:23-4.17) Uniform Construction Code Fees	844,326.00		1,067,240.00	222,914.00
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services:				
Inter-local Service Agreements With Appropriations:				
Interlocal Service Agreement--Animal Control	112,500.00		103,500.00	(9,000.00)
Interlocal Service Agreement-Purchasing	5,000.00			(5,000.00)
Reserve for Clean Communities	75,031.97		75,031.97	
Reserve for Drunk Driving Prevention Incentive Grant	2,528.63		2,528.63	
Reserve for Police Body Cameras	5,000.00		5,000.00	
Reserve for Body Armor Replacement Grant	6,033.70	13,417.04	19,450.74	
Municipal Drug Alliance	15,475.00		15,475.00	
Summer Food Program		114,874.88	114,874.88	
NJ Department of Transportation		245,177.00	245,177.00	

(Continued)

TOWNSHIP OF WILLINGBORO
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2017

	<u>Anticipated Budget</u>	<u>Special NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Miscellaneous Revenues (Continued):				
Other Special Items:				
Debt Service Agreement - Renewal Realty	\$ 159,457.30		\$ 159,457.30	
Leasing of Municipal Facilities	113,143.00		114,150.13	\$ 1,007.13
Payment in Lieu of Taxes - Delco	10,332.00		125,234.37	114,902.37
Authority Contribution Per N.J.S.A. 40A:5A-12.1	200,000.00		200,000.00	
Capital Surplus	41,600.00		41,600.00	
EMS Fees	674,295.00		623,843.16	(50,451.84)
	<u>6,947,809.60</u>	<u>\$ 373,468.92</u>	<u>7,338,203.54</u>	<u>16,925.02</u>
Receipts from Delinquent Taxes	<u>2,400,124.84</u>	<u>-</u>	<u>2,089,159.48</u>	<u>(310,965.36)</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	31,516,789.60		30,891,635.77	(625,153.83)
Minimum Library Tax	584,285.96		584,285.96	
	<u>32,101,075.56</u>	<u>-</u>	<u>31,475,921.73</u>	<u>(625,153.83)</u>
Budget Totals	43,849,010.00	373,468.92	43,303,284.75	(919,194.17)
Non-Budget Revenue	-	-	690,909.84	690,909.84
Total Revenue	<u>\$ 43,849,010.00</u>	<u>\$ 373,468.92</u>	<u>\$ 43,994,194.59</u>	<u>\$ (228,284.33)</u>

(Continued)

TOWNSHIP OF WILLINGBORO
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	\$ 68,011,215.48
Allocated to:	
School and County Taxes	38,919,329.48
Balance for Support of Municipal Budget Appropriations	29,091,886.00
Add: Appropriation "Reserve for Uncollected Taxes"	2,384,035.73
Amount for Support of Municipal Budget Appropriations	\$ 31,475,921.73

Receipts from Delinquent Taxes

Taxes Receivable	\$ 2,089,159.48
------------------	-----------------

Fees and Permits--Other:

Clerk--Other	\$ 194,676.05
Chief of Police	5,585.00
Registrar of Vital Statistics	55,168.00
	\$ 255,429.05

Analysis of Non-Budget Revenue

Police Department Records	\$ 5,448.10
Township Asset Sales	25,741.97
Insurance Dividend	347,822.00
Interlocal Agreement - Snow Removal	35,581.00
Miscellaneous	328.04
	414,921.11
Special Assessments and PILOT Programs:	
PILOT - Renewal	\$ 49,670.84
PILOT - Willingboro Associates LLC/The Avery	223,847.33
	273,518.17
	688,439.28
LOSAP Refunds from Prior Year	2,470.56
	\$ 690,909.84

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

TOWNSHIP OF WILLINGBORO
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS--WITHIN "CAPS"</u>						
<u>General Government</u>						
Township Manager						
Salaries and Wages	\$ 360,000.00	\$ 320,000.00	\$ 310,948.12		\$ 9,051.88	
Other Expenses	5,500.00	5,500.00	4,343.68	\$ 50.00		1,106.32
Purchasing and Technical Support						
Salaries and Wages	72,024.69	72,024.69	72,024.48			0.21
Other Expenses	172,800.00	172,800.00	143,111.80	13,181.17		16,507.03
Technology						
Salaries and Wages	267,044.97	269,544.97	265,881.88			3,663.09
Other Expenses	80,500.00	70,500.00	49,513.91	3,834.28		17,151.81
Human Resources						
Other Expenses	10,000.00	10,000.00	5,316.77			4,683.23
Mayor and Council						
Salaries and Wages	81,450.44	81,450.44	79,777.26			1,673.18
Other Expenses	76,800.00	61,800.00	34,099.15	282.92		27,417.93
Township Clerk						
Salaries and Wages	254,997.44	255,097.44	254,998.44			99.00
Other Expenses	30,700.00	30,700.00	18,073.93	666.91		11,959.16
Financial Administration						
Salaries and Wages	400,031.56	380,031.56	371,316.94			8,714.62
Other Expenses	70,550.00	105,550.00	94,442.76			11,107.24
Audit Services						
Other Expenses	97,000.00	87,000.00	81,275.00			5,725.00
Collection of Taxes						
Salaries and Wages	198,494.80	200,994.80	200,079.34			915.46
Other Expenses	9,600.00	9,600.00	9,048.31			551.69
Assessment of Taxes						
Salaries and Wages	178,482.83	168,482.83	155,727.28			12,755.55
Other Expenses	37,575.00	27,575.00	21,217.65	6,124.15		233.20

(Continued)

TOWNSHIP OF WILLINGBORO
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>General Government (Cont'd)</u>						
Township Attorney						
Other Expenses	\$ 360,000.00	\$ 360,000.00	\$ 332,598.48	\$ 19,457.95	\$ 7,943.57	
Engineering Services and Costs						
Other Expenses	75,000.00	75,000.00	39,699.61		35,300.39	
<u>Land Use Administration</u>						
Municipal Land Use Law (N.J.S.40-55D-1):						
Planning Board						
Other Expenses	3,600.00	13,600.00	5,352.25		8,247.75	
Zoning Board of Adjustments						
Other Expenses	4,000.00	4,000.00	2,617.73		1,382.27	
<u>Code Enforcement & Administration</u>						
Construction Code						
Salaries and Wages	256,867.80	231,867.80	195,258.81		36,608.99	
Other Expenses	172,600.00	172,600.00	46,827.20	48,994.62	76,778.18	
Property Maintenance (Code Enforcement)						
Salaries and Wages	738,189.25	739,889.25	739,840.56		48.69	
<u>Insurance</u>						
General Liability	1,279,526.14	1,279,526.14	1,279,526.14			
Employee Group Health	3,463,000.00	3,306,500.00	3,282,818.16	5,402.62	18,279.22	
Unemployment Insurance	105,000.00	105,000.00	103,347.77		1,652.23	
<u>Public Safety</u>						
Police						
Salaries and Wages	8,299,886.47	8,495,886.47	8,471,186.02		24,700.45	
Other Expenses	606,400.00	606,400.00	388,744.29	124,204.39	93,451.32	

(Continued)

TOWNSHIP OF WILLINGBORO
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>Public Safety (Cont'd)</u>						
Office of Emergency Management						
Other Expenses	\$ 11,000.00	\$ 11,000.00	\$ 2,068.32			\$ 8,931.68
First Aid Organization						
Salaries and Wages	456,600.00	456,600.00	358,006.79			98,593.21
Other Expenses	103,500.00	103,500.00	54,616.78	\$ 16,868.95		32,014.27
Fire						
Salaries and Wages	2,042,672.86	2,042,672.86	1,960,125.91			82,546.95
Other Expenses	282,800.00	272,800.00	208,782.34	23,404.63		40,613.03
Municipal Prosecutor						
Other Expenses	45,000.00	45,000.00	38,041.63			6,958.37
<u>Public Works</u>						
Road Repairs and Maintenance						
Salaries and Wages	1,024,223.39	1,024,323.39	960,080.27			64,243.12
Other Expenses	296,600.00	296,600.00	125,182.97	67,376.21		104,040.82
Traffic Light Controls						
Other Expenses	10,500.00	10,500.00	7,247.40			3,252.60
Recycling						
Salaries and Wages	20,000.00	10,000.00				10,000.00
Other Expenses	12,500.00	12,500.00	6,056.30	2,961.50		3,482.20
Garbage and Trash Removal - Contractual	706,596.81	771,596.81	703,523.76	3,073.05		65,000.00
Public Buildings and Grounds						
Salaries and Wages	191,917.21	191,917.21	189,024.39			2,892.82
Other Expenses	671,000.00	671,000.00	560,755.26	44,819.28		65,425.46
Snow Removal						
Salaries and Wages	45,000.00	45,000.00	45,000.00			
Other Expenses	38,500.00	38,500.00	28,669.61	9,830.39		

(Continued)

TOWNSHIP OF WILLINGBORO
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>Animal Regulation</u>						
Animal Control						
Salaries and Wages	\$ 14,758.24	\$ 14,758.24			\$ 14,758.24	
Other Expenses	15,300.00	15,300.00	\$ 5,561.73	\$ 969.97	8,768.30	
<u>Other Common Operating Functions</u>						
Elder Program						
Salaries and Wages	514,697.86	514,697.86	490,677.08		24,020.78	
Other Expenses	205,220.00	205,220.00	146,622.34	19,420.88	39,176.78	
Shelter for Abused Women	15,940.00	15,940.00	15,940.00			
Celebration of Public Events						
Other Expenses	50,000.00	50,000.00	49,235.93		764.07	
<u>Parks and Recreation Functions</u>						
Recreation						
Salaries and Wages	1,491,436.49	1,491,436.49	1,482,431.72		9,004.77	
Other Expenses	209,350.00	209,350.00	125,503.21	24,327.82	59,518.97	
Accumulation Leave						
Compensation	150,000.00	150,000.00	86,979.76		63,020.24	
Sick Leave Incentive Payments	12,500.00	12,500.00	8,311.48		4,188.52	
<u>Utility Expenses and Bulk Purchases</u>						
Electricity	410,000.00	383,600.00	319,330.77		64,269.23	
Street Lighting	610,000.00	540,000.00	475,689.00		64,311.00	
Telephone	295,600.00	345,600.00	332,362.97	4,354.48	8,882.55	
Water and Sewer	25,000.00	25,000.00	13,032.74		11,967.26	
Gas	103,000.00	103,000.00	75,658.94		27,341.06	
Gasoline, Diesel and Oil	200,000.00	200,000.00	141,668.43		58,331.57	
Landfill/Solid Waste Disposal Costs	1,088,000.00	1,133,000.00	954,328.54		178,671.46	

(Continued)

TOWNSHIP OF WILLINGBORO
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2017

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>Municipal Court</u>						
Municipal Court						
Salaries and Wages	\$ 237,316.61	\$ 237,316.61	\$ 221,439.39		\$ 15,877.22	
Other Expenses	18,975.00	18,975.00	14,462.53	\$ 176.66	4,335.81	
Public Defender						
Other Expenses	20,000.00	25,000.00	19,531.50		5,468.50	
Total Operations including Contingent--Within "CAPS"	29,413,125.86	29,413,125.86	27,284,963.51	439,782.83	1,688,379.52	\$ -
Detail:						
Salaries and Wages	17,308,592.91	17,406,492.91	16,919,115.92	-	487,376.99	-
Other Expenses	12,104,532.95	12,006,632.95	10,365,847.59	439,782.83	1,201,002.53	-
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
<u>MUNICIPAL-- WITHIN "CAPS"</u>						
Statutory Expenditures:						
Public Employees' Retirement System	889,541.00	889,541.00	848,607.98		40,933.02	
Social Security System (O.A.S.I.)	1,385,392.48	1,385,392.48	1,261,657.48		123,735.00	
Police and Fireman's Retirement System of NJ						
Annual Contribution	1,914,940.00	1,914,940.00	1,914,824.32		115.68	
Defined Contribution Retirement Program	2,500.00	2,500.00	1,632.43		867.57	
	4,192,373.48	4,192,373.48	4,026,722.21	-	165,651.27	-
Total General Appropriations for Municipal Purposes Within--"CAPS"	33,605,499.34	33,605,499.34	31,311,685.72	439,782.83	1,854,030.79	-
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
<u>Mandated Expenditures Per N.J.S.A.40A:4-45.3g</u>						
<u>Excluded from "CAPS"</u>						
Length of Services Awards Program	22,300.00	22,300.00	21,511.00		789.00	
Maintenance of Free Public Library	1,355,000.00	1,355,000.00	1,355,000.00			

(Continued)

TOWNSHIP OF WILLINGBORO
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS EXCLUDED FROM "CAPS" (CONT'D)</u>						
<u>Mandated Expenditures Per N.J.S.A.40A:4-45.3g</u>						
<u>Excluded from "CAPS" (Cont'd)</u>						
N.J.S.A. 40A:4-45.3(cc):						
NJPDES/Stormwater General Permits						
Salaries and Wages	\$ 792,338.61	\$ 792,338.61	\$ 653,060.43		\$ 139,278.18	
Other Expenses	133,000.00	133,000.00	65,025.67	\$ 52,944.08	15,030.25	
<u>Interlocal Services Agreement</u>						
Animal Control						
Salaries and Wages	112,500.00	112,500.00	107,615.66		4,884.34	
Other Expenses						
Purchasing and Technical Support						
Salaries and Wages	5,000.00	5,000.00	5,000.00			
Construction Code						
Salaries and Wages						
<u>State and Federal Programs Offset by Revenues</u>						
Reserve for Clean Communities Grant	75,031.97	75,031.97	75,031.97			
Drunk Driving Prevention Incentive Grant	2,528.63	2,528.63	2,528.63			
Reserve for Body Armor Replacement Grant (N.J.S.A. 40A:4-87, \$13,417.04+)	6,033.70	19,450.74	19,450.74			
Burlington County Police Body Cameras	5,000.00	5,000.00	5,000.00			
Municipal Drug Alliance Township Match	3,868.75	3,868.75	3,868.75			
Municipal Alliance Grant	15,475.00	15,475.00	15,475.00			
NJ Department of Transportation (N.J.S.A. 40A:4-87, \$245,177.00+)		245,177.00	245,177.00			
Summer Food Program (N.J.S.A. 40A:4-87, \$114,874.88+)		114,874.88	114,874.88			
Total Operations--Excluded from "CAPS" (Carried Forward)	2,528,076.66	2,901,545.58	2,688,619.73	52,944.08	159,981.77	\$ -

(Continued)

TOWNSHIP OF WILLINGBORO
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2017

	Appropriations			Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
<u>OPERATIONS EXCLUDED FROM "CAPS" (CONT'D)</u>						
Total Operations--Excluded from "CAPS" (Brought Forward)	\$ 2,528,076.66	\$ 2,901,545.58	\$ 2,688,619.73	\$ 52,944.08	\$ 159,981.77	\$ -
Detail:						
Salaries and Wages	979,870.58	979,870.58	835,708.06	-	144,162.52	-
Other Expenses	1,548,206.08	1,921,675.00	1,852,911.67	52,944.08	15,819.25	-
<u>CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"</u>						
Ordinance 2008-7	796.22	796.22	796.22	-	-	-
<u>MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	3,899,000.00	3,899,000.00	3,899,000.00			
Interest on Bonds	1,057,710.45	1,057,710.45	1,057,705.44			5.01
Burlington County Improvement Authority Lease Principal	125,000.00	125,000.00	125,000.00			
Burlington County Improvement Authority Lease Interest	36,350.00	36,350.00	36,350.00			
NJEIT Loan Principal	44,996.60	44,996.60	44,996.60			
NJEIT Loan Interest	17,845.00	17,845.00	17,811.79			33.21
Total Municipal Debt Service--Excluded from "CAPS"	5,180,902.05	5,180,902.05	5,180,863.83	-	-	38.22
<u>DEFERRED CHARGES -- MUNICIPAL -- EXCLUDED FROM "CAPS"</u>						
Deferred Charges:						
Deferred Charges to Future Taxation Unfunded	149,700.00	149,700.00	149,700.00			
<u>JUDGMENTS</u>						
Judgments (Emergency, \$50,000.00+)	-	50,000.00	50,000.00	-	-	-

(Continued)

TOWNSHIP OF WILLINGBORO
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2017

	<u>Appropriations</u>					Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Expended Encumbered</u>	<u>Reserved</u>	
Total General Appropriations for Municipal Purposes--Excluded from "CAPS"	\$ 7,859,474.93	\$ 8,282,943.85	\$ 8,069,979.78	\$ 52,944.08	\$ 159,981.77	\$ 38.22
Subtotal General Appropriations	41,464,974.27	41,888,443.19	39,381,665.50	492,726.91	2,014,012.56	38.22
Reserve for Uncollected Taxes	2,384,035.73	2,384,035.73	2,384,035.73	-	-	-
Total General Appropriations	<u>\$ 43,849,010.00</u>	<u>\$ 44,272,478.92</u>	<u>\$ 41,765,701.23</u>	<u>\$ 492,726.91</u>	<u>\$ 2,014,012.56</u>	<u>\$ 38.22</u>
Adopted Budget		\$ 43,849,010.00				
Emergency		50,000.00				
Appropriation by 40A:4-87		<u>373,468.92</u>				
		<u>\$ 44,272,478.92</u>				
Due to General Capital Fund			\$ 18,466.07			
Due to Trust - Other Fund			60,507.92			
Reserve for Uncollected Taxes			2,384,035.73			
Reserve for Federal and State Grants			481,406.97			
Payroll Deductions Payable			8,021,803.29			
Disbursed			<u>30,799,481.25</u>			
			<u>\$ 41,765,701.23</u>			

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

TOWNSHIP OF WILLINGBORO
TRUST FUND
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis
 As of December 31, 2017 and 2016

<u>ASSETS</u>	<u>Ref.</u>	<u>Year 2017</u>	<u>Year 2016</u>
Animal Control Fund:			
Cash--Treasurer	SB-1	\$ 1.00	\$ 7.20
Change Fund--Township Clerk	B	50.00	50.00
Due from Trust Other Funds	SB-3	13,382.95	13,069.22
		<u>13,433.95</u>	<u>13,126.42</u>
Other Funds:			
Cash--Treasurer	SB-1	4,254,602.16	4,126,359.28
Investments - Length of Service Awards Program	SB-2	347,314.04	339,690.03
Due from Current Fund	SB-4	49,207.97	
		<u>4,651,124.17</u>	<u>4,466,049.31</u>
		<u>\$ 4,664,558.12</u>	<u>\$ 4,479,175.73</u>
 <u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to State of New Jersey	SB-6		\$ 1.20
Reserve for Animal Control Expenditures	SB-5	\$ 13,433.95	13,125.22
		<u>13,433.95</u>	<u>13,126.42</u>
Other Funds:			
Due to Animal Control Fund	SB-3	13,382.95	13,069.22
Due to Current Fund	SB-4		63,030.40
Deposits for Redemption of Tax Title Lien Certificates and Premiums	SB-7	3,493,596.29	3,223,560.81
Reserve for New Jersey Unemployment Compensation and Disability Insurance	SB-8	101,313.49	60,000.00
Reserve for Planning Board Review and Inspection Fees	SB-9	175,194.16	476,988.69
Reserve for Parking Offense Adjudication Act Fund	SB-10	2,973.00	2,879.00
Reserve for Disposal of Forfeited Property	SB-11	74,580.07	72,524.24
Reserve for Recreation Trust Fund	SB-12	347,532.64	181,121.69
Reserve for Storm Recovery Trust Fund	SB-13	81,444.76	63,397.28
Reserve for Uniform Fire Safety Act Penalty Monies	SB-14	13,165.02	
Reserve for Affordable Housing Trust	SB-15	11,339.71	1,739.71
Reserve for Length of Service Awards Program	SB-16	326,207.76	297,343.95
Reserve for Police Vests	B	3,080.96	3,080.96
Reserve for Placement of Signs Throughout Township	B	1,457.10	1,457.10
Reserve for Festivals and Parades	B	2,839.80	2,839.80
Reserve for Celebration of Public Events	B	84.04	84.04
Reserve for Veteran's Memorial	B	2,605.00	2,605.00
Reserve for Willingboro's 300th Anniversary Celebration	B	327.42	327.42
		<u>4,651,124.17</u>	<u>4,466,049.31</u>
		<u>\$ 4,664,558.12</u>	<u>\$ 4,479,175.73</u>

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

TOWNSHIP OF WILLINGBORO
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2017 and 2016

<u>ASSETS</u>	<u>Ref.</u>	<u>Year 2017</u>	<u>Year 2016</u>
Cash and Investments	SC-1		\$ 6,308.78
Due from Special Assessment	SC-2	\$ 233,173.00	318,028.00
Deferred Charges to Future Taxation:			
Funded	SC-4	28,071,952.60	32,180,949.20
Unfunded	SC-5	17,358,400.00	17,291,250.00
		<u>\$ 45,663,525.60</u>	<u>\$ 49,796,535.98</u>
 <u>LIABILITIES AND RESERVES</u>			
Cash and Investments - Overdraft	SC-1	\$ 812,268.51	
Due to Current Fund	SC-3	3,669,514.01	\$ 1,163,388.22
Capital Improvement Fund	SC-6	46,952.43	138,552.43
Improvement Authorizations:			
Funded	SC-7	66,934.81	332,589.04
Unfunded	SC-7	2,330,960.60	14,416,396.93
Contracts Payable	SC-8	10,631,035.13	1,523,060.16
Lease Payable	SC-9	680,000.00	845,000.00
NJEIT Loans Payable	SC-10	719,952.60	764,949.20
Serial Bonds Payable	SC-11	26,672,000.00	30,571,000.00
Capital Fund Balance	C-1	33,907.51	41,600.00
		<u>\$ 45,663,525.60</u>	<u>\$ 49,796,535.98</u>

There were bonds and notes authorized but not issued on December 31, 2017 totaling \$17,358,400.00 and December 31, 2016 totaling \$17,291,250.00.

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

TOWNSHIP OF WILLINGBORO
GENERAL CAPITAL FUND
Statement of Fund Balance - Regulatory Basis
For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$	41,600.00
Increased by:		
Cancelled Funded Improvement Authorizations		<u>33,907.51</u>
		75,507.51
Decreased by:		
Payment to Current Fund as Anticipated Revenue		<u>41,600.00</u>
Balance Dec. 31, 2017	\$	<u><u>33,907.51</u></u>

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

TOWNSHIP OF WILLINGBORO
GENERAL FIXED ASSET GROUP OF ACCOUNTS
Statement of General Fixed Assets--Regulatory Basis
For the Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
General Fixed Assets:				
Land and Improvements	\$ 7,114,612.00	\$ 33,675.00		\$ 7,148,287.00
Buildings	20,287,372.00	254,864.00		20,542,236.00
Equipment and Vehicles	14,457,213.00	599,148.00	\$ 210,896.00	14,845,465.00
Total General Fixed Assets	\$ 41,859,197.00	\$ 887,687.00	\$ 210,896.00	\$ 42,535,988.00
 Total Investment in General Fixed Assets	 \$ 41,859,197.00	 \$ 887,687.00	 \$ 210,896.00	 \$ 42,535,988.00

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

TOWNSHIP OF WILLINGBORO
Notes to Financial Statements
For the Year Ended December 31, 2017

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Willingboro was incorporated in 1688 and is located in Burlington County, approximately twelve miles from the City of Philadelphia. The Township has evolved from a farming community to a contemporary suburb of about 32,000 residents.

In 1960, Willingboro Township voters passed a referendum for a Council/Manager form of government that provides for a five (5) member elected Council with public accountability for legislative authority and an appointed professional chief executive responsible to that legislative authority.

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

Willingboro Municipal Utilities Authority
433 John F. Kennedy Way
Willingboro, New Jersey 08046

Willingboro Public Library
220 Willingboro Parkway
Willingboro, New Jersey 08046

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

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

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

Current Fund - The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Fund Balance - Fund Balance included in the current fund represents an amount available for anticipation as revenue in future year's budgets, with certain restrictions.

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

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

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

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the Township of Willingboro School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2016 and decreased by the amount deferred at December 31, 2017.

County Taxes - The municipality is responsible for levying, collecting and remitting county taxes for the County of Burlington. Operations are charged for the amount due the County for the year, based upon the ratable required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

Library Taxes - The municipality is responsible for levying, collecting and remitting library taxes for the Willingboro Public Library. The amount of the library tax is a separate local levy tax and is remitted to the Library through the municipal budget

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

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

Appropriations for principal and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

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

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

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

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

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Police and Firemen's Retirement System (PFRS) and the Public Employees' Retirement System (PERS), and additions to/deductions from PFRS' and PERS' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2017, the Township's bank balances of \$11,620,059.70 were exposed to custodial credit risk as follows:

Insured by FDIC & GUDPA	\$ 7,745,494.14
Uninsured and Uncollateralized	<u>3,874,565.56</u>
Total	<u>\$ 11,620,059.70</u>

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	<u>\$3.792</u>	<u>\$3.754</u>	<u>\$3.625</u>	<u>\$3.451</u>	<u>\$3.338</u>
Apportionment of Tax Rate:					
Municipal	\$1.713	\$1.705	\$1.665	\$1.619	\$1.560
County	0.315	0.314	0.323	0.319	0.328
County Open Space Preservation Trust Fund	0.038	0.038	0.038	0.015	0.015
Local School	1.726	1.697	1.599	1.498	1.435

Note 3: PROPERTY TAXES (CONT'D)**Assessed Valuation**

<u>Year</u>	<u>Assessed Valuation</u>
2017	\$ 1,872,830,000.00
2016	1,870,476,400.00
2015	1,877,469,900.00
2014	1,877,738,674.00
2013	1,889,467,064.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2017	\$ 71,081,376.75	\$ 68,011,215.48	95.68%
2016	70,414,175.08	68,055,474.85	96.65%
2015	68,094,004.70	65,401,808.13	96.05%
2014	65,654,028.66	62,893,679.41	95.80%
2013	63,153,926.10	60,835,530.29	96.33%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2017	\$ 444,009.31	\$ 3,554,604.81	\$ 3,998,614.12	5.63%
2016	358,184.91	2,831,989.46	3,190,174.37	4.53%
2015	214,550.76	3,089,696.15	3,304,246.91	4.85%
2014	69,534.67	2,740,889.56	2,810,424.23	4.28%
2013	68,840.13	2,289,460.83	2,358,300.96	3.73%

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

<u>Year</u>	<u>Number of Tax Title Liens Receivable</u>
2017	21
2016	20
2015	13
2014	6
2013	5

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2017	\$ -
2016	-
2015	-
2014	228,500.00
2013	228,500.00

Note 5: FUND BALANCES APPROPRIATED

The following schedule details the amount of fund balances of the current fund available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2017	\$ 3,193,888.58	\$ 1,596,000.00	49.97%
2016	5,593,888.58	2,400,000.00	42.90%
2015	5,676,521.26	2,345,000.00	41.31%
2014	301,546.10	300,000.00	99.49%
2013	2,231,506.90	1,000,000.00	44.81%

Note 6: INTERFUND RECEIVABLES AND PAYABLES

The following interfunds balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2017:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 3,677,388.32	\$ 49,207.97
Trust-Animal Control Fund	13,382.95	
Trust-Other Funds	49,207.97	13,382.95
Federal and State Grant Fund		7,874.31
General Capital Fund		3,669,514.01
	<u>\$ 3,739,979.24</u>	<u>\$ 3,739,979.24</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During 2018, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 7: PENSION PLANS

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

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

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

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

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

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

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

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier Definition

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

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

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

The following represents the membership tiers for PFRS:

Tier Definition

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

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

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

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) was 10% in State fiscal year 2017. Employers' contribution are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2017 was 12.71% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$904,064.00, and is payable by April 1, 2018. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$850,159.00, which was paid on April 1, 2017. Employee contributions to the Plan during the year ended December 31, 2017 were \$525,303.52.

Police and Firemen's Retirement System - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was 10% in State fiscal year 2017. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)****Police and Firemen's Retirement System (Cont'd)**

Special Funding Situation Component - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68, and the State is treated as a 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 or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Township's contractually required contribution rate for the year ended December 31, 2017 was 26.66% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$2,115,229.00, and is payable by April 1, 2018. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$1,802,883.00, which was paid on April 1, 2017. Employee contributions to the Plan during the year ended December 31, 2017 were \$813,953.32.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2017 was 2.60% of the Township's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2017 is \$206,660.00, and is payable by April 1, 2018. Based on the PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2016 was \$135,914.00, which was paid on April 1, 2017.

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

For the year ended December 31, 2017, employee contributions totaled \$3,097.93, and the Township's contributions were \$1,632.43. There were forfeitures totaling \$2,470.56 during the year.

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

Public Employees' Retirement System - At December 31, 2017, the Township's proportionate share of the PERS net pension liability was \$22,717,314.00. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2017 measurement date, the Township's proportion was .0975896627%, which was an increase of .0018926041% from its proportion measured as of June 30, 2016.

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 \$2,041,241.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2017, the Township's contribution to PERS was \$850,159.00, and was paid on April 1, 2017.

Police and Firemen's Retirement System - At December 31, 2017, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 36,897,588.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>4,132,841.00</u>
	<u>\$ 41,030,429.00</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2017 measurement date, the Township's proportion was .2390039418%, which was an increase of .0178837111% from its proportion measured as of June 30, 2016. Likewise, at June 30, 2017, the State of New Jersey's proportion, on-behalf of the Township, was .2390039418%, which was an increase of .0178837111% from its proportion, on-behalf of the Township, measured as of June 30, 2016.

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 \$3,450,808.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2017, the Township's contribution to PFRS was \$1,802,883.00, and was paid on April 1, 2017.

At December 31, 2017, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the Plan as of the June 30, 2017 measurement date is \$505,540.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

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

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

	<u>Deferred Outflows of Resources</u>		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 534,914.00	\$ 239,370.00	\$ 774,284.00
Changes of Assumptions	4,576,756.00	4,549,884.00	9,126,640.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	154,690.00	704,092.00	858,782.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	1,258,019.00	2,427,420.00	3,685,439.00
Township Contributions Subsequent to the Measurement Date	452,032.00	1,057,615.00	1,509,647.00
	<u>\$ 6,976,411.00</u>	<u>\$ 8,978,381.00</u>	<u>\$ 15,954,792.00</u>

\$452,032.00 and \$1,057,615.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2018. These amounts were based on an estimated April 1, 2019 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2017 to the Township's year end of December 31, 2017.

Note 7: PENSION PLANS (CONT'D)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - At December 31, 2017, the Township had deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Inflows of Resources</u>		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ -	\$ 216,558.00	\$ 216,558.00
Changes of Assumptions	4,559,977.00	6,042,746.00	10,602,723.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	-	1,640,981.00	1,640,981.00
Township Contributions Subsequent to the Measurement Date	-	-	-
	<u>\$ 4,559,977.00</u>	<u>\$ 7,900,285.00</u>	<u>\$ 12,460,262.00</u>

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

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

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

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

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

Year Ending Dec 31,	PERS	PFRS	Total
2018	\$ 937,469.00	\$ 553,434.00	\$ 1,490,903.00
2019	1,209,688.00	1,320,429.00	2,530,117.00
2020	797,665.00	68,232.00	865,897.00
2021	(542,525.00)	(1,463,373.00)	(2,005,898.00)
2022	(437,895.00)	(458,241.00)	(896,136.00)
	<u>\$ 1,964,402.00</u>	<u>\$ 20,481.00</u>	<u>\$ 1,984,883.00</u>

Actuarial Assumptions

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

	PERS	PFRS
Inflation Rate	2.25%	2.25%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	2.10% - 8.98% Based on Age
Thereafter	2.65% - 5.15% Based on Age	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013

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

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

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

For PERS and PFRS, 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 and PFRS's target asset allocation as of June 30, 2017 are summarized in the table on the following page:

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2017 was 5.00% for PERS and 6.14% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension Plan investments of 7.00%, and a municipal bond rate of 3.58% 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 rates assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 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 for PERS and through 2057 for PFRS; therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2040 for PERS and through 2057 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

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

Public Employees' Retirement System (PERS) - The following presents the Township's proportionate share of the net pension liability at June 30, 2017, the Plan's measurement date, calculated using a discount rate of 5.00%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Township's Proportionate Share of the Net Pension Liability	<u>\$ 28,182,369.00</u>	<u>\$ 22,717,314.00</u>	<u>\$ 18,164,245.00</u>

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Township's annual required contribution. As such, the net pension liability as of June 30, 2017, the Plan's measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 6.14%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	1% Decrease (5.14%)	Current Discount Rate (6.14%)	1% Increase (7.14%)
Township's Proportionate Share of the Net Pension Liability	\$ 48,615,611.00	\$ 36,897,588.00	\$ 27,269,900.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>5,445,358.37</u>	<u>4,132,841.00</u>	<u>3,054,458.74</u>
	<u>\$ 54,060,969.37</u>	<u>\$ 41,030,429.00</u>	<u>\$ 30,324,358.74</u>

Pension Plan Fiduciary Net Position

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

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

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

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

	<u>Measurement Date Ended June 30,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township's Proportion of the Net Pension Liability	0.0975896627%	0.0956970586%	0.0940952744%
Township's Proportionate Share of the Net Pension Liability	\$ 22,717,314.00	\$ 28,342,724.00	\$ 21,122,504.00
Township's Covered Payroll (Plan Measurement Period)	\$ 6,812,684.00	\$ 6,504,688.00	\$ 6,524,364.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	333.46%	435.73%	323.75%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%
	<u>Measurement Date Ended June 30,</u>		
	<u>2014</u>	<u>2013</u>	
Township's Proportion of the Net Pension Liability	0.0880116077%	0.0858035203%	
Township's Proportionate Share of the Net Pension Liability	\$ 16,478,180.00	\$ 16,398,758.00	
Township's Covered Payroll (Plan Measurement Period)	\$ 6,138,828.00	\$ 5,891,132.00	
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	268.43%	278.36%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%	

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

	<u>Year Ended December 31,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township's Contractually Required Contribution	\$ 904,064.00	\$ 850,159.00	\$ 808,967.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(904,064.00)</u>	<u>(850,159.00)</u>	<u>(808,967.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 7,113,531.00	\$ 6,777,154.00	\$ 6,703,487.00
Township's Contributions as a Percentage of Covered Payroll	12.71%	12.54%	12.07%
	<u>Year Ended December 31,</u>		
	<u>2014</u>	<u>2013</u>	
Township's Contractually Required Contribution	\$ 725,555.00	\$ 646,512.00	
Township's Contribution in Relation to the Contractually Required Contribution	<u>(725,555.00)</u>	<u>(646,512.00)</u>	
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	
Township's Covered Payroll (Calendar Year)	\$ 6,475,940.00	\$ 6,193,749.00	
Township's Contributions as a Percentage of Covered Payroll	11.20%	10.44%	

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

	<u>Measurement Date Ended June 30,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township's Proportion of the Net Pension Liability	0.2390039418%	0.2211202307%	0.2393703610%
Township's Proportionate Share of the Net Pension Liability	\$ 36,897,588.00	\$ 42,239,620.00	\$ 39,870,758.00
State's Proportionate Share of the Net Pension Liability associated with the Township	4,132,841.00	3,547,080.00	3,496,532.00
Total	<u>\$ 41,030,429.00</u>	<u>\$ 45,786,700.00</u>	<u>\$ 43,367,290.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 7,854,432.00	\$ 7,106,944.00	\$ 7,629,136.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	469.77%	594.34%	522.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.60%	52.01%	56.31%
	<u>Measurement Date Ended June 30,</u>		
	<u>2014</u>	<u>2013</u>	
Township's Proportion of the Net Pension Liability	0.2363978811%	0.2362503530%	
Township's Proportionate Share of the Net Pension Liability	\$ 29,736,661.00	\$ 31,407,353.00	
State's Proportionate Share of the Net Pension Liability associated with the Township	3,202,139.00	2,927,547.00	
Total	<u>\$ 32,938,800.00</u>	<u>\$ 34,334,900.00</u>	
Township's Covered Payroll (Plan Measurement Period)	\$ 7,545,652.00	\$ 7,390,760.00	
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	394.09%	424.95%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.41%	58.70%	

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

	<u>Year Ended December 31,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township's Contractually Required Contribution	\$ 2,115,229.00	\$ 1,802,883.00	\$ 1,945,724.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(2,115,229.00)</u>	<u>(1,802,883.00)</u>	<u>(1,945,724.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 7,934,082.00	\$ 7,889,135.00	\$ 7,351,920.00
Township's Contributions as a Percentage of Covered Payroll	26.66%	22.85%	26.47%
	<u>Year Ended December 31,</u>		
	<u>2014</u>	<u>2013</u>	
Township's Contractually Required Contribution	\$ 1,815,699.00	\$ 1,723,630.00	
Township's Contribution in Relation to the Contractually Required Contribution	<u>(1,815,699.00)</u>	<u>(1,723,630.00)</u>	
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	
Township's Covered Payroll (Calendar Year)	\$ 7,677,392.00	\$ 7,550,693.00	
Township's Contributions as a Percentage of Covered Payroll	23.65%	22.83%	

Note 7: PENSION PLANS (CONT'D)**Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

Changes in Assumptions - For 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65% from 7.90%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the Plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

Police and Firemen's Retirement System (PFRS)

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

Changes in Assumptions - For 2017, the discount rate changed to 6.14% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 5.55%, the long-term expected rate of return changed to 7.65% from 7.90%, and the mortality improvement scale incorporated the Plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 5.79% and demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study. For 2014, the discount rate was 6.32%.

Note 8: LENGTH OF SERVICE AWARD PROGRAM

Plan Description - The Township's length of service awards program (the "Plan"), which is a defined contribution plan reported in the Township's trust fund, was created by a Township Resolution adopted on June 25, 2002 pursuant to Section 457(e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The voters of the Township approved the adoption of the Plan at the general election held on July 23, 2002, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2003. The Plan provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel, and is administered by Lincoln National Life Insurance Company ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The Township's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

The tax deferred income benefits for emergency service volunteers of the Willingboro Volunteer Fire Company and Willingboro Volunteer Emergency Squad, consisting of the volunteer fire department and the first aid organization, come from contributions made solely by the governing body of the Township, on behalf of those volunteers who meet the criteria of the Plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

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

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

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

The Township elected to contribute between \$500.00 and \$1,500.00 for the year ended December 31, 2017, per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The Township has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator.

For the year ended December 31, 2017, the Township's total expenditure, net of forfeitures of \$2,470.56, to the Plan was \$19,040.44.

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

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

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

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

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

Forfeited Accounts - For the year ended December 31, 2017, forfeited non-vested accounts totaled \$2,470.56. The forfeited accounts are due to the current fund.

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

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

Supplementary Length of Service Award Program Information

In accordance with GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, the following schedule of Township contributions to the length of service award program is presented. This schedule is presented to illustrate the requirements to show information for 10 years.

<u>Year Ended</u> <u>December 31,</u>	<u>Township's</u> <u>Plan</u> <u>Calculated</u> <u>Contribution</u>	<u>Township's</u> <u>in Relation</u> <u>to the Plan</u> <u>Calculated</u> <u>Contribution</u>	<u>Township's</u> <u>Plan</u> <u>Calculated</u> <u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>
2017	\$ 21,511.00	\$ 21,511.00	\$ -
2016	22,250.00	22,250.00	-
2015	26,160.00	26,160.00	-
2014	28,680.00	28,680.00	-
2013	33,068.00	31,868.00	(1,200.00)
2012	30,263.00	30,263.00	-
2011	38,321.00	38,321.00	-
2010	43,248.00	43,248.00	-
2009	48,407.00	46,132.00	(2,275.00)
2008	54,962.00	53,812.00	(1,150.00)

Note 9: POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN**Postemployment Benefits Other Than Pension**

The State Pension Fund provides health benefits through the State Health Benefit Plan which is a cost-sharing multiple-employer defined benefit postemployment healthcare plan. As a result, GASB Statement 45 requires that the actuarial accrued liability for employee benefits are recorded as an obligation of the State Health Benefit Plan and not the Township.

State Health Benefit Plan

Plan Description - The Township contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2012, the Township authorized participation in the SHBP's post-retirement benefit program through resolution number 2012-188. The Township provides post-employment health care benefits, at its cost, to certain employees. Employees retiring with twenty-five (25) or more years of service with the Township and/or twenty-five (25) or more years of service credit in a state or locally administered retirement system, and employees retiring on an accidental disability pension, are eligible to receive fully paid health and prescription benefits.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/.

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. The Township funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits.

The Township's contributions to SHBP for the years ended December 31, 2017, 2016 and 2015 were \$104,286.54, \$90,755.52 and \$62,846.83, respectively, which equaled the required contributions. There were 11 retired participants, 4 spouses and 6 children eligible at December 31, 2017.

Note 10: COMPENSATED ABSENCES

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may not be accumulated and carried forward. Part-time employees are not entitled to compensated absences.

The Township of Willingboro compensates employees for unused sick leave upon retirement. The current policy consists of four plans. Three of the plans cover full time employees who are members of the Law Enforcement Supervisors Association, the Fraternal Order of Police, or the American Federation of State, County and Municipal Employees unions. The fourth plan covers all non- contractual full time employees. Each plan contains different retirement payments based on employee hiring dates. Details of the plans may be obtained from the Township.

Note 10: COMPENSATED ABSENCES (CONT'D)

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2017, accrued benefits for compensated absences are valued at \$1,798,520.86.

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT

The Township offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

Note 12: LEASE OBLIGATIONS

County Lease Agreement - At December 31, 2017, the Township had a capital lease agreement of \$1,133,800.00 in effect with the Burlington County Bridge Commission for the acquisition of vehicles, equipment, land and buildings; renovations to municipal buildings; reconstruction of roads, sidewalks and curbs; and improvements to drainage and storm sewer systems.

Future minimum lease payments under the capital lease agreement are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 130,000.00	\$ 23,243.89
2019	130,000.00	26,200.00
2020	135,000.00	21,000.00
2021	140,000.00	14,250.00
2022	145,000.00	21,500.00
	<u>\$ 680,000.00</u>	<u>\$ 106,193.89</u>

At December 31, 2017, the Township also had lease agreements in effect for the following:

Capital Leases:

- One (1) 2016 Ford Police Interceptor Sedan
- Four (4) 2017 Ford Police Interceptor Utility
- Six (6) 2017 Jeep Patriots
- Five (5) 2017 Ford Police Interceptor Utility

Operating Lease:

- Thirteen (13) Copier Machines

Note 12: LEASE OBLIGATIONS (CONT'D)

Capital Leases - The following is an analysis of the Township's capital leases:

	Balance as of	
	<u>December 31, 2017</u>	
Vehicles	\$	332,053.78

The following schedule represents the remaining principal and interest payments, through maturity, for capital leases:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 165,560.76	\$ 7,527.72
2019	100,592.58	9,349.58
2020	65,900.44	3,723.15
	<u>\$ 332,053.78</u>	<u>\$ 20,600.45</u>

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

<u>Year</u>	<u>Amount</u>
2018	\$ 31,643.10
2019	29,856.60
2020	17,288.28
2021	6,997.08
2022	5,589.12
	<u>\$ 91,374.18</u>

Rental payments under these leases for the year 2017 was \$26,411.28.

Note 13: CAPITAL DEBT

County Guaranteed Pooled Loan Revenue Bonds of 2003 - On December 11, 2003, the Burlington County Bridge Commission issued \$10,039,000.00 of general obligation bonds on behalf of the Township, with interest rates ranging from 2.00% to 5.00%. The bonds were issued for the purpose of funding various capital projects in the Township. A portion of these bonds were refunded by the County Guaranteed Pooled Loan Revenue Refunding Bonds, Series 2013A. The final remaining maturity of the bonds is December 1, 2019.

Refunding Bonds of 2006 - On January 26, 2006, the Township issued \$4,925,000.00 in general obligation refunding bonds, with interest rates ranging from 3.125% to 5.00%, to advance refund \$4,615,000.00 outstanding of the 2000 general obligation bonds with interest rates ranging from 5.00% to 5.20%. The final maturity of the bonds is September 1, 2018.

Note 13: CAPITAL DEBT (CONT'D)

General Improvement Bonds of 2007 - On August 1, 2007, the Township issued \$12,005,000.00 of general improvement bonds, with interest rates ranging from 4.00% to 4.25%. The bonds were issued for the purpose of funding various capital projects in the Township. A portion of these bonds were refunded by the General Improvement Refunding Bonds, Series 2015. The final remaining maturity of the bonds was August 1, 2017.

General Obligation Refunding Bonds, Series 2009 - On December 22, 2009, the Township issued \$1,465,000.00 of general obligation refunding bonds, with interest rates ranging from 1.50% to 6.00%, to advance refund \$1,350,000.00 outstanding of the 2001 general improvement bonds with interest rates ranging from 4.25% to 7.00%. The final remaining maturity of the bonds is September 15, 2021.

General Improvement Bonds, Series 2010 - On July 14, 2010, the Township issued \$9,619,000.00 of general improvement bonds, with interest rates ranging from 2.00% to 3.00%. The bonds were issued for the purpose of funding various capital projects in the Township. The final remaining maturity of the bonds is August 1, 2023.

County Guaranteed Pooled Loan Revenue Refunding Bonds, Series 2013A - On March 11, 2013, the Burlington County Bridge Commission issued \$7,685,000.00 of general obligation bonds on behalf of the Township, with interest rates ranging from 2.00% to 5.00%. The bonds were issued for the purpose of refunding a portion of the County Guaranteed Pooled Loan Revenue Bonds of 2003. The final maturity of the bonds is December 1, 2022.

General Improvement Bonds, Series 2015 - On April 21, 2015, the Township issued \$11,770,000.00 of general improvement bonds, with interest rates ranging from 2.00% to 5.00%. The bonds were issued for the purpose of funding various capital projects in the Township. The final maturity of the bonds is April 1, 2028.

General Improvement Refunding Bonds, Series 2015 - On December 10, 2015, the Township issued \$5,515,000.00 in general improvement refunding bonds, with interest rates ranging from 2.00% to 4.00%, to advance refund \$5,270,000.00 of the outstanding General Improvement Bonds of 2007 with interest rates ranging from 4.00% to 4.25%. The final maturity of the bonds is August 1, 2022.

The following schedule represents the remaining debt service, through maturity, for these bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 4,030,000.00	\$ 917,510.00
2019	3,503,000.00	776,530.00
2020	3,605,000.00	655,705.00
2021	3,695,000.00	540,645.00
2022	3,680,000.00	406,920.00
2023-2027	6,959,000.00	663,170.00
2028	1,200,000.00	18,000.00
	<u>\$ 26,672,000.00</u>	<u>\$ 3,978,480.00</u>

Note 13: CAPITAL DEBT (CONT'D)**New Jersey Environmental Infrastructure Loan**

The Township of Willingboro received a New Jersey Environmental Infrastructure Loan for the purchase of a street sweeper and for stormwater outfall. This loan is considered long term debt and is applied towards the Townships borrowing capacity. The repayment schedule for the loan is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 44,996.60	\$ 16,845.00
2019	44,996.60	15,845.00
2020	44,996.60	14,845.00
2021	44,996.60	13,845.00
2022	49,996.60	12,845.00
2023-2027	259,983.00	45,225.00
2027-2031	229,986.60	16,085.00
	<u>\$ 719,952.60</u>	<u>\$ 135,535.00</u>

Summary of Debt

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

Issued	<u>Year 2017</u>	<u>Year 2016</u>	<u>Year 2015</u>
General:			
Bonds, Leases and Notes	\$ 27,352,000.00	\$ 31,416,000.00	\$ 35,361,000.00
Infrastructure Loan	719,952.60	764,949.20	804,945.80
Total Issued	28,071,952.60	32,180,949.20	36,165,945.80
Authorized and Not Issued			
General:			
Bonds and Notes	17,358,400.00	17,291,250.00	15,227,450.00
Total Issued and Authorized and Not Issued	45,430,352.60	49,472,199.20	51,393,395.80
Deductions			
Funds Held to Pay Bonds and Notes	-	-	-
Net Debt	<u>\$ 45,430,352.60</u>	<u>\$ 49,472,199.20</u>	<u>\$ 51,393,395.80</u>

Note 13: CAPITAL DEBT (CONT'D)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 2.554%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 22,185,000.00	\$ 22,185,000.00	
General	45,430,352.60		\$ 45,430,352.60
	<u>\$ 67,615,352.60</u>	<u>\$ 22,185,000.00</u>	<u>\$ 45,430,352.60</u>

Net Debt \$45,430,352.60 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$1,778,912,540.33 equals 2.554%.

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 62,261,938.91
Net Debt	<u>45,430,352.60</u>
Remaining Borrowing Power	<u>\$ 16,831,586.31</u>

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

Note 14: SCHOOL TAXES

Local District School Tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	Balance Dec. 31,	
	<u>2017</u>	<u>2016</u>
Balance of Tax	\$ 16,158,962.00	\$ 15,864,460.00
Deferred	<u>16,158,962.00</u>	<u>15,864,460.00</u>
Total	<u>\$ -</u>	<u>\$ -</u>

Note 15: RISK MANAGEMENT

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

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Claims Paid</u>	<u>Ending Balance</u>
2017	\$ 125,113.59	\$ 26,200.01	\$ 113.48	\$ 110,113.59	\$ 101,313.49
2016	34,710.56	26,081.32	73.15	120,704.75	60,000.00
2015	108,766.19	24,554.27	59.58	93,766.19	119,839.72

Joint Insurance Pool - The Township of Willingboro is a member of the Professional Municipal Management Joint Insurance Fund. The Fund provides its members with the following coverage:

- Workers' Compensation and Employer's Liability
- Liability other than Motor Vehicles
- Property Damage other than Motor Vehicles
- Motor Vehicles

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Fund publishes its own financial report, which can be obtained from:

Professional Municipal Management Joint Insurance Fund
 9 Campus Drive, Suite 16
 Parsippany, New Jersey, 07054

Note 16: DEBT SERVICE AGREEMENT

The Township entered into a debt service agreement with the Township of Willingboro Municipal Utilities Authority on June 15, 1990. This agreement obligates the Township to pay any shortfall the Authority may encounter in making payments for either operating expenses and/or debt service. The purpose of this agreement is to grant temporary relief to the Authority should it experience difficulty in meeting its obligations. The Authority is obligated, by the agreement, to repay to the Township when the Authority's operations permit. At December 31, 2017, the Authority had \$19,650,170.69 in outstanding debt covered by this agreement.

Note 17: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Township expects such amount, if any, to be immaterial.

Litigation - The Township is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Township, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 18: CONCENTRATIONS

The Township depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Township is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 19: TAX ABATEMENTS

The Township enters into property tax abatement agreements with various local businesses, under several New Jersey Statutes that permit the Township to enter into these agreements. The tax abatements are considered long term tax exemptions and their types of abatements are for commercial/industrial use. For the year ended December 31, 2017, the Township abated \$1,142,597.86 in local purpose taxes and received in the aggregate of \$398,752.74 in lieu of local purpose taxes.

Note 20: SUBSEQUENT EVENTS

Authorization of Debt – Subsequent to December 31, the Township authorized additional bonds as follows:

<u>Ordinance</u>	<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
2018-5	Various Capital Improvements	June 19, 2018	\$ 1,814,500.00

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF WILLINGBORO
CURRENT FUND
Statement of Current Cash per N.J.S.A. 40A:5-5--Treasurer
For the Year Ended December 31, 2017

	<u>Regular</u>	<u>Federal and State Grant Fund</u>
Decreased by Disbursements:		
2017 Appropriations	\$ 30,799,481.25	
2016 Appropriation Reserves	604,384.03	
Payroll Deductions Payable	7,963,838.36	
County Taxes	6,585,810.11	
County Share of Added and Omitted Taxes	44,920.15	
Local District School Taxes	32,023,422.00	
Due to State of New Jersey--State Training Fees for New Construction	41,000.00	
Due to State of New Jersey--Marriage License Fees	4,775.00	
Other Accounts Receivable	264,626.72	
Refund Tax Overpayments	209,699.65	
Reserve for Master Plan, Codification, Revaluation and Tax Map	322.92	
Due to General Capital Fund	2,524,248.78	
Due to Trust - Other Fund	38,270.81	
Due to Current Fund		\$ 64,191.43
Encumbrances Payable - Grants		44,603.10
Reserve for Federal and State Grant Funds--Appropriated		<u>330,035.30</u>
	<u>\$ 81,104,799.78</u>	<u>\$ 438,829.83</u>
Balance Dec. 31, 2017	<u>\$ 6,736,156.62</u>	<u>\$ -</u>

TOWNSHIP OF WILLINGBORO
CURRENT FUND

Statement of Due to State of New Jersey for Senior Citizens' and Veterans' Deductions
For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 47,709.81
Increased by:		
Collections		<u>333,000.00</u>
		380,709.81
Decreased by:		
Accrued in 2017 to Municipality:		
Senior Citizens' Deductions per Tax Billings	\$ 42,000.00	
Veterans' Deductions per Tax Billings	283,750.00	
Senior Citizens' Deductions Allowed by Tax Collector	2,500.00	
Senior Citizens' Deductions Disallowed by Tax Collector	(13,000.00)	
Veterans' Deductions Allowed by Tax Collector	<u>3,000.00</u>	
Subtotal 2017 Tax Accrual		<u>318,250.00</u>
Balance Dec. 31, 2017		<u><u>\$ 62,459.81</u></u>

TOWNSHIP OF WILLINGBORO
CURRENT FUND
 Statement of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2017

Year	Balance	2017 Levy	Added Taxes	C o l l e c t i o n s		Due from State of New Jersey	Canceled	Transfer to Tax Title Liens	Balance
	Dec. 31, 2016			2016	2017				Dec. 31, 2017
1997	\$ 722.30								\$ 722.30
1998	2,350.06								2,350.06
1999	2,465.50								2,465.50
2000	2,612.15								2,612.15
2001	2,681.02								2,681.02
2002	2,660.79								2,660.79
2003	2,865.52								2,865.52
2004	5,332.11				\$ 2,317.03				3,015.08
2005	8,372.92				1,482.97				6,889.95
2006	8,004.48								8,004.48
2007	7,921.20								7,921.20
2008	14,555.12				1,200.00				13,355.12
2009	12,627.03				472.20				12,154.83
2010	32,318.77				6,345.10				25,973.67
2011	46,299.72				2,736.02				43,563.70
2012	60,747.87				6,883.10				53,864.77
2013	63,917.06				7,679.22				56,237.84
2014	100,642.97				8,230.12				92,412.85
2015	185,629.35				20,590.77				165,038.58
2016	2,269,263.52				2,030,472.95	\$ 750.00			238,040.57
	2,831,989.46	\$ -	\$ -	\$ -	2,088,409.48	750.00	\$ -	\$ -	742,829.98
2017		71,081,376.75		360,931.32	67,332,784.16	317,500.00	179,089.33	79,297.11	2,811,774.83
	\$ 2,831,989.46	\$ 71,081,376.75	\$ -	\$ 360,931.32	\$ 69,421,193.64	\$ 318,250.00	\$ 179,089.33	\$ 79,297.11	\$ 3,554,604.81

Analysis of 2017 Tax Levy

Tax Yield

General Purpose Tax	\$ 71,005,770.92
Less: 15f Exemptions	(99,528.57)
Added Taxes (54:4-63.1 et seq.)	<u>175,134.40</u>
	<u>\$ 71,081,376.75</u>

Tax Levy

Local District School Tax	\$ 32,317,924.00
County Taxes:	
County Tax	\$ 6,585,810.11
Due County for Added Taxes	<u>15,595.37</u>
Total County Taxes	6,601,405.48
Local Tax for Municipal Purposes	32,101,075.56
Add: Additional Tax Levied	<u>60,971.71</u>
Local Tax for Municipal Purposes Levied	<u>32,162,047.27</u>
	<u>\$ 71,081,376.75</u>

TOWNSHIP OF WILLINGBORO
CURRENT FUND
Statement of Tax Title Liens Receivable
For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 358,184.91
Increased by:		
Interest and Costs Accrued by Date of Sale	\$ 6,527.29	
Transfer from 2017 Taxes Receivable	<u>79,297.11</u>	
		<u>85,824.40</u>
Balance Dec. 31, 2017		<u><u>\$ 444,009.31</u></u>

TOWNSHIP OF WILLINGBORO
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Accrued in</u> <u>2017</u>	<u>Collections</u>	<u>General</u> <u>Capital Fund</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Clerk:					
Licenses					
Other		\$ 14,535.20	\$ 14,535.20		
Fees and Permits					
Other		194,676.05	194,676.05		
Chief of Police					
Fees and Permits		5,585.00	5,585.00		
Registrar of Vital Statistics					
Licenses		55,168.00	55,168.00		
Construction Code Official					
Fees and Permits		1,067,240.00	1,067,240.00		
Municipal Court					
Fines and Costs	\$ 10,409.67	160,753.92	162,337.78		\$ 8,825.81 (A)
Public Defender Fees	400.00	6,831.00	7,181.00		50.00 (A)
Interest on Investments and Deposits		19,794.30	19,451.22	\$ 343.08	
	<u>\$ 10,809.67</u>	<u>\$ 1,524,583.47</u>	<u>\$ 1,526,174.25</u>	<u>\$ 343.08</u>	<u>\$ 8,875.81</u>

(A) Dec. 2017

TOWNSHIP OF WILLINGBORO
CURRENT FUND
Statement of Other Accounts Receivable (Maintenance Liens)
For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 225,699.52
Increased by:		
Disbursements Made for Property Maintenance	\$ 264,626.72	
Current Year Maintenance Liens Administration Fees	32,093.07	
		296,719.79
		522,419.31
Decreased by:		
Received		223,238.80
Balance Dec. 31, 2017		\$ 299,180.51

Exhibit SA-7

TOWNSHIP OF WILLINGBORO
CURRENT FUND
Statement of Special Assessment and PILOT Program Receivable
For the Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Accrued in</u> <u>2017</u>	<u>Cash</u> <u>Receipts</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Special Assessment - Debt Service	\$ 47,890.31	\$ 159,457.30	\$ 207,347.61	
Delco - PILOT		125,234.37	35,230.91	\$ 90,003.46
Avery - PILOT (MRNA)	170,020.91	223,847.33	393,868.24	
Renewal - PILOT (MRNA)		49,670.84	49,670.84	
	\$ 217,911.22	\$ 558,209.84	\$ 686,117.60	\$ 90,003.46

TOWNSHIP OF WILLINGBORO
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2017

	Balance Dec. 31, 2016		Cash Disbursed	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>		
<u>OPERATIONS--WITHIN "CAPS"</u>				
<u>General Government</u>				
Township Manager				
Salaries and Wages		\$ 11,369.82		\$ 11,369.82
Other Expenses	\$ 12,587.75	1,345.10	\$ 12,587.75	1,345.10
Purchasing and Technical Support				
Salaries and Wages		50.13		50.13
Other Expenses	3,766.78	23,782.72	2,117.42	25,432.08
Technology				
Salaries and Wages		5,081.61		5,081.61
Other Expenses	3,929.49	37,978.31	637.44	41,270.36
Human Resources				
Other Expenses	337.50	10,093.60	337.50	10,093.60
Mayor and Council				
Salaries and Wages		1,561.16		1,561.16
Other Expenses	11,064.00	14,054.25		25,118.25
Township Clerk				
Salaries and Wages		88.36		88.36
Other Expenses	771.00	28,317.60	349.46	28,739.14
Financial Administration				
Salaries and Wages		7,676.06		7,676.06
Other Expenses		8,607.33	80.00	8,527.33
Audit Services				
Other Expenses		7,050.00	700.00	6,350.00
Collection of Taxes				
Salaries and Wages		3,041.75		3,041.75
Other Expenses		3,109.05		3,109.05
Assessment of Taxes				
Salaries and Wages		2,465.38		2,465.38
Other Expenses		9,181.32	1,087.70	8,093.62
Township Attorney				
Other Expenses	7,856.24	58,413.63	46,853.31	19,416.56
Engineering Services and Costs				
Other Expenses		31,091.81	4,617.32	26,474.49
<u>Land Use Administration</u>				
Municipal Land Use Law (N.J.S.40-55D-1):				
Planning Board				
Other Expenses	49.50	3,728.50	1,419.00	2,359.00
Zoning Board of Adjustments				
Other Expenses		5,529.02		5,529.02
<u>Code Enforcement & Administration</u>				
Construction Code				
Salaries and Wages		19,366.50		19,366.50
Other Expenses	47,190.54	35,859.63	44,644.67	38,405.50
Property Maintenance (Code Enforcement)				
Salaries and Wages		16,320.12		16,320.12

(Continued)

TOWNSHIP OF WILLINGBORO
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2017

	Balance Dec. 31, 2016		Cash Disbursed	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>		
OPERATIONS--WITHIN "CAPS" (CONT'D)				
<u>General Government (Cont'd)</u>				
<u>Insurance</u>				
General Liability		\$ 3,552.92		\$ 3,552.92
Employee Group Health	\$ 4,626.67	5,450.08		10,076.75
Unemployment Insurance		97,272.68	\$ 6,765.82	90,506.86
<u>Public Safety</u>				
Police				
Salaries and Wages		40,714.36		40,714.36
Other Expenses	53,489.43	38,182.58	45,568.61	46,103.40
Office of Emergency Management				
Other Expenses	433.88	4,251.55		4,685.43
First Aid Organization				
Salaries and Wages		32,365.34		32,365.34
Other Expenses	18,865.42	17,668.93	11,064.11	25,470.24
Fire				
Salaries and Wages		58,179.77		58,179.77
Other Expenses	31,523.60	34,917.69	26,471.17	39,970.12
Municipal Prosecutor				
Other Expenses		3,633.05	3,458.33	174.72
<u>Public Works</u>				
Road Repairs and Maintenance				
Salaries and Wages		79,646.78		79,646.78
Other Expenses	42,874.36	61,314.46	30,546.14	73,642.68
Traffic Light Controls				
Other Expenses		3,271.31	636.53	2,634.78
Recycling				
Salaries and Wages		360.00		360.00
Other Expenses	1,800.00	924.66		2,724.66
Garbage and Trash Removal - Contractual				
	64,200.76	8,181.93	72,382.69	
Public Buildings and Grounds				
Salaries and Wages		31,862.09		31,862.09
Other Expenses	64,376.93	36,502.90	5,894.57	94,985.26
<u>Other Common Operating Functions</u>				
Elder Program				
Salaries and Wages		2,004.09		2,004.09
Other Expenses	6,126.85	6,294.37	2,837.18	9,584.04
<u>Parks and Recreation Functions</u>				
Recreation				
Salaries and Wages		43,192.18		43,192.18
Other Expenses	6,669.45	38,604.51	5,978.21	39,295.75
Accumulation Leave				
Compensation		1,327.23		1,327.23
Sick Leave Incentive Payments		722.13		722.13

(Continued)

TOWNSHIP OF WILLINGBORO
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2017

	Balance Dec. 31, 2016		Cash Disbursed	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>		
OPERATIONS--WITHIN "CAPS" (CONT'D)				
<u>Utility Expenses and Bulk Purchases</u>				
Electricity		\$ 71,389.38	\$ 21,954.20	\$ 49,435.18
Street Lighting		73,172.46	48,171.09	25,001.37
Telephone	\$ 12,060.56	28,753.46	12,587.26	28,226.76
Water and Sewer		1,122.69		1,122.69
Gas		21,489.02	17,178.12	4,310.90
Gasoline, Diesel and Oil		117,533.17	8,198.20	109,334.97
Landfill/Solid Waste Disposal Costs		88,020.63	80,267.58	7,753.05
<u>Municipal Court</u>				
Municipal Court				
Salaries and Wages		412.23		412.23
Other Expenses	478.78	9,033.75	478.78	9,033.75
Public Defender				
Other Expenses		2,303.00	1,427.00	876.00
Total Operations including Contingent--Within "CAPS"	395,079.49	1,408,790.14	517,297.16	1,286,572.47
Detail:				
Salaries and Wages	-	357,807.09	-	357,807.09
Other Expenses	395,079.49	1,050,983.05	517,297.16	928,765.38
DEFERRED CHARGES AND STATUTORY EXPENDITURES				
<u>MUNICIPAL-- WITHIN "CAPS"</u>				
Statutory Expenditures:				
Social Security System (O.A.S.I.)		113,931.69	57,709.57	56,222.12
Defined Contribution Retirement Program		4,345.77	75.48	4,270.29
		-	118,277.46	57,785.05
Total General Appropriations for Municipal Purposes Within--"CAPS"	395,079.49	1,527,067.60	575,082.21	1,347,064.88
OPERATIONS EXCLUDED FROM "CAPS"				
<u>Mandated Expenditures Per N.J.S.A.40A:4-45.3g</u>				
<u>Excluded from "CAPS"</u>				
Length of Services Awards Program		70.00		70.00
N.J.S.A. 40A:4-45.3(cc):				
NJPDES/Stormwater General Permits				
Salaries and Wages		150,326.19		150,326.19
Other Expenses	24,469.63	83,843.13	28,186.43	80,126.33

(Continued)

TOWNSHIP OF WILLINGBORO
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2017

	Balance Dec. 31, 2016		Cash Disbursed	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>		
<u>OPERATIONS EXCLUDED FROM "CAPS" (CONT'D)</u>				
<u>Mandated Expenditures Per N.J.S.A.40A:4-45.3g</u>				
<u>Excluded from "CAPS" (Cont'd)</u>				
<u>Interlocal Services Agreement</u>				
Snow Removal				
Other Expenses	\$ 1,861.67		\$ 676.44	\$ 1,185.23
Animal Control				
Salaries and Wages		\$ 18,510.78		18,510.78
Other Expenses	1,024.16	11,466.22	438.95	12,051.43
Total Operations--Excluded from "CAPS"	27,355.46	264,216.32	29,301.82	262,269.96
Detail:				
Salaries and Wages	-	168,836.97	-	168,836.97
Other Expenses	27,355.46	95,379.35	29,301.82	93,432.99
<u>CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"</u>				
Emergency Road Reconstruction	-	99.05	-	99.05
Total General Appropriations for Municipal Purposes--Excluded from "CAPS"	27,355.46	264,315.37	29,301.82	262,369.01
Total General Appropriations	\$ 422,434.95	\$ 1,791,382.97	\$ 604,384.03	\$ 1,609,433.89

TOWNSHIP OF WILLINGBORO
CURRENT FUND
 Statement of Deferred Charges
 For the Year Ended December 31, 2017

	<u>Added</u>	<u>Balance Dec. 31, 2017</u>
Emergency Appropriation	\$ 50,000.00	\$ 50,000.00
Deficit from Operations	<u>612,825.59</u>	<u>612,825.59</u>
	<u>\$ 662,825.59</u>	<u>\$ 662,825.59</u>

Exhibit SA-10

TOWNSHIP OF WILLINGBORO
CURRENT FUND
 Statement of Due to New Jersey Department of Community Affairs
 State Training Fees for New Construction
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 8,315.00
Increased by:		
Training Fees Collected		<u>41,533.00</u>
		49,848.00
Decreased by:		
Training Fees Disbursed		<u>41,000.00</u>
Balance Dec. 31, 2017		<u>\$ 8,848.00</u>

TOWNSHIP OF WILLINGBORO
CURRENT FUND
Statement of Due To State of New Jersey - Youth and Family Services
State Fee for Marriage Licenses
For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$ 1,025.00
Increased by:	
State Fees Collected	<u>4,825.00</u>
	5,850.00
Decreased by:	
State Fees Disbursed	<u>4,775.00</u>
Balance Dec. 31, 2017	<u><u>\$ 1,075.00</u></u>

Exhibit SA-12

TOWNSHIP OF WILLINGBORO
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2017

Balance Dec. 31, 2016 (2017 Taxes)	\$ 360,931.32
Increased by:	
Collections--2018 Taxes	<u>693,472.60</u>
	1,054,403.92
Decreased by:	
Application to 2017 Taxes Receivable	<u>360,931.32</u>
Balance Dec. 31, 2017 (2018 Taxes)	<u><u>\$ 693,472.60</u></u>

TOWNSHIP OF WILLINGBORO
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 594,274.83
Increased by:		
Overpayments		<u>294,769.06</u>
		889,043.89
Decreased by:		
Refunds		<u>209,699.65</u>
Balance Dec. 31, 2017		<u><u>\$ 679,344.24</u></u>

Exhibit SA-14

TOWNSHIP OF WILLINGBORO
CURRENT FUND
Statement of Payroll Deductions Payable
For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 117,040.83
Increased by:		
Receipts for Salaries and Payroll Deductions		<u>8,021,803.29</u>
		8,138,844.12
Decreased by:		
Due to Trust - Other Fund - Unemployment Payroll Deductions	\$ 26,200.01	
Disbursements	<u>7,963,838.36</u>	
		<u>7,990,038.37</u>
Balance Dec. 31, 2017		<u><u>\$ 148,805.75</u></u>

TOWNSHIP OF WILLINGBORO
CURRENT FUND
 Statement of Due County for Added and Omitted Taxes
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016		
Omitted Taxes (2015)	\$ 452.33	
Added Taxes (2015)	197.60	
Added Taxes (2016)	43,665.08	
Omitted and Added Assessments (2015)	<u>605.14</u>	
		\$ 44,920.15
Increased by County Share of:		
Added Taxes (2016)	112.76	
Added Taxes (2017)	14,554.33	
Omitted and Added Assessments (2016)	<u>928.28</u>	
		<u>15,595.37</u>
		60,515.52
Decreased by:		
Payments		<u>44,920.15</u>
Balance Dec. 31, 2017		
Added Taxes (2016)	112.76	
Added Taxes (2017)	14,554.33	
Omitted and Added Assessments (2016)	<u>928.28</u>	
		<u>\$ 15,595.37</u>

TOWNSHIP OF WILLINGBORO
CURRENT FUND
Statement of Local School Tax Payable
For the Year Ended December 31, 2017

Balance Dec. 31, 2016:		
School Tax Payable	\$	-
School Tax Deferred		<u>15,864,460.00</u>
		15,864,460.00
Increased by:		
Levy--School Year July 1, 2017 to June 30, 2018		<u>32,317,924.00</u>
		48,182,384.00
Decreased by:		
Payments		<u>32,023,422.00</u>
Balance Dec. 31, 2017:		
School Tax Payable		-
School Tax Deferred		<u>16,158,962.00</u>
	\$	<u><u>16,158,962.00</u></u>
2017 Liability for Local District School Tax:		
Tax Paid	\$	32,023,422.00
Tax Payable Dec. 31, 2017		<u>-</u>
		32,023,422.00
Tax Payable Dec. 31, 2016		<u>-</u>
Amount Charged to Operations	\$	<u><u>32,023,422.00</u></u>

TOWNSHIP OF WILLINGBORO
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2017

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>2017</u> <u>Revenue</u>	<u>Receipts</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Local Grants:					
Burlington County Park Development Program Grant	\$ 528,058.58				\$ 528,058.58
Burlington County Police Body Cameras					
Burlington County Municipal Alliance Grant	24,849.62	\$ 15,475.00	\$ 12,018.29		28,306.33
	552,908.20	15,475.00	12,018.29	\$ -	556,364.91
Federal Grants:					
Justice Assistance Grant	18,981.84				18,981.84
Summer Food Program Grant		114,874.88	93,106.49	21,768.39	
Drunk Driving Prevention Incentive Grant		3,500.00	3,500.00		
NJ DOT Municipal Aid Program	8,695.25				8,695.25
	27,677.09	118,374.88	96,606.49	21,768.39	27,677.09
State Grants:					
Body Armor Replacement Grant		19,380.51	19,380.51		
Clean Communities Grant		61,620.46	61,620.46		
Recycling Tonnage Grant		65,321.33	65,321.33		
NJ Department of Transportation		245,177.00	183,882.75		61,294.25
NJ DEP Green Communities Grant	3,000.00				3,000.00
Cultural Grant - Jazz Grant	1,875.00				1,875.00
Handicapped Persons' Recreational Opportunities Grant	7,702.00				7,702.00
Stormwater Management Grant	10,309.00				10,309.00
	22,886.00	391,499.30	330,205.05	-	84,180.25
	\$ 603,471.29	\$ 525,349.18	\$ 438,829.83	\$ 21,768.39	\$ 668,222.25

TOWNSHIP OF WILLINGBORO
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants - Unappropriated
For the Year Ended December 31, 2017

<u>Program</u>	<u>Balance Dec. 31, 2016</u>	<u>Grants Receivable</u>	<u>Revenue 2017 Budget</u>	<u>Balance Dec. 31, 2017</u>
Local Grants:				
Burlington County Police Body Cameras	\$ 5,000.00		\$ 5,000.00	
Burlington County Municipal Alliance Grant		\$ 15,475.00	15,475.00	
	5,000.00	15,475.00	20,475.00	\$ -
Federal Grants:				
Summer Food Program Grant		114,874.88	114,874.88	
Drunk Driving Prevention Incentive Grant	2,528.63	3,500.00	2,528.63	3,500.00
	2,528.63	118,374.88	117,403.51	3,500.00
State Grants:				
Body Armor Replacement Grant	6,033.70	19,380.51	19,450.74	5,963.47
Clean Communities Grant	75,031.97	61,620.46	75,031.97	61,620.46
NJ Department of Transportation		245,177.00	245,177.00	
Recycling Tonnage Grant		65,321.33		65,321.33
	81,065.67	391,499.30	339,659.71	132,905.26
	\$ 88,594.30	\$ 525,349.18	\$ 477,538.22	\$ 136,405.26

TOWNSHIP OF WILLINGBORO
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants - Appropriated
For the Year Ended December 31, 2017

<u>Program</u>	<u>Balance Dec. 31, 2016</u>	<u>2017 Budget Appropriations</u>	<u>Paid or Charged</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2017</u>
Local Grants:					
Burlington County Park Development Program Grant	\$ 12,695.70				\$ 12,695.70
Burlington County Police Body Cameras		\$ 5,000.00			5,000.00
Burlington County Municipal Alliance Grant	22,841.63	19,343.75	\$ 20,343.73		21,841.65
	<u>35,537.33</u>	<u>24,343.75</u>	<u>20,343.73</u>	<u>\$ -</u>	<u>39,537.35</u>
Federal Grants:					
Department of Justice JAG Grant	8,787.74				8,787.74
Summer Food Program Grant	139.63	114,874.88	93,246.12	21,768.39	
Neighborhood Stabilization Project	37,365.20		4,323.15		33,042.05
NJ DOT Municipal Aid Program	34,601.37				34,601.37
WIC Farm Market Grant	11,185.06				11,185.06
	<u>92,079.00</u>	<u>114,874.88</u>	<u>97,569.27</u>	<u>21,768.39</u>	<u>87,616.22</u>
State Grants:					
Body Armor Replacement Grant	482.72	19,450.74	16,320.10		3,613.36
Drunk Driving Prevention Incentive Grant	14,332.32	2,528.63	20.00		16,840.95
Clean Communities Act Grant	82,743.86	75,031.97	30,266.31		127,509.52
NJ Department of Transportation		245,177.00	231,499.29		13,677.71
DCA Mill Creek Grant	33,436.53				33,436.53
Recycling Tonnage Grant	129,426.78		16,994.00		112,432.78
Stormwater Management Grant	794.78				794.78
NJ DEP Green Communities Grant	3,000.00				3,000.00
School Sidewalk Grant	2,506.08				2,506.08
	<u>266,723.07</u>	<u>342,188.34</u>	<u>295,099.70</u>	<u>-</u>	<u>313,811.71</u>
	<u>\$ 394,339.40</u>	<u>\$ 481,406.97</u>	<u>\$ 413,012.70</u>	<u>\$ 21,768.39</u>	<u>\$ 440,965.28</u>
		Current Year Encumbrances	\$ 82,977.40		
		Disbursed	<u>330,035.30</u>		
			<u>\$ 413,012.70</u>		

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF WILLINGBORO
TRUST FUND
Statement of Trust Cash per N.J.S. 40A:5-5 -- Treasurer
For the Year Ended December 31, 2017

	<u>Animal Control</u>	<u>Other</u>
Balance Dec. 31, 2016	\$ 7.20	\$ 4,126,359.28
Increased by Receipts:		
Due to State of NJ	\$ 1,541.40	
Due to Current Fund		\$ 38,270.81
Due to Animal Control Fund		313.73
Reserve for Animal Control Expenditures	5,780.00	
Deposits for Redemption of Tax Sale Certificates		2,828,250.46
Reserve for NJ Unemployment Compensation and Disability Insurance		125,227.07
Reserve for Planning Board Review and Inspection Fees		46,917.18
Reserve for Parking Offense Adjudication Act Fund		82.00
Reserve for Disposal of Forfeited Property		9,189.43
Reserve for Uniform Fire Safety Act Penalty Monies		5,800.00
Reserve for Affordable Housing Trust		9,600.00
Reserve for Recreation Trust Fund		<u>345,493.18</u>
	<u>7,321.40</u>	<u>3,409,143.86</u>
	7,328.60	7,535,503.14
Decreased by Disbursements:		
Due to State of NJ	1,542.60	
Reserve for Animal Control Expenditures	5,471.27	
Due from Trust Other Fund	313.73	
Due from Current Fund		35,184.43
Deposits for Redemption of Tax Sale Certificates		2,558,214.98
Reserve for Planning Board Review and Inspection Fees		348,711.71
Reserve for Disposal of Forfeited Property		7,133.60
Reserve for Storm Recovery Trust Fund		42,460.44
Reserve for Recreation Trust Fund		179,082.23
Reserve for NJ Unemployment Compensation and Disability Insurance		<u>110,113.59</u>
	<u>7,327.60</u>	<u>3,280,900.98</u>
Balance Dec. 31, 2017	<u>\$ 1.00</u>	<u>\$ 4,254,602.16</u>

TOWNSHIP OF WILLINGBORO
TRUST OTHER FUND
Statement of Investments - Length of Service Awards Program
For Year Ended December 31, 2017

Balance December 31, 2016		\$ 339,690.03
Increased by:		
Township Contributions	\$ 21,511.00	
Unrealized Gain on Investments	<u>47,983.44</u>	
		<u>69,494.44</u>
		409,184.47
Decreased by:		
Benefits Paid to Participants	35,864.92	
Plan Fees Paid	2,295.15	
Due to Current Fund	<u>23,710.36</u>	
		<u>61,870.43</u>
Balance December 31, 2017		<u><u>\$ 347,314.04</u></u>

TOWNSHIP OF WILLINGBORO
TRUST - ANIMAL CONTROL FUND
Statement of Due from Trust Other Fund
For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$ 13,069.22
Increased by:	
Cash Disbursements - Interfund Advanced	<u>313.73</u>
Balance Dec. 31, 2017	<u><u>\$ 13,382.95</u></u>

Exhibit SB-4

TOWNSHIP OF WILLINGBORO
TRUST OTHER FUND
Statement of Due to / from Current Fund
For the Year Ended December 31, 2017

Balance Dec. 31, 2016 - Due to	\$ 63,030.40
Increased by:	
Interfund Advanced (Cash Receipts)	\$38,270.81
Forfeited Length of Service Awards Programs - Realized as Miscellaneous Revenue	<u>2,470.56</u>
	<u>40,741.37</u>
	103,771.77
Decreased by:	
Due from Current Fund:	
Reserve for Storm Recovery	60,507.92
Reserve for Unemployment	26,200.01
Reserve for POAA	12.00
Reserve for Fire Safety	7,365.02
Investment Disbursements:	
Interfund Returned	23,710.36
Cash Disbursements:	
Interfund Returned	<u>35,184.43</u>
	<u>152,979.74</u>
Balance Dec. 31, 2017 - Due from	<u><u>\$ (49,207.97)</u></u>

TOWNSHIP OF WILLINGBORO
TRUST - ANIMAL CONTROL FUND
 Statement of Reserve for Animal Control Expenditures
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 13,125.22
Increased by:		
Cash Receipts:		
Dog License Fees Collected	\$ 5,255.00	
Late Fees Collected	525.00	
		5,780.00
		18,905.22
Decreased by:		
Cash Disbursements:		
Animal Control Fees		5,471.27
Balance Dec. 31, 2017		\$ 13,433.95

Dog License Fees Collected

<u>Year</u>	<u>Amount</u>
2015	\$ 7,069.00
2016	6,364.95
	\$ 13,433.95

TOWNSHIP OF WILLINGBORO
TRUST - ANIMAL CONTROL FUND
 Statement of Due to State of New Jersey
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 1.20
Increased by:		
Cash Receipts:		
State Fees Collected		1,541.40
		1,542.60
Decreased by:		
Disbursed to State		\$ 1,542.60

TOWNSHIP OF WILLINGBORO
TRUST OTHER FUND
Statement of Deposits for Redemption of Tax Sale Certificates and Premiums
For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$ 3,223,560.81
Increased by:	
Cash Receipts:	
Deposits Received	<u>2,828,250.46</u>
	6,051,811.27
Decreased by:	
Cash Disbursements:	
Tax Lien Certificates Redeemed	<u>2,558,214.98</u>
Balance Dec. 31, 2017	<u><u>\$ 3,493,596.29</u></u>

Exhibit SB-8

TOWNSHIP OF WILLINGBORO
TRUST OTHER FUND
Statement of Reserve for New Jersey Disability Insurance and
Unemployment Compensation Insurance Payable
For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$ 60,000.00
Increased by:	
Cash Receipts:	
Interest Earned on Deposits	\$ 113.48
Budget Appropriations	<u>125,113.59</u>
	\$ 125,227.07
Deductions from Employees	<u>26,200.01</u>
	<u>151,427.08</u>
	211,427.08
Decreased by:	
Cash Disbursements:	
Unemployment Claims	<u>110,113.59</u>
Balance Dec. 31, 2017	<u><u>\$ 101,313.49</u></u>

TOWNSHIP OF WILLINGBORO
TRUST OTHER FUND
Statement of Reserve for Planning Board Review and Inspection Fees
For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$ 476,988.69
Increased by:	
Cash Receipts:	
Receipts for Escrow Fund Deposits--Planning Board	46,917.18
	523,905.87
Decreased by:	
Cash Disbursements:	
Professional Review Fees, Inspection Fees and Return of Deposits	348,711.71
Balance Dec. 31, 2017	\$ 175,194.16

A permanent record of escrow deposits is on file in the office of the Chief Financial Officer.

Exhibit SB-10

TOWNSHIP OF WILLINGBORO
TRUST OTHER FUND
Statement of Reserve for Parking Offense Adjudication Act Fund
For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$ 2,879.00
Increased by:	
Cash Receipts	\$ 82.00
Due from Current	12.00
	94.00
Balance Dec. 31, 2017	\$ 2,973.00

Exhibit SB-11

TOWNSHIP OF WILLINGBORO
TRUST OTHER FUND
Statement of Reserve for Disposal of Forfeited Property
For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$ 72,524.24
Increased by:	
Cash Receipts:	
Confiscated Funds Received from the County	\$ 8,868.23
Interest Earned	321.20
	9,189.43
	81,713.67
Decreased by:	
Cash Disbursements:	
Disposal of Forfeited Property Disbursements	7,133.60
Balance Dec. 31, 2017	\$ 74,580.07

TOWNSHIP OF WILLINGBORO
TRUST OTHER FUND
Statement of Reserve for Recreation Trust Fund
For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$ 181,121.69
Increased by:	
Cash Receipts:	
Special Recreation Fees Collected	<u>345,493.18</u>
	526,614.87
Decreased by:	
Cash Disbursements:	
Special Recreation Program Fees	<u>179,082.23</u>
Balance Dec. 31, 2017	<u><u>\$ 347,532.64</u></u>

Exhibit SB-13

TOWNSHIP OF WILLINGBORO
TRUST OTHER FUND
Statement of Reserve for Storm Recovery Trust Fund
For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$ 63,397.28
Increased by:	
Cash Receipts - Budget Appropriation	<u>60,507.92</u>
	123,905.20
Decreased by:	
Cash Disbursements:	
Storm Recovery Expenses	<u>42,460.44</u>
Balance Dec. 31, 2017	<u><u>\$ 81,444.76</u></u>

TOWNSHIP OF WILLINGBORO
TRUST OTHER FUND
Statement of Reserve for Uniform Fire Safety Act Penalty Monies
For the Year Ended December 31, 2017

Cash Receipts	\$ 5,800.00
Due from Current Fund	<u>7,365.02</u>
Balance Dec. 31, 2017	<u><u>\$ 13,165.02</u></u>

TOWNSHIP OF WILLINGBORO
TRUST OTHER FUND
Statement of Reserve for Affordable Housing Trust
For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$ 1,739.71
Increased by:	
Cash Receipts	<u>9,600.00</u>
Balance Dec. 31, 2017	<u><u>\$ 11,339.71</u></u>

TOWNSHIP OF WILLINGBORO
TRUST OTHER FUND
Statement of Reserve for Length of Service Program
For the Year Ended December 31, 2017

<hr/>		
Balance Dec. 31, 2016		\$ 297,343.95
Increased by:		
Township Contributions	\$ 21,511.00	
Unrealized Gain on Investments	<u>47,983.44</u>	
		<u>69,494.44</u>
		366,838.39
Decreased by:		
Benefits Paid to Participants	\$ 35,864.92	
Plan Fees Paid	<u>2,295.15</u>	
		38,160.07
Accrued Length of Service Award Program Forfeitures	<u>2,470.56</u>	
		<u>40,630.63</u>
Balance Dec. 31, 2017		<u><u>\$ 326,207.76</u></u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

TOWNSHIP OF WILLINGBORO
GENERAL CAPITAL FUND

Statement of General Capital Cash and Investments per N.J.S. 40A:5-5--Treasurer
For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 6,308.78
Increased by Receipts:		
Due from Special Assessment	\$ 84,855.00	
Deferred Charge - Budget Appropriation	149,700.00	
Budget Appropriation - Ordinance 2008-7	796.22	
Interfund Receipts	<u>2,524,591.86</u>	
		<u>2,759,943.08</u>
		2,766,251.86
Decreased by Disbursements:		
Improvement Authorizations	2,019,331.82	
Contracts Payable	1,499,122.48	
Disbursed to Current Fund - Miscellaneous Revenue Anticipated	41,600.00	
Disbursed for Current Fund - Budget Appropriation	<u>18,466.07</u>	
		<u>3,578,520.37</u>
Balance (Overdraft) Dec. 31, 2017		<u><u>\$ (812,268.51)</u></u>

TOWNSHIP OF WILLINGBORO
GENERAL CAPITAL FUND
Statement of General Capital Cash and Investments
For the Year Ended December 31, 2017

	Balance (Overdraft) Dec. 31, 2016	Receipts		Disbursements		Transfers		Balance (Overdraft) Dec. 31, 2017
		Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
Capital Improvement Fund	\$ 138,552.43				\$ 91,600.00			\$ 46,952.43
Due from Special Assessment	(318,028.00)	\$ 84,855.00						(233,173.00)
Due from Current Fund	1,163,388.22	2,524,591.86		\$ 18,466.07				3,669,514.01
Contracts Payable	1,523,060.16			1,499,122.48	460.18	\$ 10,607,557.63		10,631,035.13
Capital Surplus	41,600.00			41,600.00			33,907.51	33,907.51
General Improvement Authorizations:								
Ordinance								
<u>Number</u>								
1999-6(a)/								
2000-2&3(a) Various Renovations to the Kennedy Building	(149,700.00)	149,700.00						
2006-3(f) Purchase of Recreation Department Vehicles	5,466.03				5,466.03			
2007-11(b) Office of Library, Clerk, Tech and Admin, Acquisition of Various Technology Equipment, Telephone, Software and Renovations to Library	3,651.05				3,651.05			
2007-11(e) Public Works Department - Acquisition of Vehicle, Other Equipment and Parking Lot Improvements					454.34		454.34	
2008-7(b) Library, Clerk, Human Services, Tech and Admin., Acquisition of Various Technology Equipment, Telephone, Software and Furniture	0.12				0.12			
2008-7(d) Fire Department \ Emergency Squad \ Emergency Management - Acquisition of Various Vehicles and Equipment	(796.22)	796.22						
2008-7(e) Public Works Department - Acquisition of Vehicles and Equipment					5.84		5.84	

(Continued)

TOWNSHIP OF WILLINGBORO
GENERAL CAPITAL FUND
Statement of General Capital Cash and Investments
For the Year Ended December 31, 2017

	Balance (Overdraft) <u>Dec. 31, 2016</u>	Receipts		Disbursements		Transfers		Balance (Overdraft) <u>Dec. 31, 2017</u>
		Miscellaneous		Improvement Authorizations	Miscellaneous	From	To	
General Improvement Authorizations (Cont'd):								
Ordinance <u>Number</u>								
2009-14(a) Stormwater Outfall Projects	\$ 35,291.94					\$ 35,291.94		
2009-15(b) Office of the Administrator / Management - Equipment	2,762.58			\$ 1,249.58		1,513.00		
2009-15(c) Police Department - Acquisition Sports Utility Vehicle and Various Equipment	46.04					46.04		
2009-15(d) Fire Department \ Emergency Squad \ Emergency Management - Acquisition of Various Vehicles and Equipment	770.05					770.05		
2009-15(h) Renovations and Preliminary Designs Costs for Various Municipal Facilities	9,595.05					9,595.05		
2010-1(a) Office of Administration / Manager - Acquisition of Office Furniture and Equipment	9,608.61			234.68		9,373.93		
2010-1(b) Police Department - Acquisition of Various Equipment	4,138.64			617.06		3,521.58		
2010-1(c) Fire Department / Emergency Squad / Emergency Management - Acquisition of Various Equipment and Improvements	64.49					64.49		
2010-1(d) Public Works Department - Acquisition of Vehicles and Signs for Parks and Paving of the Department of Public Works Yard	12,563.47					12,563.47		

(Continued)

TOWNSHIP OF WILLINGBORO
GENERAL CAPITAL FUND
Statement of General Capital Cash and Investments
For the Year Ended December 31, 2017

	Balance (Overdraft) <u>Dec. 31, 2016</u>	Receipts		Disbursements		Transfers		Balance (Overdraft) <u>Dec. 31, 2017</u>
		Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
General Improvement Authorizations (Cont'd):								
Ordinance								
<u>Number</u>								
2010-1(e)	Recreation Department - Acquisition of Various Equipment	\$ 20,687.63				\$ 20,687.63		
2010-1(f)	Renovations to the Municipal Complex and Kennedy Center	5,780.00				5,780.00		
2012-3	Renovations to the Municipal Complex	5,428.34				5,428.34		
2012-4	Purchase of SUV or Van for Animal Control	670.73				670.73		
2012-5	Renovations to the JFK Center	295.39				295.39		
2013-7	Road Pavement Management System, Sidewalk Repair, Stormwater Management and Renovations to the Municipal Building, Public Works Garage, JFK Building and Firehouse	60,217.42		\$ 17,976.22		15,923.72		\$ 26,317.48
2014-1	Acquisition of Recycling Buckets, Public Works Trucks and Equipment, Replacement of Roof on Municipal Building and Renovation of Various Municipal Buildings	2,823.31				2,823.31		
2015-4	Acquisition of Recycling Buckets, Public Works Trucks and Equipment, Replacement of Roof on Municipal Building and Renovation of Various Municipal Buildings	152,426.54		809,425.06		9,650,818.48		(10,307,817.00)
2015-5 / 2016-11	Road, Sidewalk and Stormwater Drainage Improvements	(1,338,444.14)		64,167.57		2,580.00		(1,405,191.71)

(Continued)

TOWNSHIP OF WILLINGBORO
GENERAL CAPITAL FUND
Statement of General Capital Cash and Investments
For the Year Ended December 31, 2017

	Balance (Overdraft) <u>Dec. 31, 2016</u>	Receipts		Disbursements		Transfers		Balance (Overdraft) <u>Dec. 31, 2017</u>
		Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
General Improvement Authorizations (Cont'd):								
Ordinance Number								
2016-8	Improvements to Various Roads, Streets, Sidewalks and Storm Drains in Accordance with the Pavement Management Plan	\$ (1,385,912.71)	\$ 316,843.92		\$ 254,069.74			\$ (1,956,826.37)
2016-9	Acquisition of a Backhoe	301.61			301.61			
2017-4	Improvements to Various Roads, Streets, Sidewalks and Storm Drains in Accordance with the Pavement Management Plan		791,038.63		658,165.69	\$ 91,600.00		(1,357,604.32)
2017-8	Acquisition of Concession Stand, Public Works Vehicle and Renovation and Improvements to Various Municipal Buildings		17,779.10		26,000.00	84,396.43		40,617.33
		<u>\$ 6,308.78</u>	<u>\$ 2,759,943.08</u>	<u>\$ 2,019,331.82</u>	<u>\$ 1,559,188.55</u>	<u>\$ 10,817,921.75</u>	<u>\$ 10,817,921.75</u>	<u>\$ (812,268.51)</u>

TOWNSHIP OF WILLINGBORO
GENERAL CAPITAL FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 1,163,388.22
Increased by:		
Cash Receipts:		
Interfund Advanced	\$ 2,524,248.78	
Interest on Deposits	<u>343.08</u>	
		<u>2,524,591.86</u>
		3,687,980.08
Decreased by:		
Cash Disbursements:		
Disbursed for Current Fund		<u>18,466.07</u>
Balance Dec. 31, 2017		<u><u>\$ 3,669,514.01</u></u>

TOWNSHIP OF WILLINGBORO
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation -- Funded
For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 32,180,949.20
Increased by:		
2017 Refunding Lease Issued		<u>680,000.00</u>
		32,860,949.20
Decreased by:		
2017 Budget Appropriation:		
Bond Principal	\$ 3,899,000.00	
NJFIT Loan Principal	44,996.60	
Bridge Lease Agreement Payment	<u>125,000.00</u>	
		\$ 4,068,996.60
2007 Lease Refunded by 2017 Refunding Lease		<u>720,000.00</u>
		<u>4,788,996.60</u>
Balance Dec. 31, 2017		<u><u>\$ 28,071,952.60</u></u>
<u>Analysis of Balance</u>		
Lease Agreement with Burlington County Bridge Commission		\$ 680,000.00
NJFIT Loans		719,952.60
Serial Bonds		<u>26,672,000.00</u>
		<u><u>\$ 28,071,952.60</u></u>

TOWNSHIP OF WILLINGBORO
GENERAL CAPITAL FUND
 Statement of Deferred Charges to Future Taxation -- Unfunded
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	2017 Authorizations	Funded By Budget Appropriation	Cancelled	Balance Dec. 31, 2017	Analysis of Balance Dec. 31, 2017	
							Expenditures	Unexpended Improvement Authorizations
General Improvements:								
1999-6 / 2000-2&3	Reconstruction to Municipal Library, Infrastructure and Roadways, Roadway Improvements to Willingboro Town Center and Various Renovations to the Kennedy Building	\$ 149,700.00		\$ 149,700.00				
2008-7	Office of Aging--Vehicle; Library, Human Services, Clerk, Tech and Admin Equipment, Software and Furniture; Police Dept.--Vehicles and Various Equipment and Motor Cycles; Fire Dept/Emer Squad/Emer Management--Acq. Vehicles and Various Equipment; Public Works Dept--Vehicles and Other Equipment; Recreation Dept.--Acquisition of Various Equipment, Streets and Roads-- Road, Sidewalks and Storm Water/Drainage Improvement	950.00		796.22	\$ 153.78			
2009-14	Stormwater Outfall Projects and Acquisition of a Street Sweeper	1,522,600.00			1,522,600.00			
2015-4	Firehouse/Emergency Service Building	10,450,000.00				\$ 10,450,000.00	\$ 10,307,817.00	\$ 142,183.00
2015-5 / 2016-11	Roads, Streets, Sidewalks, Senior Center, and Township Buildings	2,954,500.00				2,954,500.00	1,405,191.71	1,549,308.29
2016-8	Improvements to Various Roads, Streets, Sidewalks and Storm Drains in Accordance with the Pavement Management Plan	2,213,500.00				2,213,500.00	1,956,826.37	256,673.63
2017-4	Improvements to Various Roads, Streets, Sidewalks and Storm Drains, Recreation and Parks, Information Technology and Vehicles and Fixture Equipment		\$ 1,740,400.00			1,740,400.00	1,357,604.32	382,795.68
		\$ 17,291,250.00	\$ 1,740,400.00	\$ 150,496.22	\$ 1,522,753.78	\$ 17,358,400.00	\$ 15,027,439.40	\$ 2,330,960.60

TOWNSHIP OF WILLINGBORO
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$ 138,552.43
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>91,600.00</u>
Balance Dec. 31, 2017	<u><u>\$ 46,952.43</u></u>

TOWNSHIP OF WILLINGBORO
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Date	Balance Dec. 31, 2016		2017 Authorizations		Contracts Payable Canceled	Paid or Charged	Reappropriated	Cancelled	Balance Dec. 31, 2017	
			Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Taxation-Unfunded					Funded	Unfunded
General Improvements:												
2006-3(f)	Purchase of Recreation Department Vehicles	5/31/2006	\$ 403,500.00	\$ 5,466.03						\$ (5,466.03)		
2007-11(b)	Office of Library, Clerk, Tech and Admin, Acquisition of Various Technology Equipment, Telephone, Software and Renovations to Library	7/3/2007	141,800.00	3,651.05						(3,651.05)		
2007-11(e)	Public Works Department - Acquisition of Vehicle, Other Equipment and Parking Lot Improvements	7/3/2007	492,300.00				\$ 454.34			\$ 454.34		
2008-7(b)	Library, Clerk, Human Services, Tech and Admin., Acquisition of Various Technology Equipment, Telephone, Software and Furniture	10/28/2008	207,000.00	0.12						(0.12)		
2008-7(d)	Fire Department \ Emergency Squad \ Emergency Management - Acquisition of Various Vehicles and Equipment	10/28/2008	643,000.00	\$ 153.78							153.78	
2008-7(e)	Public Works Department - Acquisition of Vehicles and Equipment	10/28/2008	242,000.00				5.84				5.84	
2009-14(a)	Stormwater Outfall Projects	8/25/2009	2,450,000.00	35,291.94	1,486,448.00					(35,291.94)	1,486,448.00	
2009-14(b)	Acquisition of a Street Sweeper	8/25/2009	260,000.00		36,152.00							36,152.00
2009-15(b)	Office of the Administrator / Management - Equipment	4/7/2009	196,000.00	2,762.58				\$ 1,249.58		(1,513.00)		
2009-15(c)	Police Department - Acquisition of Sports Utility Vehicle and Various Equipment	4/7/2009	100,000.00	46.04						(46.04)		
2009-15(d)	Fire Department \ Emergency Squad \ Emergency Management - Acquisition of Various Vehicles and Equipment	4/7/2009	365,000.00	770.05						(770.05)		
2009-15(h)	Renovations and Preliminary Design Costs for Various Municipal Facilities	4/7/2009	1,200,000.00	9,595.05						(9,595.05)		
2010-1(a)	Office of Administration / Manager - Acquisition of Office Furniture and Equipment	3/10/2010	10,000.00	9,608.61					234.68	(9,373.93)		
2010-1(b)	Police Department - Acquisition of Various Equipment	3/10/2010	204,500.00	4,138.64					617.06	(2,882.99)		638.59
2010-1(c)	Fire Department / Emergency Squad / Emergency Management - Acquisition of Various Equipment and Improvements	3/10/2010	162,000.00	64.49						(64.49)		

(Continued)

TOWNSHIP OF WILLINGBORO
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Date	Balance Dec. 31, 2016		2017 Authorizations		Contracts Payable Canceled	Paid or Charged	Reappropriated	Cancelled	Balance Dec. 31, 2017	
			Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Taxation-Unfunded					Funded	Unfunded
General Improvements:												
2010-1(d)	Public Works Department - Acquisition of Vehicles and Signs for Parks and Paving of the Department of Public Works Yard	3/10/2010	\$ 380,000.00	\$ 12,563.47					\$ (79.65)	\$ 12,483.82		
2010-1(e)	Recreation Department - Acquisition of Various Equipment	3/10/2010	174,000.00	20,687.63					(3,487.63)	17,200.00		
2010-1(f)	Renovations to the Municipal Complex and Kennedy Center	3/10/2010	3,875,000.00	5,780.00					(5,780.00)			
2012-3	Renovations to the Municipal Complex	10/16/2012	100,000.00	5,428.34					(5,428.34)			
2012-4	Purchase of SUV or Van for Animal Control	10/16/2012	24,053.73	670.73					(670.73)			
2012-5	Renovations to the JFK Center	11/20/2012	3,060,000.00	295.39					(295.39)			
2013-7	Road Pavement Management System, Sidewalk Repair, Stormwater Management and Renovations to the Municipal Building, Public Works Garage, JFK Building and Firehouse	10/15/2013	2,500,000.00	60,217.42				\$ 33,899.94			\$ 26,317.48	
2014-1	Acquisition of Recycling Buckets, Public Works Trucks and Equipment, Replacement of Roof on Municipal Building and Renovation of Various Municipal Buildings	2/18/2014	863,000.00	2,823.31						2,823.31		
2015-4	Firehouse/Emergency Service Building	4/27/2015	11,000,000.00	152,426.54	\$ 10,450,000.00			10,460,243.54				\$ 142,183.00
2015-5 / 2016-11	Roads, Streets, Sidewalks, Senior Center, and Township Buildings	4/27/2015	3,110,000.00	1,616,055.86				66,747.57				1,549,308.29
2016-8	Improvements to Various Roads, Streets, Sidewalks and Storm Drains in Accordance with the Pavement Management Plan	6/21/2016	2,330,000.00	827,587.29				570,913.66				256,673.63
2016-9	Acquisition of a Backhoe	7/5/2016	112,871.83	301.61						301.61		
2017-4	Improvements to Various Roads, Streets, Sidewalks and Storm Drains in Accordance with the Pavement Management Plan	6/28/2017	1,832,000.00			\$ 91,600.00	\$ 1,740,400.00	1,449,204.32				382,795.68
2017-8	Acquisition of Concession Stand, Public Works Vehicle and Renovation and Improvements to Various Municipal	9/5/2017	84,396.43					43,779.10	84,396.43		40,617.33	
			<u>\$ 332,589.04</u>	<u>\$ 14,416,396.93</u>	<u>\$ 91,600.00</u>	<u>\$ 1,740,400.00</u>	<u>\$ 460.18</u>	<u>\$ 12,626,889.45</u>	<u>\$ -</u>	<u>\$ 1,556,661.29</u>	<u>\$ 66,934.81</u>	<u>\$ 2,330,960.60</u>
Disbursed								\$ 2,019,331.82				
Contracts Payable								10,607,557.63				
								<u>\$ 12,626,889.45</u>				

TOWNSHIP OF WILLINGBORO
GENERAL CAPITAL FUND
Statement of Contracts Payable
For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 1,523,060.16
Increased by:		
2017 Contracts		<u>10,607,557.63</u>
		12,130,617.79
Decreased by:		
Cancelled Contracts Payable	\$ 460.18	
Cash Disbursements	<u>1,499,122.48</u>	
		<u>1,499,582.66</u>
Balance Dec. 31, 2017		<u><u>\$10,631,035.13</u></u>

Schedule of Contracts Payable Dec. 31, 2017

<u>Ordinance Number</u>		<u>Amount</u>
2013-7		\$ 15,923.72
2015-4		9,650,818.48
2015-5 / 2016-11		26,057.50
2016-8		254,069.74
2015-5 / 2016-11		658,165.69
2016-8		<u>26,000.00</u>
		<u><u>\$10,631,035.13</u></u>

TOWNSHIP OF WILLINGBORO
GENERAL CAPITAL FUND
Statement of Lease Payable
For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 845,000.00
Increased by:		
2017 Refunding Lease		<u>680,000.00</u>
		1,525,000.00
Decreased by:		
2007 Lease Refunded by 2017 Refunding Lease	\$ 720,000.00	
Paid by Budget Appropriation	<u>125,000.00</u>	
		<u>845,000.00</u>
Balance Dec. 31, 2017		<u><u>\$ 680,000.00</u></u>

TOWNSHIP OF WILLINGBORO
GENERAL CAPITAL FUND
 Statement of New Jersey Environmental Infrastructure Loans Payable
 For the Year Ended December 31, 2017

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Paid By Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>		
New Jersey Environmental Infrastructure Trust Loan, Series 2012A	5-3-2012	\$ 450,000.00	8-1-2018	\$ 20,000.00	5.000%					
			8-1-2019	20,000.00	5.000%					
			8-1-2020	20,000.00	5.000%					
			8-1-2021	20,000.00	5.000%					
			8-1-2022	25,000.00	5.000%					
			8-1-2023	25,000.00	5.000%					
			8-1-2024	25,000.00	5.000%					
			8-1-2025	25,000.00	5.000%					
			8-1-2026	30,000.00	5.000%					
			8-1-2027	30,000.00	3.000%					
			8-1-2028	30,000.00	3.000%					
			8-1-2029	30,000.00	3.125%					
			8-1-2030	35,000.00	3.200%					
			8-1-2031	35,000.00	3.250%			\$ 390,000.00	\$ 20,000.00	\$ 370,000.00
			New Jersey Environmental Infrastructure Trust Loan, Series 2012ABC	5-3-2012	491,600.00	2-1-2018	8,332.20	N/A		
8-1-2018	16,664.40	N/A								
2-1-2019	8,332.20	N/A								
8-1-2019	16,664.40	N/A								
2-1-2020	8,332.20	N/A								
8-1-2020	16,664.40	N/A								
2-1-2021	8,332.20	N/A								
8-1-2021	16,664.40	N/A								
2-1-2022	8,332.20	N/A								
8-1-2022	16,664.40	N/A								
2-1-2023	8,332.20	N/A								
8-1-2023	16,664.40	N/A								
2-1-2024	8,332.20	N/A								
8-1-2024	16,664.40	N/A								
2-1-2025	8,332.20	N/A								
8-1-2025	16,664.40	N/A								

(Continued)

TOWNSHIP OF WILLINGBORO
GENERAL CAPITAL FUND
 Statement of New Jersey Environmental Infrastructure Loans Payable
 For the Year Ended December 31, 2017

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Paid By Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
New Jersey Environmental Infrastructure Trust Loan, Series 2012ABC (Cont'd)	5-3-2012	\$ 491,600.00	2-1-2026	\$ 8,332.20	N/A			
			8-1-2026	16,664.40	N/A			
			2-1-2027	8,332.20	N/A			
			8-1-2027	16,664.40	N/A			
			2-1-2028	8,332.20	N/A			
			8-1-2028	16,664.40	N/A			
			2-1-2029	8,332.20	N/A			
			8-1-2029	16,664.40	N/A			
			2-1-2030	8,332.20	N/A			
			8-1-2030	16,664.40	N/A			
			2-1-2031	8,332.20	N/A			
			8-1-2031	16,664.60	N/A			
						<u>\$ 764,949.20</u>	<u>\$ 44,996.60</u>	<u>\$ 719,952.60</u>

TOWNSHIP OF WILLINGBORO
GENERAL CAPITAL FUND
 Statement of General Serial Bonds
 For the Year Ended December 31, 2017

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Paid By Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
County Guaranteed Pooled Loan Revenue Bonds of 2003	12-11-2003	\$ 10,039,000.00	12-1-2019	\$ 3,000.00	5.00%	\$ 7,000.00	\$ 4,000.00	\$ 3,000.00
Refunding Bonds of 2006	1-26-2006	4,925,000.00	9-01-2018	630,000.00	3.75%	1,230,000.00	600,000.00	630,000.00
General Improvement Bonds of 2007	8-1-2007	12,005,000.00				930,000.00	930,000.00	
General Obligation Refunding Bonds, Series 2009	12-22-2009	1,465,000.00	9-15-2018	125,000.00	5.10%			
			9-15-2019	125,000.00	5.30%			
			9-15-2020	130,000.00	5.70%			
			9-15-2021	125,000.00	6.00%	630,000.00	125,000.00	505,000.00
General Improvement Bonds, Series 2010	7-14-2010	9,619,000.00	8-1-2018	780,000.00	2.10%			
			8-1-2019	810,000.00	3.00%			
			8-1-2020	840,000.00	3.00%			
			8-1-2021	870,000.00	3.00%			
			8-1-2022	895,000.00	3.00%			
			8-1-2023	939,000.00	3.00%	5,884,000.00	750,000.00	5,134,000.00
County Guaranteed Pooled Loan Revenue Refunding Bonds	3-11-2013	7,685,000.00	12-1-2018	825,000.00	5.00%			
			12-1-2019	865,000.00	5.00%			
			12-1-2020	915,000.00	5.00%			
			12-1-2021	955,000.00	5.00%			
			12-1-2022	1,005,000.00	5.00%	5,355,000.00	790,000.00	4,565,000.00

(Continued)

TOWNSHIP OF WILLINGBORO
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	2017 Authorizations	Funded by Budget Appropriation	Cancelled Authorizations	Balance Dec. 31, 2017
1999-6 / 2002-2&3	Reconstruction to Municipal Library, Infrastructure and Roadway Improvements to Willingboro Town Center	\$ 149,700.00		\$ 149,700.00		
2008-7	Office of Aging--Vehicle; Library, Human Services, Clerk, Tech and Admin Equipment, Software and Furniture; Police Dept.--Vehicles and Various Equipment and Motor Cycles; Fire Dept/Emer Squad/Emer Management--Acq. Vehicles and Various Equipment; Public Works Dept--Vehicles and Other Equipment; Recreation Dept.--Acquisition of Various Equipment, Streets and Roads--Road, Sidewalks and Storm Water/Drainage Improvement	950.00		796.22	\$ 153.78	
2009-14	Stormwater Outfall Projects and Acquisition of a Street Sweeper	1,522,600.00			1,522,600.00	
2015-4	Firehouse/Emergency Service Building	10,450,000.00				\$ 10,450,000.00
2015-5 / 2016-11	Roads, Streets, Sidewalks, Senior Center, and Township Buildings	2,954,500.00				2,954,500.00
2016-8	Improvements to Various Roads, Streets, Sidewalks and Storm Drains in Accordance with the Pavement Management Plan	2,213,500.00				2,213,500.00
2017-4	Improvements to Various Roads, Streets, Sidewalks and Storm Drains, Recreation and Parks, Information Technology and Vehicles and Fixture Equipment		\$ 1,740,400.00			1,740,400.00
		<u>\$ 17,291,250.00</u>	<u>\$ 1,740,400.00</u>	<u>\$ 150,496.22</u>	<u>\$ 1,522,753.78</u>	<u>\$ 17,358,400.00</u>

TOWNSHIP OF WILLINGBORO

PART II

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED

DECEMBER 31, 2017

TOWNSHIP OF WILLINGBORO
Schedule of Findings and Recommendations
For the Year Ended December 31, 2017

Schedule of Financial Statement Findings

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

Finding No. 2017-001

Criteria or Specific Requirement

Management is required to establish and maintain effective internal controls that will allow management or employees, in the normal course of performing their assigned function, to prevent, or detect and correct misstatements on a timely basis.

Condition

The Township did not comply with its internal control that requires all receipts be received by the Finance Department.

Context

During our walkthrough of internal controls, we noted that the Construction Code Office was collecting receipts when the Finance Department was not open.

Effect

An increased risk of misappropriating assets.

Cause

An incomplete understanding of the Township's internal controls as a result of a change in personnel.

Recommendation

The Township should ensure that all employees understand the internal controls related to the collection of receipts and Township Administration should monitor compliance with the internal controls.

View of Responsible Officials and Planned Corrective Action

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

TOWNSHIP OF WILLINGBORO
Schedule of Findings and Recommendations
For the Year Ended December 31, 2017

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2017-002

Criteria or Specific Requirement

Management is required to establish and maintain effective internal controls that will allow management or employees, in the normal course of performing their assigned function, to prevent, or detect and correct misstatements on a timely basis. Additionally, N.J.S.A. 40A:11-6.1 requires that all purchases over 15% of the entity's bid threshold require at least two competitive quotations.

Condition

The Township did not follow its internal controls related to expenditures and as a result, a purchase was made without soliciting quotations as required by N.J.S.A. 40A:11-6.1.

Context

During our internal control interviews and testing, we noted that the Township purchased a concession stand for \$11,000.00 without obtaining required quotations.

Effect

The Township did not comply with N.J.S.A. 40A:11-6.1 requirements.

Cause

Officials did not comply with the Township's internal controls.

Recommendation

The Township should comply with the internal controls related to purchasing to ensure compliance with N.J.S.A. 40A:11-6.1 when quotations are required.

View of Responsible Officials and Planned Corrective Action

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

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

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

Finding No. 2016-001

Condition

The Township did not comply with Governmental Accounting Standards Board (GASB) 45, which requires employers to measure and report the cost and liabilities associated with other (than pension) postemployment benefits (OPEB).

Current Status

This condition has been corrected.

TOWNSHIP OF WILLINGBORO
 Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Christopher Walker	Mayor (January 1, 2017 to June 16, 2017)	
Darvis Holley	Mayor (August 1, 2017 to December 31, 2017)	
	Deputy Mayor (January 1, 2017 to July 31, 2017)	
Martin Nock	Deputy Mayor (August 1, 2017 to December 31, 2017)	
	Councilmember (January 1, 2017 to July 31, 2017)	
Nathaniel Anderson	Councilmember	
Jacqueline Jennings	Councilmember	
Rebecca Perrone	Councilmember (July 5, 2017 to December 31, 2017)	
Eusebia Diggs	Chief Financial Officer / Director of Finance	\$1,000,000.00(A)
Eric Berry	Township Manager (April 11, 2017 to September 5, 2017)	1,000,000.00(A)
Richard Brevogel	Interim Township Manager (January 1, 2017 to April 10, 2017 and September 6, 2017 to December 31, 2017)	1,000,000.00(A)
Sarah Wooding	Township Clerk, Officer for Municipal Improvements and Dog Registrar	1,000,000.00(A)

(A) Public Officials and Employment Liability Bond

All Township employees, including court employees, are under the (A) Public Officials and Employment Liability Bond listed above. During the course of our examination, we reviewed all Bonds and found them to be properly executed.

14700

APPRECIATION

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Kirk N. Applegate
Certified Public Accountant
Registered Municipal Accountant

