

**TOWNSHIP OF HADDON**

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



**TOWNSHIP OF HADDON  
COUNTY OF CAMDEN**

**TABLE OF CONTENTS**

	<b>EXHIBIT</b>	<b>PAGE</b>
<b>PART I</b>		
Independent Auditor’s Report		1
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		5
<b>Financial Statements – Regulatory Basis:</b>		
<u>Current Fund:</u>		
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	A	9
Statement of Operations and Changes in Fund Balance – Regulatory Basis	A-1	11
Statement of Revenues – Regulatory Basis	A-2	12
Statement of Expenditures – Regulatory Basis	A-3	14
<u>Trust Fund:</u>		
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	B	20
<u>General Capital Fund:</u>		
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	C	21
<u>Water- Sewer Utility Fund:</u>		
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	D	22
Statement of Operations and Changes in Operating Fund Balance – Regulatory Basis	D-1	24
Statement of Revenues – Regulatory Basis	D-2	25
Statement of Expenditures – Regulatory Basis	D-3	26
<u>General Fixed Assets Account Group:</u>		
Statement of Fixed Assets & Fund Balance - Regulatory Basis	E	27
Notes to Financial Statements		31
<b>Supplemental Exhibits:</b>		
<u>Current Fund:</u>		
Schedule of Cash - Treasurer	A-4	69
Schedule of Cash - Collector	A-5	70
Schedule of Change Funds	A-6	70
Schedule of Taxes Receivable & Analysis of Property Tax Levy	A-7	71
Schedule of Tax Title Liens	A-8	72
Schedule of Due from State of NJ Veteran & Senior Citizen Deductions	A-9	72
Schedule of Revenue Accounts Receivable	A-10	73
Schedule of Foreclosed Property	A-11	74
Schedule of Deferred Charges	A-12	74
Schedule of 2016 Appropriation Reserves	A-13	75
Schedule of Reserve for Encumbrances	A-14	78
Schedule of Prepaid Taxes	A-15	78
Schedule of Tax Overpayments	A-16	79
Schedule of Due to State of NJ Uniform Construction Code - Training Fees	A-17	80

**TOWNSHIP OF HADDON  
COUNTY OF CAMDEN**

**TABLE OF CONTENTS**

	<b>EXHIBIT</b>	<b>PAGE</b>
<u>Current Fund (continued):</u>		
Schedule of Local School District Tax Payable	A-18	80
Schedule of Fire District Taxes Payable	A-19	81
Schedule of County Taxes Payable	A-20	81
Schedule of Due County for Added & Omitted Taxes Payable	A-21	82
Schedule of Business Improvement District Taxes Payable	A-22	82
Schedule of State & Federal Grants Receivable	A-23	83
Schedule of Reserve for Grants - Unappropriated	A-24	84
Schedule of Reserve for Grants - Appropriated	A-25	85
<u>Trust Fund:</u>		
Schedule of Cash - Treasurer	B-1	89
Schedule of Deposits on Future Assessments	B-2	90
<u>Animal Control Fund:</u>		
Schedule of Reserve for Animal Control Fund Expenditures	B-3	91
Schedule of Due To/From Current Fund	B-4	92
Schedule of Due to State of NJ	B-5	92
<u>Trust -Other Fund:</u>		
Schedule of Community Development Block Receivable	B-6	93
Schedule of Payroll Deductions Payable	B-7	94
Schedule of Due To/From Current Fund	B-8	95
Schedule of Due to State of New Jersey - Marriage & Burial License Fees	B-9	95
Schedule of Various Other Reserves	B-10	96
<u>General Capital Fund:</u>		
Schedule of General Capital Cash - Treasurer	C-1	99
Analysis of General Capital Cash	C-2	100
Schedule of Deferred Charges to Future Taxation - Funded	C-3	101
Schedule of Deferred Charges to Future Taxation – Unfunded	C-4	102
Schedule of Reserve for Dy-Dee Development	C-5	103
Schedule of Due to Current Fund	C-6	103
Schedule of Capital Improvement Fund	C-7	104
Schedule of Improvement Authorizations	C-8	105
Schedule of Green Trust Loan – Crystal Lake Development	C-9	106
Schedule of Green Trust Loan – MacArthur Tract Acquisition	C-10	107
Schedule of General Serial Bonds	C-11	108
Schedule of Bond Anticipation Notes	C-12	110
Schedule of Bonds & Notes Authorized but not Issued	C-13	111
Schedule of Capital Surplus	C-14	112

**TOWNSHIP OF HADDON  
COUNTY OF CAMDEN**

**TABLE OF CONTENTS**

	<b>EXHIBIT</b>	<b>PAGE</b>
<u>Water-Sewer Utility Operating Fund:</u>		
Schedule of Cash – Treasurer	D-4	115
Schedule of Cash - Collector	D-5	116
Analysis of Cash – Utility Capital Fund	D-6	117
Schedule of Consumer Accounts Receivable - Water	D-7	118
Schedule of Consumer Accounts Receivable - Sewer	D-8	118
Schedule of Due to Current Fund	D-9	119
Schedule of Utility Liens	D-10	119
Schedule of Capital Improvement Fund	D-11	120
Schedule of Fixed Capital - Water	D-12	121
Schedule of Fixed Capital - Sewer	D-13	122
Schedule of Fixed Capital Authorized & Uncompleted	D-14	123
Schedule of 2016 Appropriation Reserves	D-15	124
Schedule of Reserve for Encumbrances	D-16	124
Schedule of Protested Check Receivable	D-17	124
Schedule of Accrued Interest Payable	D-18	125
Schedule of Due to Utility Operating Fund	D-19	125
Schedule of Capital Fund Balance	D-20	125
Schedule of Reserve for Amortization	D-21	126
Schedule of Deferred Reserve for Amortization	D-22	126
Schedule of Improvement Authorizations	D-23	127
Schedule of Water-Sewer Serial Bonds	D-24	128
Schedule of NJ Environmental Infrastructure Trust Loan	D-25	129
Schedule of NJ Environmental Infrastructure Trust	D-26	129
Schedule of Bond Anticipated Notes	D-27	130
Schedule of Bonds & Notes Authorized but not Issued	D-28	131

**PART II**

<u>Schedule of Findings and Questioned Costs - Government Auditing Standards</u>		
Schedule of Findings and Questioned Costs		135
Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management		136

**PART III**

<u>Letter of Comments and Recommendations - Regulatory Basis</u>		
Officials in Office		139
General Comments		141
Other Comments (Findings)		142
Recommendations		142
Acknowledgment		143

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**TOWNSHIP OF HADDON  
COUNTY OF CAMDEN**

**PART I**

**INDEPENDENT AUDITOR'S REPORTS  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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HOLMAN | FRENIA  
ALLISON, P.C.

*Certified Public Accountants & Consultants*

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Township Commissioners  
Township of Haddon  
Westmont, New Jersey

### Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Township of Haddon 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, the related statements of revenues - regulatory basis, and statements of expenditures - 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 accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for 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 and 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 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating

the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

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

As described in Note 1, the financial statements are prepared by the Township of Haddon 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 U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2017 and 2016, or the results of its operations and changes in fund balance for the years then ended.

### **Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township, 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 statements of revenues - regulatory basis, statements of expenditures - regulatory basis of the various funds, and general fixed assets 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 schedules presented for the various funds and letter of comments and recommendations section 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 schedules presented for the various funds are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the

financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

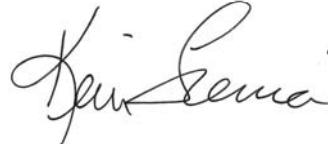
The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated June 14, 2018 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township's internal control over financial reporting and compliance.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**



Kevin P. Frenia  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 435

Medford, New Jersey  
June 14, 2018

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

Honorable Mayor and Members  
of the Township Commissioners  
Township of Haddon  
County of Camden  
Westmont, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements - regulatory basis of the Township of Haddon, 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 14, 2018. Our 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 rather prepared in accordance with the 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. Given these limitations, during our audit we did not identify any

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

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

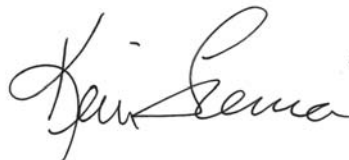
However, we noted certain other matters that are not required to be reported under Governmental Auditing Standards, that we reported to management in the accompanying letter of comments and recommendations section of this report as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township'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 Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

**HOLMAN FRENIA ALLISON, P.C.**

A handwritten signature in cursive script, appearing to read "Kevin P. Frenia".

Kevin P. Frenia  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 435

Medford, New Jersey  
June 14, 2018

**BASIC FINANCIAL STATEMENTS**

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**TOWNSHIP OF HADDON  
CURRENT FUND  
STATEMENT OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016**

	REFERENCE	<u>2017</u>	<u>2016</u>
ASSETS			
Regular Fund:			
Cash	A-4	\$ 5,914,601	\$ 3,962,328
Petty Cash	A	200	200
Cash - Change Fund	A-6	650	650
Due from State of New Jersey for Senior Citizen & Veteran Deductions	A-9	<u>31,452</u>	<u>36,854</u>
Total Regular Fund		<u>5,946,903</u>	<u>4,000,032</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	12,798	23,763
Tax Title Liens Receivable	A-8	118,445	95,462
Foreclosed Property - Assessed Valuation	A-11	1,894,100	1,894,100
Revenue Accounts Receivable	A-10	19,079	21,126
Protested Checks Receivable	A	10,759	19,194
Due From Bank	A	1,144	1,144
Due From Interfunds:			
Animal Control Fund	B	1,781	1,767
Water-Sewer Utility Operating Fund	D	-	173,866
Payroll Fund	B	<u>-</u>	<u>162,128</u>
Total Receivables & Other Assets With Full Reserves		<u>2,058,106</u>	<u>2,392,550</u>
Deferred Charges			
Overexpenditure of Appropriation	A-12	<u>35,810</u>	<u>35,810</u>
Total Deferred Charges		<u>35,810</u>	<u>35,810</u>
Total Regular Fund, Receivables, Other Assets With Full Reserves & Deferred Charges		<u>8,040,819</u>	<u>6,428,392</u>
State & Federal Grants:			
Due from Current Fund	A	389,970	222,712
Grants Receivable	A-23	<u>644,687</u>	<u>1,308,346</u>
Total State & Federal Grants		<u>1,034,657</u>	<u>1,531,058</u>
Total Assets		<u>\$ 9,075,476</u>	<u>\$ 7,959,450</u>

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**TOWNSHIP OF HADDON**  
**CURRENT FUND**  
**STATEMENT OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2017 AND 2016**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	<u>2017</u>	<u>2016</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 619,805	\$ 294,160
Reserve for Encumbrances	A-3,A-14	173,850	75,188
Accounts Payable	A-13	2,447	6,652
Prepaid Taxes	A-15	1,749,622	281,491
Tax Overpayments	A-16	21,892	15,235
Local School District Taxes Payable	A-18	51	52
Fire District Taxes Payable	A-19	133,053	11,498
Due County for Added & Omitted Taxes	A-21	40,633	40,713
Due to State of NJ - U.C.C. Training Fees	A-17	4,388	3,764
Due to C.C.M.U.A.	A	147,426	147,426
Reserve for Revaluation	A	32,523	32,523
Reserve for Champion School Improvements	A	3,038	3,038
Reserve for Local School Contribution	A	8,014	8,014
Reserve for Public Works Retro Payroll	A	15,000	15,000
Reserve for Salt & Sand	A	19,500	19,500
Reserve for Tax Appeals	A	3,050	3,050
Reserve for Fire Safety Act Penalties	A	235	-
Reserve for Flex Spending	A	46	-
Reinsurance Proceeds Payable	A	-	20,139
Reserve for Street Scape	A	109,684	109,684
Due to Federal & State Grant Fund	A	389,970	222,712
Due to General Capital Fund	C	198,033	438,124
Due to Trust - Other Fund	B	11,116	83,063
		<u>3,683,376</u>	<u>1,831,026</u>
Subtotal			
Reserve for Receivables & Other Assets		2,058,106	2,392,550
Fund Balance	A-1	<u>2,299,337</u>	<u>2,204,816</u>
Total Regular Fund		<u>8,040,819</u>	<u>6,428,392</u>
State & Federal Grants:			
Reserve for Grants Unappropriated	A-24	141,392	134,023
Reserve for Grants Appropriated	A-25	820,010	1,395,243
Reserve for Encumbrances	A-25	73,255	1,792
		<u>1,034,657</u>	<u>1,531,058</u>
Total State & Federal Grants			
		<u>1,034,657</u>	<u>1,531,058</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 9,075,476</u>	<u>\$ 7,959,450</u>

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**TOWNSHIP OF HADDON  
CURRENT FUND  
STATEMENT OF OPERATIONS AND  
CHANGES IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 1,400,000	\$ 1,160,200
Miscellaneous Revenue Anticipated	3,454,610	3,562,269
Receipts From Delinquent Taxes & Tax Title Liens	40,481	21,363
Receipts From Current Taxes	46,864,417	45,819,320
Nonbudget Revenue	795,736	492,107
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	134,481	358,513
Liquidation of Interfund	134,221	-
	52,823,946	\$ 51,413,772
Total		
Expenditures:		
Budget & Emergency Appropriations:		
Operations Within "CAPS":		
Salaries & Wages	4,259,397	4,063,784
Other Expenses	4,406,839	4,270,180
Deferred Charges & Statutory Expenditures - Municipal Within "CAPS"	1,028,786	958,073
Operations Excluded from "CAPS":		
Salaries & Wages	374,933	314,650
Other Expenses	457,630	674,091
Capital Improvements	85,000	85,000
Municipal Debt Service	1,959,170	1,628,367
Deferred Charges - Municipal Excluded from "CAPS"	-	24,505
Special District Taxes - Business Improvement District	166,672	168,335
Fire District Taxes	1,556,498	1,524,515
County Taxes	11,953,985	11,647,765
Due County for Added & Omitted Taxes	40,633	40,713
Local District School Tax	25,039,882	24,477,219
Create Reserves for:		
Interfund Advances	-	68,033
	51,329,425	49,945,230
Total Expenditures		
Regulatory Excess to Fund Balance	1,494,521	1,468,542
Adjustments to Income Before Surplus:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budge of Succeeding Year	-	35,810
	1,494,521	1,504,352
Excess to Fund Balance		
Fund Balance January 1	2,204,816	1,860,664
	3,699,337	3,365,016
Total		
Decreased by: Utilization as Anticipated Revenue	1,400,000	1,160,200
	2,299,337	2,204,816
Fund Balance December 31	\$ 2,299,337	\$ 2,204,816

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**TOWNSHIP OF HADDON  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BUDGET	APPROPRIATED by N.J.S.A.40A:47-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Utilized	\$ 1,400,000	\$ -	\$ 1,400,000	\$ -
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	25,000	-	25,495	495
Other	6,900	-	6,611	(289)
Fees & Permits:				
Other	60,000	-	42,998	(17,002)
Fines & Costs:				
Municipal Court	300,000	-	269,286	(30,714)
Interest & Costs on Taxes	100,000	-	89,451	(10,549)
Parking Meters	25,000	-	27,467	2,467
Utility Operating Surplus	500,000	-	500,000	-
Operation of Crystal Lake	210,000	-	194,890	(15,110)
Liquidation of Interfund	175,000	-	173,867	(1,133)
Consolidated Municipal Property				
Tax Relief Act	144,635	-	144,625	(10)
Energy Receipts Tax	1,117,580	-	1,117,580	-
Uniform Construction Code				
Fees & Permits	225,000	-	277,677	52,677
Borough of Audubon Park - Police				
Protection Services	410,000	-	387,600	(22,400)
Uniform Fire Safety Act		-		-
Recycling Tonnage Grant	10,041	-	10,041	-
Clean Communities	35,033	-	35,033	-
Safe & Secure Communities Program	60,000	-	60,000	-
Sustainable Grant	17,500	-	17,500	-
NJDOT Municipal Aid	2,585	-	2,585	-
Green Communities	-	3,000	3,000	-
Municipal Alliance Grant	18,904	-	18,904	-
Reserve for Repayment of Bonds	50,000	-	50,000	-
Total Miscellaneous Revenues	3,493,178	3,000	3,454,610	(41,568)
Receipts from Delinquent Taxes	20,000	-	40,481	20,481
Local Tax for Municipal Purposes	8,072,257	-	8,522,297	450,040
Budget Totals	12,985,435	3,000	13,417,388	428,953
Nonbudget Revenues	-	-	795,736	795,736
Total	\$ 12,985,435	\$ 3,000	\$ 14,213,124	\$ 1,224,689

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**TOWNSHIP OF HADDON  
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	\$ 46,864,417
Less: Allocated for School, County Taxes & Special District Taxes	<u>38,757,670</u>
Total Allocation of Current Tax Collections	8,106,747
Add: Budget Appropriation - Reserve for Uncollected Taxes	<u>415,550</u>
Total Amount for Support of Municipal Budget Appropriation	<u><u>\$ 8,522,297</u></u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 34,267
Tax Title Lien Collections	<u>6,214</u>
Total Receipts from Delinquent Taxes	<u><u>\$ 40,481</u></u>
Fees & Permits Other:	
Merchantile Application Fees	\$ 14,196
Solicitor's Permits	2,875
Planning & Zoning	12,730
Rent Control Board	3,080
Other	<u>10,117</u>
Total Fees & Permits Other	<u><u>\$ 42,998</u></u>

**ANALYSIS OF NONBUDGET REVENUES**

Miscellaneous Revenue Not Anticipated:	
Receipts:	
Interest On Investments	\$ 18,816
Payment in Lieu of Taxes	204,089
SC & Vet Administrative Fee	2,798
Insurance Reimbursements	20,139
Vacant Property Fines	44,583
Copies	151
Sale of Recyclables	33,036
LEA Rebates	17,838
Fire Safety Fees	27,499
Cable Franchise Fees	251,954
Other	<u>174,833</u>
Total Nonbudgeted Revenue	<u><u>\$ 795,736</u></u>

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**TOWNSHIP OF HADDON  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	APPROPRIATIONS			EXPENDED			CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED		
<b>General Government Functions:</b>							
General Administration:							
Other Expenses	1,300	1,300	1,203	68	29	-	
Human Resources:							
Salaries and Wages	15,900	15,900	15,571	-	329	-	
Other Expenses	40,000	40,000	33,209	1,921	4,870	-	
Mayor & Commissioners:							
Salaries and Wages	26,400	42,400	41,496	-	904	-	
Other Expenses	3,000	3,000	2,435	-	565	-	
Municipal Clerk:							
Salaries and Wages	73,000	61,500	60,667	-	833	-	
Other Expenses	66,900	66,900	57,095	366	9,439	-	
Registrar of Vital Statistics:							
Salaries and Wages	2,100	2,600	2,265	-	335	-	
Other Expenses	1,500	1,650	1,180	317	153	-	
Financial Administration (Treasury):							
Salaries and Wages	25,000	45,000	32,246	-	12,754	-	
Other Expenses	10,000	10,000	8,636	480	884	-	
Audit Services:							
Annual Audit	31,500	45,150	43,750	1,400	-	-	
Revenue Administration (Tax Collector):							
Salaries and Wages	77,500	80,500	77,943	-	2,557	-	
Other Expenses	11,900	11,900	8,384	663	2,853	-	
Assessments of Taxes:							
Salaries and Wages	73,500	73,500	43,534	-	29,966	-	
Other Expenses	16,500	16,500	6,432	1,648	8,420	-	
Legal Services:							
Other Expenses	204,500	204,500	136,035	4,182	64,283	-	
Municipal Court:							
Salaries and Wages	162,947	164,947	163,638	-	1,309	-	
Other Expenses	27,920	27,920	17,543	1,992	8,385	-	
Public Defender:							
Salaries and Wages	6,600	6,600	5,700	750	150	-	
Engineering Services & Costs:							

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**TOWNSHIP OF HADDON  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	APPROPRIATIONS			EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Other Expenses	15,000	15,000	9,089	-	5,911	-
Economic Development:						
Other Expenses	13,000	13,000	4,819	30	8,151	-
<b>Land Use Administration:</b>						
Planning Board:						
Salaries and Wages	39,500	43,000	39,937	-	3,063	-
Other Expenses	7,500	7,500	6,105	859	536	-
<b>Code Enforcement &amp; Administration:</b>						
Rent Control Commission:						
Salaries and Wages	13,500	13,500	11,260	-	2,240	-
Other Expenses	1,050	1,050	708	149	193	-
<b>Insurance:</b>						
General Liability	201,709	201,709	199,240	-	2,469	-
Worker's Compensation	197,010	197,010	197,009	-	1	-
Employee Group Health	1,235,000	1,109,125	1,049,826	-	59,299	-
<b>Public Safety Functions:</b>						
Police:						
Salaries and Wages	2,335,000	2,335,000	2,315,058	-	19,942	-
Other Expenses	159,500	159,500	131,169	21,834	6,497	-
Office of Emergency Management:						
Salaries and Wages	7,600	10,600	7,443	-	3,157	-
Other Expenses	250	250	-	-	250	-
Uniform Fire Safety Act:						
Salaries and Wages	40,500	65,500	62,560	-	2,940	-
Other Expenses	19,500	21,000	20,675	249	76	-
Municipal Prosecutor:						
Salaries and Wages	14,750	14,750	12,574	1,116	1,060	-
<b>Public Works Functions:</b>						
Streets & Roads Maintenance:						
Salaries and Wages	824,000	824,000	788,914	-	35,086	-
Other Expenses	71,500	71,500	50,935	12,744	7,821	-
Maintenance of Traffic Lights:						
Other Expenses	6,000	6,000	3,419	-	2,581	-
Shade Tree Program:						
Salaries and Wages	3,500	4,000	3,529	-	471	-

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**TOWNSHIP OF HADDON  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	APPROPRIATIONS			EXPENDED			CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED		
Other Expenses	30,000	30,000	19,377	10,200	423	-	
Solid Waste Collection:							
Other Expenses	750,000	758,075	733,391	24,684	-	-	
Building & Grounds:							
Other Expenses	32,500	32,500	25,900	1,089	5,511	-	
Vehicle Maintenance:							
Other Expenses	76,000	76,000	53,005	10,505	12,490	-	
Community Services Act:							
Other Expenses	100,000	100,000	71,329	2,265	26,406	-	
<b>Health &amp; Human Services:</b>							
Environmental Commission:							
Other Expenses	2,000	2,000	995	235	770	-	
Animal Control Program:							
Other Expenses	9,000	10,000	9,721	-	279	-	
<b>Park &amp; Recreation Functions:</b>							
Crystal Lake Pool:							
Salaries and Wages	103,500	103,500	84,399	-	19,101	-	
Other Expenses	86,500	86,500	61,327	24,192	981	-	
Parks & Playgrounds:							
Other Expenses	10,000	10,000	7,871	1,052	1,077	-	
<b>Utility Expense &amp; Bulk Purchases:</b>							
Electricity	30,000	30,000	15,551	-	14,449	-	
Street Lighting	250,000	250,000	187,011	-	62,989	-	
Telephone & Telegraph	33,000	33,000	29,092	1,460	2,448	-	
Natural Gas	42,000	42,000	31,765	-	10,235	-	
Gasoline	65,000	65,000	34,294	6,869	23,837	-	
Postage	25,500	25,500	23,000	225	2,275	-	
Copier	10,300	10,300	8,133	306	1,861	-	
<b>Landfill/Solid Waste Disposal Costs:</b>							
Disposal Costs	410,000	410,000	365,109	38,312	6,579	-	
<b>Appropriation Offset By Dedicated Revenues:</b>							
Code Enforcement & Administration:							
Salaries and Wages	210,800	210,800	190,599	-	20,201	-	
Other Expenses	51,500	51,500	15,402	849	35,249	-	
<b>Other Common Operating Functions:</b>							

The accompanying Notes to the Financial Statement are an integral part of this Statement.



**TOWNSHIP OF HADDON  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Accumulated Leave Compensation	9,000	9,000	-	-	9,000	-
Celebration of Public Events, Anniversary or Holiday - Other Expenses	75,000	75,000	74,862	59	79	-
Senior Citizens Coordinator:						
Salaries and Wages	62,300	74,300	72,404	-	1,896	-
Other Expenses	2,000	2,000	707	153	1,140	-
Community Communications:						
Salaries and Wages	67,500	67,500	55,490	-	12,010	-
Other Expenses	37,000	37,000	35,656	-	1,344	-
Disolution of Fire District #2:	30,000	30,000	27,207	-	2,793	-
<b>Total Operations Within "CAPS" Including Contingent</b>	<b>8,693,736</b>	<b>8,666,236</b>	<b>7,906,828</b>	<b>173,223</b>	<b>586,185</b>	<b>-</b>
Detail:						
Salaries and Wages	4,185,397	4,259,397	4,087,227	1,866	170,304	-
Other Expenses	4,508,339	4,406,839	3,819,601	171,357	415,881	-
<b>Deferred Charges &amp; Statutory Expenditures Municipal Within "CAPS":</b>						
<b>Statutory Expenditures:</b>						
Contributions to:						
Social Security System (O.A.S.I.)	220,000	220,000	202,150	-	17,850	-
Police & Fireman's Retirement System of New Jersey	602,935	602,935	602,935	-	-	-
Employees Retirement System	205,851	205,851	205,851	-	-	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	1,028,786	1,028,786	1,010,936	-	17,850	-
<b>Total General Appropriations for Municipal Purposes Within "CAPS"</b>	<b>9,722,522</b>	<b>9,695,022</b>	<b>8,917,764</b>	<b>173,223</b>	<b>604,035</b>	<b>-</b>
Stormwater Regulations:						
Salaries and Wages	148,800	160,800	157,903	-	2,897	-

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**TOWNSHIP OF HADDON  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Borough of Audubon Park:						
Police Services	387,600	387,600	387,600	-	-	-
Municipal Clerk/Treasurer	-	15,500	15,000	-	500	-
Tax Collector	14,000	14,000	7,000	-	7,000	-
<b>Public &amp; Private Programs Offset by Revenues:</b>						
SFSP Fire District Payment	6,000	6,000	-	627	5,373	-
Safe & Secure Communities Program						
Sustainable Grant	17,500	17,500	17,500	-	-	-
Clean Communities Act:						
Salaries and Wages	35,033	35,033	35,033	-	-	-
Green Communities Grant	-	3,000	3,000	-	-	-
Safe & Secure Communities Program	161,600	161,600	161,600	-	-	-
Recycling Tonnage Grant	10,041	10,041	10,041	-	-	-
Body Armor Fund	2,585	2,585	2,585	-	-	-
Municipal Alliance Grant	18,904	18,904	18,904	-	-	-
<b>Total Operations Excluded from "CAPS"</b>	<b>802,063</b>	<b>832,563</b>	<b>816,166</b>	<b>627</b>	<b>15,770</b>	<b>-</b>
Detail:						
Salaries and Wages	362,933	374,933	372,036	-	2,897	-
Other Expenses	439,130	457,630	444,130	627	12,873	-
Capital Improvements-Excluded from "CAPS":						
Capital Improvement Fund	85,000	85,000	85,000	-	-	-
<b>Total Capital Improvements Excluded from "CAPS"</b>	<b>85,000</b>	<b>85,000</b>	<b>85,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Municipal Debt Service - Excluded From "CAPS":						
Payment of Bond Principal	1,065,000	1,065,000	1,064,650	-	-	350
Payment of Bond Anticipation Notes & Capital Note						
Interest on Bonds	192,000	192,000	192,000	-	-	84
Interest on Notes	615,300	615,300	615,216	-	-	616
Green Trust Loan Program:						
Loan Repayments for Principal & Interest	43,000	43,000	42,920	-	-	80

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**TOWNSHIP OF HADDON  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Total Municipal Debt Service Excluded from "CAPS"	1,960,300	1,960,300	1,959,170	-	-	1,130
Subtotal General Appropriations Reserve For Uncollected Taxes	12,569,885	12,572,885	11,778,100	173,850	619,805	1,130
	415,550	415,550	415,550	-	-	-
Total General Appropriations	<u>\$ 12,985,435</u>	<u>\$ 12,988,435</u>	<u>\$ 12,193,650</u>	<u>\$ 173,850</u>	<u>\$ 619,805</u>	<u>\$ 1,130</u>
Appropriation by 40A:4-87 Original Budget	\$ 3,000	12,985,435				
Total	<u>\$ 12,988,435</u>					
Reserve for Federal & State Grants - Appropriated			\$ 231,163			
Due to Federal & State Grant Fund - Matching Funds			17,500			
Deferred Charge - Emergency Authorization			-			
Reserve for Uncollected Taxes			415,550			
Reimbursements			(711,541)			
Cash Disbursements			12,240,978			
Total			<u>\$ 12,193,650</u>			

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**TOWNSHIP OF HADDON  
TRUST FUND  
STATEMENT OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016**

ASSETS	REFERENCE	2017	2016
Assessment Fund:			
Due from General Capital Fund	C	\$ 450	\$ 450
Animal Control Fund:			
Cash	B-1	1,101	1,961
Change Fund	B	30	30
Deferred Charge - Overexpended Reserve	B	650	-
Total Animal Control Fund		<u>1,781</u>	<u>1,991</u>
Other Trust Funds:			
Cash	B-1	1,221,879	1,660,620
Due Utility Operating Fund	D	42,716	44,040
Due from Current Fund	B-8	11,116	83,063
Other Receivable	B	3,710	3,710
Community Development Block Grant Receivable	B-6	8,214	47,053
Total Other Trust Funds:		<u>1,287,635</u>	<u>1,838,486</u>
Total - All Funds		<u>\$ 1,289,866</u>	<u>\$ 1,840,927</u>
<b>LIABILITIES &amp; RESERVES</b>			
Assessment Fund:			
Deposits on Future Assessments	B-2	\$ 450	\$ 450
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-3	-	224
Due Current Fund	B-4	1,781	1,767
Total Animal Control Fund		<u>1,781</u>	<u>1,991</u>
Other Trust Funds:			
Payroll Deductions Payable	B-7	65,320	44,883
Due Current Fund - Payroll	A	-	162,128
Due State of New Jersey - Marriage License Fees	B-9	2,770	2,642
Due State of New Jersey - Burial License	B-9	145	145
Various Reserves	B-10	1,219,400	1,628,688
Total Other Funds		<u>1,287,635</u>	<u>1,838,486</u>
Total - All Funds		<u>\$ 1,289,866</u>	<u>\$ 1,840,927</u>

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**TOWNSHIP OF HADDON  
GENERAL CAPITAL FUND  
STATEMENT OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016**

ASSETS	REFERENCE	2017	2016
Cash	C-1, C-2	\$ 950,545	\$ 1,586,032
Deferred Charges to Future Taxation:			
Unfunded	C-4	8,802,498	7,640,748
Funded	C-3	16,106,626	17,209,225
Due From Current Fund	A,C-6	198,033	438,124
 Total		 <u>\$ 26,057,702</u>	 <u>\$ 26,874,129</u>
 <b>LIABILITIES, RESERVES &amp; FUND BALANCE</b>			
General Serial Bonds	C-11	\$ 15,886,650	\$ 16,951,300
Green Acres Loan Payable - Crystal Lake Development	C-9	26,568	31,571
Green Acres Loan Payable - MacArthur Tract Acquisition	C-10	193,408	226,354
Bond Anticipation Notes	C-12	6,810,485	6,152,485
Improvement Authorizations:			
Unfunded	C-8	1,537,223	1,915,258
Funded	C-8	827,317	878,192
Reserve for Encumbrances	C-8	685,447	608,369
Capital Improvement Fund	C-7	19,050	5,300
Reserve for Flood Proceeds	C	25,866	25,866
Reserve for DY DEE Development	C-5	5,405	5,401
Reserve for Payment of Debt	C	-	50,000
Due Trust Assessment Fund	B	450	450
Fund Balance	C-14	39,833	23,583
 Total		 <u>\$ 26,057,702</u>	 <u>\$ 26,874,129</u>

There were bonds and notes authorized but not issued on December 31, 2017 of \$1,992,013 and on December 31, 2016 was \$1,488,263.

**TOWNSHIP OF HADDON  
WATER-SEWER UTILITY FUND  
STATEMENT OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016**

ASSETS	REFERENCE	<u>2017</u>	<u>2016</u>
<b>Operating Fund:</b>			
Cash	D-4	\$ 509,184	\$ 1,599,440
Change Fund - Collector	D	75	75
Due from Bank	D	2,216	2,216
Due from Water-Sewer Capital Fund	D-19	<u>232,559</u>	<u>231,377</u>
Total		<u>744,034</u>	<u>1,833,108</u>
<b>Receivables &amp; Other Assets With Full Reserves:</b>			
Consumer Accounts Receivable	D-7, D-8	13,519	31,057
Liens Receivable	D-10	1,235	1,235
Protested Checks Receivable	D-17	<u>2,608</u>	<u>2,608</u>
Total Receivable & Other Assets With Full Reserves		<u>17,362</u>	<u>34,900</u>
Total Operating Fund		<u>761,396</u>	<u>1,868,008</u>
<b>Capital Fund:</b>			
Cash	D-4	554,543	463,618
NJEIT Loan Receivable	A	278,697	278,697
<b>Fixed Capital:</b>			
Water	D-12	9,709,255	9,709,255
Sewer	D-13	4,758,345	4,758,345
Fixed Capital Authorized & Uncompleted	D-14	<u>17,677,663</u>	<u>16,677,663</u>
Total Capital Fund		<u>32,978,503</u>	<u>31,887,578</u>
Total Operating & Capital Fund		<u>\$ 33,739,899</u>	<u>\$ 33,755,586</u>

Bonds and Notes authorized but not issued as of December 31, 2017 was \$2,477,987 and as of December 31, 2016 was \$1,977,987.

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**TOWNSHIP OF HADDON  
WATER-SEWER UTILITY FUND  
STATEMENT OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2017	2016
<b>Operating Fund:</b>			
Liabilities:			
Appropriation Reserves	D-3	\$ 45,815	\$ 373,472
Reserve for Encumbrances	D-16,D-3	44,428	20,484
Accrued Interest on Bonds & Notes	D-18	97,427	101,153
Water/Sewer Overpayments	D	3,008	-
Due to Trust Other Fund	B	42,716	44,040
Due to Current Fund	A,D-9	-	173,866
Subtotal		<u>233,394</u>	<u>713,015</u>
Reserve for Receivables	D	17,362	34,900
Fund Balance	D-1	<u>510,640</u>	<u>1,120,093</u>
Total Operating Fund		<u>761,396</u>	<u>1,868,008</u>
<b>Capital Fund:</b>			
Serial Bonds	D-24	4,670,350	5,135,700
Bond Anticipation Notes	D-27	2,362,500	1,887,500
New Jersey Infrastructure Trust - Loan Payable	D-25 , D-26	3,875,050	4,182,943
Improvement Authorizations:			
Funded	D-23	98,308	100,195
Unfunded	D-23	2,233,364	1,676,911
Reserve for Encumbrances	D-23	717,781	682,604
Capital Improvement Fund	D-11	12,427	12,427
Due to Water - Sewer Operating Fund	D-19	232,559	231,377
Reserves for:			
Amortization	D-21	18,631,614	17,833,371
Deferred Amortization	D-22	127,763	127,763
Fund Balance	D-20	<u>16,787</u>	<u>16,787</u>
Total Capital Fund		<u>32,978,503</u>	<u>31,887,578</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 33,739,899</u>	<u>\$ 33,755,586</u>

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**TOWNSHIP OF HADDON  
WATER-SEWER UTILITY FUND  
STATEMENT OF OPERATIONS AND CHANGE  
IN OPERATING FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Revenue & Other Income Realized:		
Fund Balance Appropriated	\$ 754,287	\$ 532,000
Rents	3,171,542	3,138,337
Miscellaneous	86,839	586,000
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	<u>330,641</u>	<u>21,593</u>
 Total Income	 <u>4,343,309</u>	 <u>4,277,930</u>
Expenditures:		
Operating	2,452,065	2,573,700
Debt Service	1,065,947	1,038,823
Deferred Charges & Statutory Expenditures	672,222	226,798
Other Debits to Expenditures:		
Refund of Prior Year Revenue	<u>8,241</u>	<u>1,683</u>
 Total Expenditures	 <u>4,198,475</u>	 <u>3,841,004</u>
 Excess/Deficit in Revenue	 <u>144,834</u>	 <u>436,926</u>
 Operating Deficit to be Raised in Budget of Succeeding Year	 -	 -
Statutory Excess to Fund Balance	<u>144,834</u>	<u>436,926</u>
 Fund Balance January 1	 1,120,093	 1,215,167
Less: Balance Appropriated	<u>754,287</u>	<u>532,000</u>
 Fund Balance December 31	 <u><u>\$ 510,640</u></u>	 <u><u>\$ 1,120,093</u></u>

The accompanying Notes to the Financial Statement are an integral part of this Statement.



**TOWNSHIP OF HADDON  
WATER-SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	ANTICIPATED	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 754,287	\$ 754,287	\$ -
Rents	3,120,000	3,171,542	51,542
Miscellaneous	350,000	86,839	(263,161)
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 4,224,287</u>	<u>\$ 4,012,668</u>	<u>\$ (211,619)</u>

**ANALYSIS OF REALIZED REVENUE**

Rents:		
Consumer Accounts Receivable:		
Water		\$ 1,946,018
Sewer		1,225,524
		<hr/>
Total Rents		<u>\$ 3,171,542</u>
Miscellaneous		
Collector:		
Other		\$ 79,235
Privilege Fees		2,100
Interest on Investments		4,322
Collected by Water-Sewer Utility Capital Fund:		
Interest on Investments		1,182
		<hr/>
Total Miscellaneous		<u>\$ 86,839</u>

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**TOWNSHIP OF HADDON  
WATER-SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	ORIGINAL BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELLED
Operating:						
Salaries and Wages	\$ 1,089,000	\$ 984,000	\$ 977,950	\$ -	\$ 6,050	\$ -
Other Expenses	1,783,065	1,468,065	1,394,969	44,428	28,668	-
<b>Total Operating</b>	<b>2,872,065</b>	<b>2,452,065</b>	<b>2,372,919</b>	<b>44,428</b>	<b>34,718</b>	<b>-</b>
Debt Service:						
Payment of Bond Principal	465,000	765,000	764,101	-	-	899
Payment of Bond Anticipation Notes	25,000	25,000	25,000	-	-	-
Interest on Bonds & Loans	166,000	296,000	263,411	-	-	32,589
Interest on Notes	14,000	14,000	13,435	-	-	565
<b>Total Debt Service</b>	<b>670,000</b>	<b>1,100,000</b>	<b>1,065,947</b>	<b>-</b>	<b>-</b>	<b>34,053</b>
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	82,000	82,000	72,408	-	9,592	-
Public Employees Retirement System	88,222	88,222	88,222	-	-	-
Unemployment Compensation Insurance	10,000	-	-	-	-	-
State Disability Insurance	2,000	2,000	495	-	1,505	-
<b>Total Statutory Expenditures</b>	<b>182,222</b>	<b>172,222</b>	<b>161,125</b>	<b>-</b>	<b>11,097</b>	<b>-</b>
Surplus (General Budget)	500,000	500,000	500,000	-	-	-
<b>Total Expenditures</b>	<b>\$ 4,224,287</b>	<b>\$ 4,224,287</b>	<b>\$ 4,099,991</b>	<b>\$ 44,428</b>	<b>\$ 45,815</b>	<b>\$ 34,053</b>
Budget	\$ 4,224,287					
Total	\$ 4,224,287					
Cash Disbursed		\$ 4,103,717				
Accrued Interest Adjustment		(3,726)				
Total		\$ 4,099,991				

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**TOWNSHIP OF HADDON  
GENERAL FIXED ASSETS ACCOUNT GROUP  
STATEMENT OF GENERAL FIXED ASSETS  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016**

ASSETS	<u>2017</u>	<u>2016</u>
Land	\$ 4,086,701	\$ 4,086,701
Building & Improvements	3,922,957	3,878,645
Equipment & Vehicles	<u>5,220,054</u>	<u>5,220,054</u>
Total	<u>\$ 13,229,712</u>	<u>\$ 13,185,400</u>
FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 13,229,712</u>	<u>\$ 13,185,400</u>

The accompanying Notes to the Financial Statement are an integral part of this Statement.

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**TOWNSHIP OF HADDON  
COUNTY OF CAMDEN**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 1. Summary of Significant Accounting Policies**

**Description of Financial Reporting Entity**

**Description of Financial Reporting Entity** - The financial statements of the Township of Haddon, County of Camden, New Jersey (“the Township”), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township as required by *N.J.S.A.40A:5-5*. The financial statements of the Township do not include the operations of the Board of Education, first aid organization or volunteer fire companies that are subject to separate audits.

**Component Unit** – The financial statements of the component unit of the Township of Haddon are not presented in accordance with Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39, 61 and 80. If the provisions of GASBS No. 14, as amended by GASB Statement No. 39, 61 and 80, had been complied with, the financial statements of the following component unit would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Haddon Township Business Improvement District  
135 Haddon Avenue  
Westmont, New Jersey 08108

**Basis of Accounting, Measurement Focus and Basis of Presentation** - The financial statements of the Township contain all funds and account groups in accordance with the “Requirements of Audit” 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 of Audit 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 State of America applicable to local government units. The more significant differences are explained further in this note.

In accordance with the “Requirements”, the Township accounts for its financial transactions through the use of separate funds, which are described as follows:

**Current Fund** – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

**Trust Funds** – These funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

**Trust Assessment Fund**– This fund accounts for the financing of local improvements deemed to benefit the properties against which assessments are levied.

**General Capital Fund** – This fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

**Utility Operating and Capital Funds** – These funds accounts for utility operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the utility to the general public be

**TOWNSHIP OF HADDON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

financed through user fees. Operations relating to the acquisition of capital facilities for utility purposes are recorded in the Utility Capital Fund.

**General Fixed Asset Account Group** – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Township.

**Budgets and Budgetary Accounting** - The Township must adopt an annual budget for its Current and Utility 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<sup>th</sup> of each year. At introduction, the governing body must 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 Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

**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. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost. Therefore unrealized gains or losses on investments have not been recorded.

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 utilities 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, 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



**TOWNSHIP OF HADDON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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

**General Fixed Assets** – Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000, 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. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their 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 assets, 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 includes 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. All fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

**Utility Fixed Assets** – Property and equipment purchases by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization in the utility capital fund represent the cost of the utility fixed assets reduced by the outstanding balances of bonds, loans, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

**Foreclosed property** – Foreclosed Property or "Property Acquired for Taxes" 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 Township 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 Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

**Deferred Charges** – The recognition of certain expenditures is deferred to future periods. These expenditures or deferred charges are generally overexpenditures of legally adopted budget appropriations

**TOWNSHIP OF HADDON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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.

**Fund Balance** – Fund Balance included in the Current and Utility Operating Fund represent the amount available for anticipation as revenue in future year’s budgets, with certain restrictions.

**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 the Township, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenues when received.

**Utility Revenues** – Utility charges are levied quarterly based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Townships utility operating fund.

**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 Camden, Fire District and Haddon Township School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

**County Taxes** – The municipality is responsible for levying, collecting and remitting County taxes for the County of Camden. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10<sup>th</sup> 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<sup>th</sup> of the current year and due to be paid to the County by February 15<sup>th</sup> of the following year.

**School Taxes** – The municipality is responsible for levying, collecting and remitting school taxes for the Haddon Township School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district July 1 to June 30.

**Deferred School Taxes** – School taxes raised in advance in the Current Fund for a school fiscal year (July I to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

**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** – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount.

**TOWNSHIP OF HADDON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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 interest payments on outstanding general capital bonds and notes are provided on the cash basis. Appropriations for interest payments on outstanding utility capital bonds and notes are provided on the accrual 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 cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31<sup>st</sup> of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

**Long-Term Debt** - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General and Utility 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** – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

**Recent Accounting Pronouncements** – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has recently adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements; and there have been no GASB pronouncements effective for the current year that have a significant impact of the Township’s financial statements.

**Note 2. Deposits and Investments**

The Township is governed by the deposit and investment limitations of New Jersey state law.

**Deposits**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Township’s deposits may not be returned. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Township 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

**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 2. Deposits and Investments (continued):**

may pass to the Township 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 balance of \$11,408,966 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 9,999,397
Uninsured and Uncollateralized	<u>1,409,569</u>
	<u><u>\$ 11,408,966</u></u>

**Investments**

The Township had no investments as of December 31, 2017.

**Note 3. Property Taxes**

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

**Comparison Schedule of Tax Rates**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	<u>\$ 3.579</u>	<u>\$ 3.512</u>	<u>\$ 3.399</u>
Apportionment of Tax Rate:			
Municipal	0.641	0.637	0.637
County General	0.950	0.928	0.915
Local School	1.988	1.947	1.847

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2017	\$ 1,259,248,750
2016	1,256,876,026
2015	1,258,163,190

**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 3. Property Taxes (continued):**

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2017	\$ 46,960,466	\$ 46,864,417	99.80%
2016	45,996,255	45,819,321	99.62%
2015	44,431,342	44,365,649	99.85%

**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	\$ 118,445	\$ 12,798	\$ 131,243	0.28%
2016	95,462	23,763	119,225	0.26%
2015	66,417	31,422	97,839	0.22%

**Number of Tax Title Liens**

<u>Year</u>	<u>Number</u>
2017	18
2016	12
2015	30

The last tax sale was held on December 29, 2017.

**Note 4: Property Acquired By Tax Title Lien Liquidation**

The value of properties acquired by liquidation of tax title liens based on the last assessed valuation of such properties as of December 31, was as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 1,894,100
2016	1,894,100
2015	1,894,100

**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 5: Water and Sewer Utility Service Charges**

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

<u>Year</u>	<u>Beginning Balance</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2017	\$ 31,057	\$ 3,154,004	\$ 3,185,061	\$ 3,171,542	99.57%
2016	10,221	3,160,408	3,170,629	3,138,337	98.98%
2015	9,641	3,197,383	3,207,024	3,196,813	99.68%

**Note 6. Fund Balances Appropriated**

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<b>Current Fund:</b>			
2017	\$ 2,299,337	\$ 1,500,000	65.24%
2016	2,204,816	1,400,000	63.50%
2015	1,860,664	1,160,200	62.35%
<b>Utility Operating Fund:</b>			
2017	\$ 510,640	\$ 275,281	53.91%
2016	1,120,093	754,287	67.34%
2015	1,215,167	532,000	43.78%

**Note 7. Disaggregated Receivable and Payable Balances**

There are no significant components of receivable and payable balances reported in the financial statements.

**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 8. Interfund Receivables, Payables and Transfers**

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2017:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
Current Fund	\$ 1,781	\$ 599,119
State and Federal Grant Fund	389,970	-
Animal Control Trust	-	1,781
Trust Other Fund	53,832	-
Trust Assessment Fund	450	-
Capital Fund	198,033	450
Utility Operating Fund	232,560	42,716
Utility Capital Fund	-	232,560
	<u>\$ 876,626</u>	<u>\$ 876,626</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

A summary of interfund transfers is as follows:

<b>Fund</b>	<b>Transfers In</b>	<b>Transfers Out</b>
Current Fund	\$ 403,444	\$ 313,362
State and Federal Grant Fund	-	67,450
Trust Other Fund	73,271	162,128
Capital Fund	240,091	-
Utility Operating Fund	-	173,866
	<u>\$ 716,806</u>	<u>\$ 716,806</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 9. Fixed Assets**

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2017.

	Balance December 31, <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2017</u>
Land	\$ 4,086,701.00	\$ -	\$ -	\$ 4,086,701.00
Buildings and Improvements	3,878,645.00	44,312.00	-	3,922,957.00
Machinery & Equipment	5,220,054.00	-	-	5,220,054.00
	<u>\$ 13,185,400.00</u>	<u>\$ 44,312.00</u>	<u>\$ -</u>	<u>\$ 13,229,712.00</u>

**Note 10. Pension Obligations**

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

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

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

The following represents the membership tiers for PERS:

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

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



**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

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

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

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2017, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2017, the Township's contractually required contribution to PERS plan was \$323,710.

**Components of Net Pension Liability** - At December 31, 2017, the Township's proportionate share of the PERS net pension liability was \$8,134,183. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The Township's proportion measured as of June 30, 2017, was 0.03494% which was an increase of 0.00191% from its proportion measured as of June 30, 2016.

**Collective Balances at December 31, 2017 and December 31, 2016**

	<u>12/31/2017</u>	<u>12/30/2016</u>
Actuarial valuation date (including roll forward)	June 30, 2017	June 30, 2016
Deferred Outflows of Resources	\$ 5,421,613	\$ 7,056,606
Deferred Inflows of Resources	5,348,429	5,081,739
Net Pension Liability	8,134,183	9,781,878
Haddon's portion of the Plan's total net pension Liabilit	0.03494%	0.03303%

**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

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

**Pension Expense and Deferred Outflows/Inflows of Resources** - At December 31, 2017, the Township's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2017 measurement date is \$586,704. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$323,710 to the plan in 2017.

At December 31, 2017, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 191,532	\$ -
Changes of Assumptions	1,638,757	1,632,749
Net Difference between Projected and Actual Earnings on Pension Plan Investments	55,388	-
Changes in Proportion and Differences between Haddon Contributions and Proportionate Share of Contributions	<u>3,535,936</u>	<u>3,715,680</u>
	<u>\$ 5,421,613</u>	<u>\$ 5,348,429</u>

**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

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

The Township will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48

**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

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

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

<b>Year Ending</b>	<b>Amount</b>
<b><u>Dec 31,</u></b>	
2018	\$ 104,099
2019	304,658
2020	(122,400)
2021	(93,157)
2022	<u>(120,014)</u>
	<u><u>\$ 73,186</u></u>

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

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

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

**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	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 Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer

**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

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

Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

	<b>1% Decrease <u>(4.00%)</u></b>	<b>Current Discount Rate <u>(5.00%)</u></b>	<b>1% Increase <u>(6.00%)</u></b>
Haddon's Proportionate Share of the Net Pension Liability	<u>\$ 10,091,005</u>	<u>\$ 8,134,183</u>	<u>\$ 6,503,906</u>

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

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

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

The following represents the membership tiers for PFRS:

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

**TOWNSHIP OF HADDON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

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

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

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

**Contributions** - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2017, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2017, the Township's contractually required contributions to PFRS plan was \$628,454.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

**Net Pension Liability and Pension Expense** - At December 31, 2017 the Township's proportionate share of the PFRS net pension liability was \$10,962,613. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, to the measurement date of June 30, 2017. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The Township's proportion measured as of June 30, 2017, was 0.07101%, which was a decrease of 0.00294% from its proportion measured as of June 30, 2016.

**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

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

**Collective Balances at December 31, 2017 and December 31, 2016**

	<u>12/31/2017</u>	<u>12/31/2016</u>
Actuarial valuation date (including roll forward)	June 30, 2017	June 30, 2016
Deferred Outflows of Resources	\$ 2,394,906	\$ 3,929,301
Deferred Inflows of Resources	2,511,015	506,760
Net Pension Liability	10,962,613	14,126,122
Haddon's portion of the Plan's total net pension Liability	0.07101%	0.07395%

**Pension Expense and Deferred Outflows/Inflows of Resources** – At December 31, 2017, the Township's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2017 measurement date was \$994,233. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$628,454 to the plan in 2017.

At December 31, 2017, the Township had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 71,119	\$ 64,341
Changes of Assumptions	1,351,812	1,795,355
Net Difference between Projected and Actual Earnings on Pension Plan Investments	209,192	-
Changes in Proportion and Differences between Haddon Contributions and Proportionate Share of Contributions	762,783	651,319
	<u>\$ 2,394,906</u>	<u>\$ 2,511,015</u>



**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

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

The Township will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	5.53
June 30, 2016	-	5.58
June 30, 2017	5.59	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017	-	5.59
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	6.17
June 30, 2015	5.53	5.53
June 30, 2016	5.58	5.58
June 30, 2017	5.59	5.59

**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

**B. Police and Firemen’s Retirement System (PFRS)**

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

<b>Year Ending</b>		
<b><u>Dec 31,</u></b>	<b><u>Amount</u></b>	
2018	\$	139,703
2019		348,769
2020		58,262
2021		(395,557)
2022		<u>(267,286)</u>
	<b>\$</b>	<b><u>(116,109)</u></b>

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

Additionally, the State’s proportionate share of the PFRS net pension liability attributable to the Township is \$1,227,905 as of December 31, 2017. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, to the measurement date of June 30, 2017. The State’s proportion of the net pension liability associated with the Township was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2017 was 0.07101%, which was a decrease of 0.00294% from its proportion measured as of June 30, 2016, which is the same proportion as the Township’s. At December 31, 2017, the Township’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

Haddon's Proportionate Share of Net Pension Liability	\$ 10,962,613
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Haddon	<u>1,227,905</u>
	<b><u>\$ 12,190,518</u></b>

**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

**B. Police and Firemen’s Retirement System (PFRS)**

At December 31, 2017, the State’s proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2017 measurement date was \$150,201.

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

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

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

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

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges

**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

**B. Police and Firemen’s Retirement System (PFRS)**

are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS’s target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	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 Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 6.14% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

**B. Police and Firemen’s Retirement System (PFRS)**

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

	<b>1% Decrease <u>(5.14%)</u></b>	<b>Current Discount Rate <u>(6.14%)</u></b>	<b>1% Increase <u>(7.14%)</u></b>
Haddon's Proportionate Share of the Net Pension Liability	\$ 14,444,145	\$ 10,962,613	\$ 8,102,138
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Haddon	1,617,866	1,227,905	907,508
	<u>\$ 16,062,011</u>	<u>\$ 12,190,518</u>	<u>\$ 9,009,646</u>

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

**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 11. Municipal Debt**

The following schedule represents the Township's summary of debt, as filed in the Township's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Issued:</b>			
General:			
Bonds, Notes and Loans	\$ 22,912,140	\$ 23,361,710	\$ 25,137,260
Utility:			
Bonds, Notes and Loans	10,907,900	11,206,143	11,713,354
	<hr/>	<hr/>	<hr/>
Total Debt Issued	33,820,040	34,567,853	36,850,614
	<hr/>	<hr/>	<hr/>
<b>Authorized but not issued:</b>			
General:			
Bonds, Notes and Loans	1,992,013	1,488,263	1,296,513
Utility:			
Bonds, Notes and Loans	2,477,987	1,977,987	1,595,487
	<hr/>	<hr/>	<hr/>
Total Authorized But Not Issued	4,470,000	3,466,250	2,892,000
	<hr/>	<hr/>	<hr/>
<b>Total Gross Debt</b>	<u>\$ 38,290,040</u>	<u>\$ 38,034,103</u>	<u>\$ 39,742,614</u>
	<hr/>	<hr/>	<hr/>
<b>Deductions:</b>			
Utility:			
Self Liquidating Debt	\$ 13,385,887	\$ 13,184,130	\$ 13,308,841
	<hr/>	<hr/>	<hr/>
Total Deductions	13,385,887	13,184,130	13,308,841
	<hr/>	<hr/>	<hr/>
<b>Total Net Debt</b>	<u>\$ 24,904,153</u>	<u>\$ 24,849,973</u>	<u>\$ 26,433,773</u>
	<hr/>	<hr/>	<hr/>

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ 4,445,000	\$ 4,445,000	\$ -
General Debt	24,904,153	-	24,904,153
Utility Debt	13,385,887	13,385,887	-
	<hr/>	<hr/>	<hr/>
	\$ 42,735,040	\$ 17,830,887	\$ 24,904,153
	<hr/>	<hr/>	<hr/>

**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 11. Municipal Debt (continued):**

Net Debt \$24,904,153 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$1,338,691,665, equals 1.860%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2017 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$	46,854,208
Net Debt		24,904,153
 Remaining Borrowing Power	 \$	 21,950,055

Self-Liquidating Utility Calculation per N.J.S.A. 40A:2-46

Cash Receipts From Fees, Rents or Other Charges for the Year	\$	4,009,659
 Deductions:		
Operating and Maintenance Costs	\$	2,613,090
Debt Service		1,065,948
 Total Deductions		 3,679,038
 Excess/(Deficit) in Revenue	 \$	 330,621

\*If Excess in Revenues all Utility Debt is Deducted

**General Debt**

**A. Serial Bonds Payable**

On May 7, 2008, the Township issued \$2,595,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 3.625% to 4.000% and mature on May 1, 2028.

On May 7, 2008, the Township issued \$2,394,000 of Refunding Bonds. The Refunding Bonds were issued at interest rates varying from 3.450% to 4.000% and mature on September 15, 2018.

On August 15, 2013, the Township issued \$6,057,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 2.000% to 2.750% and mature on August 15, 2032.

On August 15, 2013, the Township issued \$1,035,000 of Refunding Bonds. The Refunding Bonds were issued at interest rates of 2.000% and mature on August 15, 2021.

**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 11. Municipal Debt (continued):**

On September 10, 2014, the Township issued \$3,705,000 of Refunding Bonds. The Refunding Bonds were issued at interest rates varying from 2.000% to 4.000% and mature on November 15, 2026.

On April 20, 2016, the Township issued \$5,340,000 of Taxable Bonds. The Taxable Bonds were issued at interest rates varying from 2.000% to 4.000% and mature on August 15, 2046.

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,059,650	\$ 500,597	\$ 1,560,247
2019	970,000	473,867	1,443,867
2020	1,060,000	447,083	1,507,083
2021	1,075,000	418,283	1,493,283
2022	980,000	388,920	1,368,920
2023-2027	4,720,000	1,464,075	6,184,075
2028-2032	2,877,000	879,473	3,756,473
2033-2037	935,000	557,600	1,492,600
2038-2042	1,170,000	352,400	1,522,400
2043-2046	1,040,000	104,000	1,144,000
	<u>\$ 15,886,650</u>	<u>\$ 5,586,298</u>	<u>\$ 21,472,948</u>

**B. Bond Anticipation Notes Payable – Short Term Debt**

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2017:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2017</u>
Series 2017 A	11/6/2017	11/5/2018	1.24%	\$ 6,572,985
Series 2017 A - Taxable	1/25/2017	1/24/2018	0.95%	237,500
				<u>\$ 6,810,485</u>

The purpose of these short-term borrowings was to provide resources for general capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

**C. Bonds and Notes Authorized But Not Issued**

As of December 31, 2017, the Township had \$1,992,013 in various General Capital bonds and notes authorized but not issued.



**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 11. Municipal Debt (continued):**

**D. Loans Payable**

Green Acres Trust Loan Program

In 2003 and 2004 the Township finalized two loan agreements with the State of New Jersey Department of Environmental Protection, pursuant to the 1989 Green Trust Loan Program.

The first loan was agreed to on October 21, 2003 for \$90,217.60 for the Development of Crystal Lake. The loan has an interest rate of 1.00% and comes to maturity on October 21, 2022.

The second loan was agreed to on January 15, 2004 for \$600,000 for the MacArthur Tract Acquisition. The loan has an interest rate of 1.00% and comes to maturity on January 15, 2023.

Principal and interest due on the outstanding loans is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 38,713	\$ 4,869	\$ 43,582
2019	39,491	4,104	43,595
2020	40,286	3,324	43,610
2021	41,096	2,528	43,624
2022	41,920	1,716	43,636
2023	18,470	916	19,386
	\$ 219,976	\$ 17,457	\$ 237,433

**Water and Sewer Utility Debt**

**A. Serial Bonds Payable**

On May 7, 2008, the Township issued \$1,620,000 of Utility Revenue Bonds. The Bonds were issued at interest rates varying from 3.65% to 4.00% and mature on May 1, 2028.

On May 7, 2008, the Township issued \$1,806,000 of Utility Refunding Bonds. The Bonds were issued at interest rates varying from 3.00% to 3.45% and mature on September 15, 2018.

On August 15, 2013, the Township issued \$2,075,000 of Utility Revenue Bonds. The Bonds were issued at interest rates varying from 2.00% to 2.75% and mature on August 15, 2032.

On August 15, 2013, the Township issued \$260,000 of Utility Refunding Bonds. The Bonds were issued at interest rates of 2.00% mature on August 15, 2021.

On September 10, 2014, the Township issued \$3,705,000 of Utility Revenue Bonds. The Bonds were issued at interest rates varying from 2.00% to 4.00% and mature on November 15, 2026.

**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 11. Municipal Debt (continued):**

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 475,350	\$ 136,951	\$ 612,301
2019	365,000	124,914	489,914
2020	395,000	116,233	511,233
2021	395,000	104,961	499,961
2022	405,000	93,605	498,605
2023-2027	1,870,000	269,350	2,139,350
2028-2032	765,000	54,023	819,023
	<u>\$ 4,670,350</u>	<u>\$ 900,037</u>	<u>\$ 5,570,387</u>

**B. Bond Anticipation Notes Payable – Short Term Debt**

The following is a summary of bond anticipation notes payable accounted for in the Utility Capital Fund at December 31, 2017:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2017</u>
Series 2017 A	11/6/2017	11/5/2018	1.240%	\$ 2,362,500
				\$ 2,362,500

The purpose of these short-term borrowings was to provide resources for utility capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

**C. Bonds and Notes Authorized But Not Issued**

As of December 31, 2017 the Township had \$2,477,987 in various Utility bonds and notes authorized but not issued.

**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 11. Municipal Debt (continued):**

**D. Loans Payable**

New Jersey Environmental Infrastructure Trust

In 2008 the Township finalized one loan agreement with the State of New Jersey Department of Environmental Protection, pursuant to the 2008 New Jersey Environmental Infrastructure Trust Financing Program.

The loan consists of two agreements, a Trust Loan Agreement of \$3,200,000 to be repaid over a 20 year period at interest rates ranging from 5.00% to 5.50%, and a no interest Fund Loan Agreement of \$3,054,403 to be repaid over a 20 year period. The proceeds of the loans are to provide for the reconstruction and rehabilitation of various sewers.

Principal and interest due on the outstanding loans is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 319,572	\$121,850	\$ 441,422
2019	322,893	114,600	437,493
2020	333,870	106,850	440,720
2021	344,267	98,450	442,717
2022	354,328	89,100	443,428
2023-2027	1,914,774	289,200	2,203,974
2028-2032	285,346	37,500	322,846
	<u>\$3,875,050</u>	<u>\$857,550</u>	<u>\$4,732,600</u>

**Summary of Principal Debt**

A summary of the changes in long-term and short term debt of the Township is as follows:

	Balance December 31, <u>2016</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2017</u>	Balance Due Within <u>One Year</u>
<b>General Capital:</b>					
General Bonds	\$ 16,951,300	\$ -	\$ 1,064,650	\$ 15,886,650	\$ 1,059,650
Bond Anticipation Notes	6,152,485	6,810,485	6,152,485	6,810,485	6,810,485
Loans	257,925	-	37,949	219,976	38,713
	<u>\$ 23,361,710</u>	<u>\$ 6,810,485</u>	<u>\$ 7,255,084</u>	<u>\$ 22,917,111</u>	<u>\$ 7,908,848</u>
<b>Utility Capital:</b>					
Utility Bonds	\$ 5,135,700	\$ -	\$ 465,350	\$ 4,670,350	\$ 475,350
Bond Anticipation Notes	1,887,500	2,362,500	1,887,500	2,362,500	2,362,500
Loans	4,182,943	-	307,893	3,875,050	319,572
Capital Leases	<u>\$ 11,206,143</u>	<u>\$ 2,362,500</u>	<u>\$ 2,660,743</u>	<u>\$ 10,907,900</u>	<u>\$ 3,157,422</u>

**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 12. Deferred Charges to be Raised in Succeeding Budgets**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2017 the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balances of the following funds:

<u>Description</u>	Balance December 31, <u>2017</u>	2018 Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
<b>Current Fund:</b>			
Overexpenditure of Appropriation	\$ 35,810	\$ -	\$ 35,810
<b>Animal Control Fund</b>			
Overexpenditure of Reserve	\$ 650	\$ -	\$ 650

**Note 13. 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 benefits 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 14. Accrued Sick, Vacation and Compensation Time**

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused vacation, sick pay and compensation time. The Township permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$1,536,626 at December 31, 2017.

The Township has established a Trust Fund in accordance with NJSA 40A:4-39 to set aside funds for future payments of compensated absences. As of December 31, 2017, the Township has reserved in the Other Trust Fund \$159,633 to fund compensated absences in accordance with NJSA 40A:4-39.

**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**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.

**Joint Insurance Pool**

The Township of Haddon is a member of the Camden County Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation & Employer's Liability  
General & Automobile Liability  
Public Officials Liability  
Casualty & Crime Coverage  
Property – Blanket Building & Grounds

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 Township's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through commercial insurance for claims in excess of \$500,000 for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2017, which can be obtained from:

Camden County Municipal Joint Insurance Fund  
Park 80 West, Plaza One  
Saddle Brook, New Jersey 07663

**New Jersey Unemployment Compensation Insurance**

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed 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 unemployment trust fund for the current and previous two years:

<u>Year</u>	<u>Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	\$ -	\$ 8,330	\$ 375	\$ 2,924	\$ 126,996
2016	10,000	5,792	365	23,404	121,215
2015	-	7,792	401	11,851	128,462

**TOWNSHIP OF HADDON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 16. Contingencies**

Grantor Agencies

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2017 the Township estimates that no material liabilities will result from such audits.

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.

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2017.

**Note 17. Post-Retirement Health Benefits**

Haddon Township Police Officers and employees of the Haddon Township Department of Public Works are eligible for benefits upon retirement provided they have completed 25 years of public employment, presuming they have met all retirement criteria of the Public Employees Retirement System (PERS). Effective April 22, 2008, employees of Haddon Township other than those noted above are ineligible for the above mentioned benefits.

Years of service are calculated based upon elapsed time.

The Township of Haddon's annual Other Post-Employment Benefit cost is calculated based on the Annual Required Contribution. The actuarial cost method used to determine the Plan's funding requirements is the "Unit Credit" method. Under this method, an actuarial accrued liability is determined as the present value of the earned benefits, which is allocated to service before the current plan year. The Plan is currently unfunded. The unfunded actuarial liability is amortized over thirty years. The following table shows the changes in Township of Haddon's annual Other Post-Employment Benefit cost for the year, the amount actually contributed to the Plan and changes in their net Other Post-Employment Benefit obligation to the plan:

**TOWNSHIP OF HADDON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 17. Post-Retirement Health Benefits (continued):**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Required Contribution (ARC)	\$ 2,039,257	\$ 2,039,257	\$ 1,342,774
Interest on the Net OPEB Obligation	-	-	-
Adjustment to the ARC	-	-	-
Annual OPEB Cost	2,039,257	2,039,257	1,342,774
Contributions Made	(1,688,567)	(1,688,567)	-
Increase in Net OPEB Obligation	350,690	350,690	1,342,774
Net OPEB, Beginning of Year	11,092,882	10,742,192	9,399,418
Net OPEB, End of Year	<u>\$ 11,443,572</u>	<u>\$ 11,092,882</u>	<u>\$ 10,742,192</u>
Percentage of Annual OPEB Cost Contributed	82.8%	82.8%	N/A

The funded status of the plan as of June 30, 2016 was as follows:

Actuarial Accrued Liability (AAL)	\$ 19,325,105
Actuarial Value of Plan Assets	<u>-</u>
Unfunded Actuarial Accrued Liability	<u>\$ 19,325,105</u>
Funded Ratio	0.0%
Covered Payroll	N/A
UAAL as a Percentage of Covered Payroll	N/A

Actuarial assumptions were used to value the post-retirement medical liabilities. Actuarial assumptions were based on the actual experience of the covered group, to the extent that creditable experience data was available, with an emphasis on expected long-term future trends rather than giving undue weight to recent past experience. The reasonableness of each actuarial assumption was considered independently based on its own merits, its consistency with each other assumption, and the combined impact of all assumptions.

Two economic assumptions used in the valuation are the discount rate and the health care cost trend rates. The economic assumptions are used to account for changes in the cost of benefits over time and to discount future benefit payments for the time value of money.

The investment return assumption (discount rate) should be the estimated long-term investment yield on the investments that are expected to be used to finance the payments of benefits. The investments expected to be used to finance the payments of benefits would be plan assets for funded plans, assets of the employer for pay-as-you-go plans, or a proportionate combination of the two for plans that being partially funded. We assumed a discount rate of 5.0 percent for purposes of developing the liabilities and Annual Required Contribution on the basis that the Plan would not be funded. We based medical claims

**TOWNSHIP OF HADDON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 17. Post-Retirement Health Benefits (continued):**

on an annual average claims cost of approximately \$18,743 per covered retiree for family coverage and \$7,497 for single coverage prior to age 65. For retirees age 65 and over we have an annual average claims cost of approximately \$11,095 per covered retiree for family coverage and \$4,438 for single coverage. We assumed health care costs would increase annually at a rate of 7% for Pre-Medicare medical benefits and 5% for Post-Medicare medical benefits.

The Township of Haddon currently has thirty-eight eligible retired employees receiving retirement benefits. The net Other Post-Employment Benefit obligation to Township of Haddon to provide benefits to the retirees for the year ended December 31, 2017 was \$11,443,572.

**Note 18. Subsequent Events**

The Township has evaluated subsequent events through June 14, 2018, the date the financial statements were available to be issued and has noted the following:

During May of 2018, the Township approved two new bond ordinances. Ordinance #1384 was approved to be used for Various Capital Improvements for a total of \$1,625,000 and authorized the issuance of debt in the amount of \$1,543,750 in bonds or notes. Ordinance #1385 was approved to be used for Various Water and Sewer Improvements for a total of \$1,000,000 and authorized the issuance of debt in the amount of \$1,000,000 in bonds or notes.

In May of 2018, the Township approved the issuance of General Obligation Refunding bonds in an amount not to exceed \$3,000,000. As of June 14, 2018 this bond issue has not been finalized.



**SUPPLEMENTARY EXHIBITS**

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**CURRENT FUND**

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**TOWNSHIP OF HADDON  
CURRENT FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>CURRENT</u>	<u>STATE &amp; FEDERAL</u>
Balance December 31, 2016	\$ 3,962,328	\$ -
Increased by Receipts:		
Tax Collector	49,737,912	-
2017 Appropriation Refunds	711,541	-
Revenue Accounts Receivable	1,782,024	-
Miscellaneous Revenue Not Anticipated	795,736	-
New Jersey State Training Fees	18,251	-
Refund of Prior Year Expenditures	31,849	-
Due to C.C.M.U.A.	147,043	-
Due to Trust Other	162,128	-
Due to Utility Operating Fund	173,866	-
Due to Federal & State Grant Fund	67,450	-
Federal & State Grants Unappropriated	-	141,392
Federal & State Grants Receivable	-	676,700
	<u>53,627,800</u>	<u>818,092</u>
Subtotal	<u>53,627,800</u>	<u>818,092</u>
Total	<u>57,590,128</u>	<u>818,092</u>
Decreased by Disbursements:		
2017 Appropriations	12,240,978	-
2016 Appropriation Reserves	231,894	-
County Taxes	11,953,985	-
Due County for Added & Omitted Taxes	40,713	-
Fire District Taxes Payable	1,434,943	-
Local District School Tax	25,039,883	-
Business Improvement District Taxes	166,672	-
New Jersey State Training Fees	17,627	-
Tax Overpayments	19,081	-
Due to C.C.M.U.A.	147,043	-
Reserve for Streetscape Proceeds	69,346	-
Due to General Capital Fund	240,091	-
Due to Trust - Other	73,271	-
Due from Current Fund	-	67,450
Reserve for Federal & State Grant Funds Appropriated	-	750,642
	<u>51,675,527</u>	<u>818,092</u>
Total Disbursements	<u>51,675,527</u>	<u>818,092</u>
Balance December 31, 2017	<u>\$ 5,914,601</u>	<u>\$ -</u>

**TOWNSHIP OF HADDON  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$	-
Increased by:			
Taxes Receivable	\$	46,490,546	
Tax Title Liens		6,214	
Interest & Costs on Taxes		89,451	
2017 Prepaid Taxes		1,749,622	
Due from State of New Jersey Senior Citizen & Veteran Deductions		139,874	
Consolidated Municipal Property Relief Aid		144,625	
Energy Receipts Tax		1,117,580	49,737,912
Subtotal			49,737,912
Decreased by:			
Payments to Treasurer			49,737,912
Balance December 31, 2017		\$	-

The Collector maintains no bank account. All funds are deposited directly to the Treasurer's bank account.

**SCHEDULE OF CHANGE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Office:			
Municipal Court		\$	75
Crystal Lake Pool Operations			125
Township Clerk (Central Cashiering)			150
Tax Collector (Central Cashiering)			300
Total		\$	650

**TOWNSHIP OF HADDON  
CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
FOR THE YEAR ENDED DECEMBER 31, 2017**

YEAR	BALANCE DECEMBER 31, 2016	2017 LEVY	ADDED TAXES	COLLECTED		DUE FROM STATE OF NEW JERSEY	CANCELLED	OVERPAYMENTS APPLIED/CREATED	TRANSFER TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2017
				2016	2017					
Arrears	\$ 3,256	\$ -	\$ -	\$ 3,256	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2014	2,242	-	-	-	-	-	(2,915)	5,157	-	-
2015	77	-	-	5,099	-	-	(5,022)	-	-	-
2016	18,188	-	-	21,255	250	250	(2,817)	(500)	-	-
Total	23,763	-	-	29,610	250	250	(10,754)	4,657	-	-
2017	-	46,807,343	153,123	281,491	46,460,936	134,220	43,317	(12,230)	39,934	12,798
Total	\$ 23,763	\$ 46,807,343	\$ 153,123	\$ 281,491	\$ 46,490,546	\$ 134,470	\$ 32,563	\$ (7,573)	\$ 39,934	\$ 12,798

**ANALYSIS OF 2017 PROPERTY TAX LEVY**

General Purpose Tax	\$ 45,084,173
Fire District Taxes	1,556,498
Special District Taxes	166,672
Added & Omitted Taxes	<u>153,123</u>
Total	<u>\$ 46,960,466</u>
<b>TAX LEVY:</b>	
Local District School Tax	\$ 25,039,882
County Taxes:	
General County Tax	\$ 10,988,394
County Library Tax	696,498
County Open Space	269,093
Due County for Added & Omitted Taxes	<u>40,633</u>
Total County Taxes	11,994,618
Fire District Taxes:	
Fire District No. 1	1,357,930
Fire District No. 3	44,542
Fire District No. 4	<u>154,026</u>
Total Fire District Taxes	1,556,498
Special District Taxes:	
Haddon Township Business Improvement	166,672
Local Tax for Municipal Purposes	8,072,257
Add: Addition Tax Levied	<u>130,539</u>
Total Special District Taxes	8,202,796
Total	<u>\$ 46,960,466</u>

**TOWNSHIP OF HADDON  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$	95,462
Increased by:			
Transfers from Taxes Receivable	\$	39,934	
Interest & Cost on Taxes		1,439	41,373
			<hr/>
Subtotal			136,835
Decreased by:			
Adjustment to Liens		12,176	
Lien Payments Received		6,214	18,390
			<hr/>
Balance December 31, 2017		<u>\$</u>	<u>118,445</u>

**SCHEDULE OF DUE FROM STATE OF NJ VETERAN AND SENIOR CITIZEN DEDUCTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$	36,854
Increased by:			
Senior Citizen & Veterans Deductions Per Tax Billings	\$	140,000	
Deductions Allowed by Tax Collector		2,500	142,500
			<hr/>
Subtotal			179,354
Decreased by:			
Deductions Disallowed by Tax Collector - 2017 Taxes		7,778	
Deductions Disallowed by Tax Collector - 2016 Taxes		250	
Receipts - Collector		139,874	147,902
			<hr/>
Balance December 31, 2017		<u>\$</u>	<u>31,452</u>



**TOWNSHIP OF HADDON  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	ACCRUED IN 2017	REALIZED	BALANCE DECEMBER 31, 2017
Clerk:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 25,495	\$ 25,495	\$ -
Other	-	6,611	6,611	-
Fees & Permits	-	42,998	42,998	-
Municipal Court:				
Fines & Costs	21,126	267,239	269,286	19,079
Parking Meters	-	27,467	27,467	-
Operation of Crystal Lake	-	194,890	194,890	-
Uniform Construction Code Fees & Permits	-	277,677	277,677	-
Utility Operating Surplus	-	500,000	500,000	-
Reserve for Repayment of Bonds	-	50,000	50,000	-
Borough of Audubon Park - Police Protection Services	-	387,600	387,600	-
<b>Total</b>	<b>\$ 21,126</b>	<b>\$ 1,779,977</b>	<b>\$ 1,782,024</b>	<b>\$ 19,079</b>

**TOWNSHIP OF HADDON  
CURRENT FUND  
SCHEDULE OF FORECLOSED PROPERTY  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2017 & 2016	<u><u>\$ 1,894,100</u></u>
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**SCHEDULE OF DEFERRED CHARGES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	ADDED IN 2017	RAISED IN 2017 BUDGET	BALANCE DECEMBER 31, 2017
Overexpenditure of Appropriations	\$ 35,810	\$ -	\$ -	\$ 35,810
Total	<u><u>\$ 35,810</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 35,810</u></u>

**TOWNSHIP OF HADDON  
CURRENT FUND  
SCHEDULE OF 2016 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

OPERATIONS	BALANCE DECEMBER 31, 2016		BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED	OVEREXPENDITURE
	ENCUMBERED	RESERVED				
<b>General Government Functions:</b>						
General Administration:						
Salaries and Wages	\$ -	\$ 2,000	\$ 2,000	\$ -	\$ 2,000	\$ -
Other Expenses	860	2,665	3,525	866	2,659	-
Human Resources:						
Salaries and Wages	-	761	761	-	761	-
Other Expenses	-	1,919	2,519	2,457	62	-
Mayor & Commissioners:						
Salaries and Wages	-	490	490	-	490	-
Other Expenses	-	957	957	-	957	-
Municipal Clerk:						
Salaries and Wages	-	108	108	-	108	-
Other Expenses	139	5,997	6,136	740	5,396	-
Registrar of Vital Statistics:						
Salaries and Wages	-	910	910	-	910	-
Other Expenses	-	264	264	-	264	-
Financial Administration:						
Salaries and Wages	-	1,617	1,617	-	1,617	-
Other Expenses	187	1,116	1,303	187	1,116	-
Audit Services:						
Annual Audit	-	3,113	3,113	-	3,113	-
Revenue Administration (Tax Collector):						
Salaries and Wages	-	492	492	-	492	-
Other Expenses	283	2,799	3,082	283	2,799	-
Tax Assessor:						
Salaries and Wages	-	114	114	-	114	-
Other Expenses	1,004	9,654	10,658	1,054	9,604	-
Legal Services:						
Other Expenses	-	11,209	22,209	21,795	414	-
Municipal Court:						
Salaries and Wages	-	1,501	1,501	-	1,501	-
Other Expenses	2,568	8,183	10,751	2,835	7,916	-
Public Defender:						
Salaries and Wages	-	600	600	300	300	-
Engineering Services & Cost:						
Other Expenses	-	7,201	7,201	-	7,201	-
<b>Land Use Administration:</b>						
Planning Board:						
Salaries and Wages	-	1,432	1,432	-	1,432	-
Other Expenses	47	3,044	3,091	2,297	794	-
<b>Code Enforcement &amp; Administration:</b>						
Rent Control Commission:						
Salaries and Wages	-	703	703	-	703	-
Other Expenses	-	449	449	-	449	-
<b>Insurance:</b>						
General Liability	-	6,349	6,349	-	6,349	-
Workers Compensation	-	328	328	-	328	-
Employee Group Health	-	6,603	6,603	763	5,840	-
<b>Public Safety Functions:</b>						
Police:						
Salaries and Wages	-	52,650	23,150	23,026	124	-
Other Expenses	11,065	15,597	28,662	28,013	649	-
Office of Emergency Management:						
Salaries and Wages	-	1,710	1,710	-	1,710	-
Other Expenses	-	250	250	-	250	-
Uniform Fire Safety Act:						
Salaries and Wages	-	122	122	-	122	-
Other Expenses	-	9	9	-	9	-
Municipal Prosecutor:						
Salaries and Wages	-	81	81	-	81	-
<b>Public Works Functions:</b>						
Streets & Roads Maintenance:						

**TOWNSHIP OF HADDON  
CURRENT FUND  
SCHEDULE OF 2016 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

OPERATIONS	BALANCE DECEMBER 31, 2016		BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED	OVEREXPENDITURE
	ENCUMBERED	RESERVED				
Salaries and Wages	-	25,290	290	-	290	-
Other Expenses	10,693	9,213	19,906	7,457	12,449	-
Maintenance of Traffic Lights:						
Other Expenses	-	2,029	2,029	-	2,029	-
Shade Tree:						
Salaries and Wages	-	62	62	-	62	-
Other Expenses	1,178	2,137	3,315	-	3,315	-
Solid Waste Collection:						
Other Expenses	10,644	8,960	11,104	9,645	1,459	-
Building & Grounds:						
Other Expenses	1,999	2,142	4,141	341	3,800	-
Vehicle Maintenance:						
Other Expenses	8,550	14,085	16,735	8,601	8,134	-
Community Services Act:						
Other Expenses	-	28,726	32,726	32,606	120	-
<b>Health &amp; Human Services:</b>						
Environmental Commission:						
Other Expenses	-	1,243	1,243	463	780	-
Animal Control Program:						
Other Expenses	-	46	46	-	46	-
<b>Park &amp; Recreation Functions:</b>						
Crystal Lake Pool:						
Salaries and Wages	-	52	52	-	52	-
Other Expenses	693	621	1,314	353	961	-
Parks & Playgrounds:						
Other Expenses	186	32	218	26	192	-
<b>Utility Expense &amp; Bulk Purchases:</b>						
Electricity	-	6,865	46,865	45,309	1,556	-
Telephone & Telegraph	214	3,550	3,764	-	3,764	-
Natural Gas	-	2,834	7,834	7,385	449	-
Gasoline	-	2,548	7,548	6,965	583	-
<b>Landfill/Solid Waste Disposal Costs:</b>						
Disposal Costs	24,794	6,256	31,050	25,837	5,213	-
<b>Appropriation Offset By</b>						
<b>Dedicated Revenues:</b>						
Code Enforcement & Administration:						
Salaries and Wages	-	52	52	-	52	-
Other Expenses	84	22	1,406	1,329	77	-
<b>Other Common Operating Functions:</b>						
Accumulated Leave Compensation	-	526	526	-	-	-
Celebration of Public Events, Anniversary or Holiday						
Other Expenses	-	36	36	-	36	-
Senior Citizen Coordinator:						
Salaries and Wages	-	5,226	5,226	-	5,226	-
Other Expenses	-	1,185	1,185	-	1,185	-
Community Communications:						
Salaries and Wages	-	83	83	-	83	-
Other Expenses	-	7,218	7,218	3,408	3,810	-
Disolution of Fire District #2	-	3,327	3,327	-	3,327	-
Total General Appropriations for Municipal Purposes Within "CAPS"	75,188	287,363	362,551	234,341	127,684	-
<b>Deferred Charges &amp; Statutory Expenditures</b>						
<b>Municipal Within "CAPS":</b>						
<b>Statutory Expenditures:</b>						
Contributions to:						
Social Security System (O.A.S.I.)	-	1,496	1,496	-	1,496	-
Police & Fireman's Retirement Pension Fund	-	283	283	-	283	-

**TOWNSHIP OF HADDON  
CURRENT FUND  
SCHEDULE OF 2016 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

OPERATIONS	BALANCE DECEMBER 31, 2016		BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED	OVEREXPENDITURE
	ENCUMBERED	RESERVED				
Total Deferred Charges & Statutory Expenditures Within "CAPS"	-	1,779	1,779	-	1,779	-
<b>Operations Excluded From "CAPS":</b>						
Stormwater Regulations:						
Salary & Wages	-	4,822	4,822	-	4,822	-
SFSP Fire District Payment	-	196	196	-	196	-
Total Operations Excluded from "CAPS"	-	5,018	5,018	-	5,018	-
Grand Total All Appropriations	\$ 75,188	\$ 294,160	\$ 369,348	\$ 234,341	\$ 134,481	\$ -
Accounts Payable				\$ 2,447		
Cash Disbursements				231,894		
Total				<u>\$ 234,341</u>		

**TOWNSHIP OF HADDON  
CURRENT FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 75,188
Increased by:	
2017 Appropriations	<u>173,850</u>
Subtotal	249,038
Decreased by:	
Transferred to 2016 Appropriations Reserves	<u>75,188</u>
Balance, December 31, 2017	<u><u>\$ 173,850</u></u>

**SCHEDULE OF PREPAID TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 281,491
Increased by:	
Collections - 2017 Taxes	<u>1,749,622</u>
Subtotal	2,031,113
Decreased by:	
Application to 2016 Taxes Receivable	<u>281,491</u>
Balance, December 31, 2017	<u><u>\$ 1,749,622</u></u>

**TOWNSHIP OF HADDON  
CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 15,235
Increased by:		
Overpayments in 2017		<u>44,039</u>
Subtotal		59,274
Decreased by:		
Refunded	\$ 19,081	
Applied to Current Year Taxes	<u>18,301</u>	<u>37,382</u>
Balance, December 31, 2017		<u><u>\$ 21,892</u></u>

**TOWNSHIP OF HADDON  
CURRENT FUND  
SCHEDULE OF DUE TO STATE OF NJ UNIFORM CONSTRUCTION CODE - TRAINING FEES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 3,764
Increased by:	
Receipts - Collector	<u>18,251</u>
Subtotal	22,015
Decreased by:	
Disbursements	<u>17,627</u>
Balance, December 31, 2017	<u><u>\$ 4,388</u></u>

**SCHEDULE OF LOCAL SCHOOL DISTRICT TAX PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 52
Increased by:	
Levy - Calendar Year 2017	<u>25,039,882</u>
Subtotal	25,039,934
Decreased by:	
Disbursements	<u>25,039,883</u>
Balance, December 31, 2017	<u><u>\$ 51</u></u>



**TOWNSHIP OF HADDON  
CURRENT FUND  
SCHEDULE OF FIRE DISTRICT TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	2017 LEVY	DISBURSEMENTS	CANCEL PRIOR YEAR RECEIVABLE	BALANCE DECEMBER 31, 2016
Fire District No.1	\$ 11,498	\$ 1,357,930	\$ 1,357,930	\$ -	\$ 11,498
Fire District No.3	-	44,542	-	-	44,542
Fire District No.4	-	154,026	77,013	-	77,013
<b>Total</b>	<b>\$ 11,498</b>	<b>\$ 1,556,498</b>	<b>\$ 1,434,943</b>	<b>\$ -</b>	<b>\$ 133,053</b>

**SCHEDULE OF COUNTY TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$ -
Increased by:		
County Tax	\$ 10,988,394	
County Library Tax	696,498	
County Open Space Tax	269,093	11,953,985
Subtotal		11,953,985
Decreased by:		
Disbursements		11,953,985
Balance December 31, 2017		\$ -

**TOWNSHIP OF HADDON  
CURRENT FUND  
SCHEDULE OF DUE COUNTY FOR ADDED AND OMITTED TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 40,713
Increased by:	
County Share of 2017 Added Taxes	<u>40,633</u>
Subtotal	81,346
Decreased by:	
Disbursements	<u>40,713</u>
Balance December 31, 2017	<u><u>\$ 40,633</u></u>

**SCHEDULE OF BUSINESS IMPROVEMENT DISTRICT TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ -
Increased by:	
Receipts - Collector	<u>166,672</u>
Subtotal	166,672
Decreased by:	
Transfer to Business Improvement District	<u>166,672</u>
Balance December 31, 2017	<u><u>\$ -</u></u>

**FEDERAL AND STATE GRANTS FUND**  
**SCHEDULE OF FEDERAL, STATE AND OTHER GRANTS RECEIVABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	ACCRUED	RECEIVED	TRANSFERS FROM UNAPPROPRIATED	BALANCE DECEMBER 31, 2017
State Grants:					
Seatbelt Enforcement Grant	\$ 400	\$ -	\$ -	\$ -	\$ 400
Drug Awareness & Resistance Education:					
Municipal Alliance Program	-	18,905	-	18,905	-
Safe & Secure Communities Grant	-	60,000	-	60,000	-
Delaware Valley Estuary Grant	25,000	-	-	-	25,000
Alcohol Education & Rehabilitation Fund	9,637	-	1,415	-	8,222
Environmental Commissioner - DEP Grant	210	-	-	-	210
Economic Development Authority Grant	749,158	-	314,244	-	434,914
Pedestrian Safety Grant	16,180	-	-	-	16,180
Clean Communities Program	-	35,033	-	35,033	-
CSIP Shade Tree Program	280	-	-	-	280
NJ Historic Trust	18,725	-	-	-	18,725
Recycling Tonnage Grant	-	10,041	10,041	-	-
Gardiner Small Communities Grant	35,000	-	-	-	35,000
Drive Sover or Get Pulled Over	5,850	-	-	-	5,850
NJDEP - Clean Communities Grant	13,656	-	-	-	13,656
NJDOT Municipal Grant - 2015	201,000	-	201,000	-	-
NJDOT Municipal Grant - 2016	200,000	-	150,000	-	50,000
Green Communities	-	3,000	-	-	3,000
Holiday Crackdown	7,500	-	-	-	7,500
Click It or Ticket	750	-	-	-	750
Sustainable Grant	-	17,500	-	17,500	-
Body Armor Grant	-	2,585	-	2,585	-
<b>Total State Grants</b>	<b>1,283,346</b>	<b>147,064</b>	<b>676,700</b>	<b>134,023</b>	<b>619,687</b>
Other Grants:					
Camden County Open Space Grant: MacArthur Tract	25,000	-	-	-	25,000
<b>Total Other Grants</b>	<b>25,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,000</b>
<b>Total All Grant</b>	<b>\$ 1,308,346</b>	<b>\$ 147,064</b>	<b>\$ 676,700</b>	<b>\$ 134,023</b>	<b>\$ 644,687</b>

**TOWNSHIP OF HADDON  
FEDERAL AND STATE GRANTS FUND  
SCHEDULE OF RESERVES FOR GRANTS - UNAPPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>STATE GRANTS</u>	BALANCE DECEMBER 31, 2016	CASH RECEIPTS	REALIZED AS REVENUE IN 2017 BUDGET	BALANCE DECEMBER 31, 2017
Garden Club of NJ	\$ -	\$ 525	\$ -	\$ 525
Body Armor Fund	2,585	2,589	2,585	2,589
Safe & Secure Communities Grant	60,000	60,000	60,000	60,000
Drug Awareness - Municipal Alliance	18,905	11,088	18,905	11,088
Clean Communities Program	35,033	29,763	35,033	29,763
Recycling Tonnage Grant	-	37,427	-	37,427
Sustainable Grant	17,500	-	17,500	-
Total All Grant	<u>\$ 134,023</u>	<u>\$ 141,392</u>	<u>\$ 134,023</u>	<u>\$ 141,392</u>

**TOWNSHIP OF HADDON  
FEDERAL AND STATE GRANTS FUND  
SCHEDULE OF RESERVES FOR GRANTS - APPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	TRANSFER FROM 2017 BUDGET APPROPRIATION	EXPENDED	ENCUMBERED	BALANCE DECEMBER 31, 2017
State Grants:					
Recycling Tonnage Grant	\$ 33,447	\$ 10,041	\$ 21,813	\$ 4,231	\$ 17,444
Alcohol Education & Rehabilitation Fund	738	-	-	-	738
Environmental Commissioner - DEP Grant	620	-	-	-	620
Drunk Driving Enforcement Grant	11,247	-	-	-	11,247
Clean Communities Grant	131,126	35,033	19,017	65,932	81,210
Pedestrian Safety Grant	15,980	-	-	-	15,980
Delaware Valley Estuary Grant	25,000	-	-	-	25,000
Body Armor Fund	558	2,585	-	-	3,143
Economic Development Authority Grant - 2008	11,601	-	-	-	11,601
Economic Development Authority Grant - 2009	356,943	-	-	-	356,943
Economic Development Authority Grant - 2011	36,232	-	-	-	36,232
Economic Development Authority Grant - 2013	429,401	-	307,766	-	121,635
CSIP Tree Commission	99	-	-	-	99
NJ Historic Trust	25,300	-	-	-	25,300
NJDEP Clean Communities	13,656	-	-	-	13,656
NJ DOT Municipal Aid	14,847	-	-	-	14,847
NJ DOT Municipal Aid Mansion Ave 2016	200,000	-	200,000	-	-
Click It or Ticket - 2014	4,000	-	-	-	4,000
Drive Sober or Get Pulled Over - 2013	2,700	-	-	-	2,700
Drive Sober or Get Pulled Over - 2014	5,000	-	-	-	5,000
Safe & Secure Communities Grant	-	161,600	161,600	-	-
NJLM Grant	1,115	-	-	-	1,115
Holiday Crackdown - 2014	6,350	-	-	-	6,350
Municipal Alliance	-	18,905	18,905	-	-
Green Communities	500	3,000	-	3,000	500
Sustainable Grant	17,500	17,500	-	-	35,000
<b>Total State Grants</b>	<b>1,343,960</b>	<b>248,664</b>	<b>729,101</b>	<b>73,163</b>	<b>790,360</b>
Other Grants:					
Camden County Open Space Grant:					
Saddler Woods Project	19,088	-	19,088	-	-
Fire Safety Program - Township Match	355	-	-	-	355
Municipal Alliance - Township Match	4,393	-	2,453	92	1,848
Safe & Secure Grant - Township Match	27,447	-	-	-	27,447
<b>Total Other Grants</b>	<b>51,283</b>	<b>-</b>	<b>21,541</b>	<b>92</b>	<b>29,650</b>
<b>Total All Grant</b>	<b>\$ 1,395,243</b>	<b>\$ 248,664</b>	<b>\$ 750,642</b>	<b>\$ 73,255</b>	<b>\$ 820,010</b>

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**TRUST FUND**

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**TOWNSHIP OF HADDON  
TRUST FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	OTHER	ANIMAL CONTROL FUND
Balance December 31, 2016	\$ 1,660,620	\$ 1,961
Increased by Receipts:		
Animal Control	\$ -	\$ 7,452
Dog Registration Fees - Due State of New Jersey	-	682
Due Current Fund	73,271	14
Reserve for Payroll	5,207,906	-
Marriage License Fees - Due State of New Jersey	1,878	-
Community Development Block Grant Receivable	38,839	-
Various Reserves	1,186,305	-
	<u>6,508,199</u>	<u>8,148</u>
Total Increases		
	<u>6,508,199</u>	<u>8,148</u>
Total Increases & Balances	<u>8,168,819</u>	<u>10,109</u>
Decreased by Disbursements:		
Expenditures Under R.S.4:19-15.11	-	7,676
Dog Registration Fees - Due State of New Jersey	-	682
Overexpenditure of Reserve - Deferred Charge	-	650
Due Current Fund - Payroll	162,128	-
Reserve for Payroll	5,187,469	-
Marriage License Fees - Due State of New Jersey	1,750	-
Various Reserves	1,595,593	-
	<u>6,946,940</u>	<u>9,008</u>
Total Disbursements		
	<u>6,946,940</u>	<u>9,008</u>
Balance December 31, 2017	<u>\$ 1,221,879</u>	<u>\$ 1,101</u>

**TOWNSHIP OF HADDON  
TRUST ASSESSMENT FUND  
SCHEDULE OF DEPOSITS ON FUTURE ASSESSMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

NAME	BLOCK	LOT	AMOUNT
Alan J. Curtin	248	20	\$ 300
Hamilton Builders, Inc. (D&G Albanese Paving)	20	8	<u>150</u>
Total			<u><u>\$ 450</u></u>

**TOWNSHIP OF HADDON  
TRUST FUND - ANIMAL CONTROL FUND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$	224
Increased by:		
Receipts:		
Dog License Fees	\$	6,382
Cat License Fees		935
Late Fees & Duplicate Tag Fees		135
		7,452
Subtotal		7,676
Decreased by:		
Disbursements - Expenditures Under R.S. 4:19-15.11 Cash		7,676
		7,676
Balance/(Deficit) December 31, 2017	\$	-

**LICENSE FEES COLLECTED**

YEAR	AMOUNT
2016	\$ 5,708
2015	7,903
	7,903
Total	\$ 13,611

**TOWNSHIP OF HADDON  
TRUST FUND - ANIMAL CONTROL FUND  
SCHEDULE OF DUE TO/FROM CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$	1,767
Increased by:		
Transfer from Current Fund	\$	-
Interest Earned on Investments & Deposits		14
		<u>14</u>
Balance December 31, 2017	\$	<u><u>1,781</u></u>

**SCHEDULE OF DUE TO STATE OF NEW JERSEY  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$	-
Increased by:		
Registration Fees Collected		<u>682</u>
Subtotal		682
Decreased by:		
Disbursements		<u>682</u>
Balance December 31, 2017	\$	<u><u>-</u></u>

**TOWNSHIP OF HADDON  
TRUST OTHER FUND  
SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 47,053
Decreased by:	
Cash Receipts	<u>38,839</u>
Balance, December 31, 2017	<u><u>\$ 8,214</u></u>

**TOWNSHIP OF HADDON  
TRUST OTHER FUND  
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$ 44,883
Increased by:		
Receipts		5,207,906
Subtotal		5,252,789
Decreased by:		
Disbursements	\$ 5,187,469	
Due to Current Fund	-	5,187,469
Balance December 31, 2017		\$ 65,320

**TOWNSHIP OF HADDON  
TRUST FUND OTHER FUND  
SCHEDULE OF DUE TO/FROM CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 83,063
Increased by:	
Payments made by Current Fund	<u>1,324</u>
Subtotal	84,387
Decreased by:	
Transfer From Current Fund	<u>73,271</u>
Balance, December 31, 2017	<u><u>\$ 11,116</u></u>

**SCHEDULE OF DUE TO STATE OF NEW JERSEY - MARRIAGE & BURIAL LICENSE FEES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 2,787
Increased by:	
Receipts	<u>1,878</u>
Subtotal	4,665
Decreased by:	
Disbursements	<u>1,750</u>
Balance, December 31, 2017	<u><u>\$ 2,915</u></u>
Marriage License	\$ 2,770
Burial License	<u>145</u>
Total	<u><u>\$ 2,915</u></u>

**TOWNSHIP OF HADDON  
TRUST OTHER FUND  
SCHEDULE OF VARIOUS OTHER RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	INCREASES	DECREASES	BALANCE DECEMBER 31, 2017
Reserve for:				
POAA	\$ 5,591	\$ 282	\$ -	\$ 5,873
Unemployment Compensation Insurance	121,215	8,705	2,924	126,996
Reserve for Recreation	2,627	20,144	20,992	1,779
Tax Title Liens & Premiums	661,727	441,594	855,465	247,856
Municipal Drug Alliance	16,722	35	-	16,757
Funds Held in Escrow	55,603	13,725	13,610	55,718
Employment of Off-Duty Police Officers	136,305	316,546	452,851	-
Employment of Off-Duty Police Officers - PSEG	304,407	322,219	97,492	529,134
Accumulated Leave Compensation	174,531	-	14,898	159,633
Donations - Civic Celebrations	12,057	44,317	40,441	15,933
Election Expense	5,503	-	2,344	3,159
Maintenance - West Bid Signs	4,000	-	-	4,000
Cell Tower Lease Deposits	4,400	-	-	4,400
Snow Removal Escrow	1,698	-	1,698	-
Library	2,403	-	-	2,403
Public Defender	43,147	3,701	40,473	6,375
M.L.E.T.A.	800	-	-	800
Shade Tree Program	5	500	324	181
Developer Escrow - Lazcor	19,344	27	4,495	14,876
Fieldstone Haddontowne Escrow	7,400	11,286	18,625	61
Community Garden Donations	568	69	637	-
Environment Community Donations	10,645	2,723	169	13,199
Reserve for Community Deveopment Block Grant	30,068	-	28,155	1,913
Reserve for Police Video Surcharge	422	432	-	854
Reserve for T-Mobile Inspection Escrow	3,000	-	-	3,000
Reserve for AT&T Escrow	4,500	-	-	4,500
<b>Total</b>	<b>\$ 1,628,688</b>	<b>\$ 1,186,305</b>	<b>\$ 1,595,593</b>	<b>\$ 1,219,400</b>



**GENERAL CAPITAL FUND**

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**TOWNSHIP OF HADDON  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL CAPITAL CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 1,586,032
Increased by Receipts:		
Bond Anticipation Notes	\$ 6,810,485	
Cancellation of Prior Year Outstanding Checks	16,250	
Interest Due to Current Fund	2,591	
Interfund Loan Returned	237,500	
Reserve for DY DEE Development - Interest Earnings	4	
Capital Improvement Fund	85,000	<u>7,151,830</u>
Subtotal		8,737,862
Decreased by Disbursements:		
Bond Anticipation Note Payable	5,960,485	
Reserve Anticipated in Current Fund Budget	50,000	
Improvement Authorizations	1,776,832	<u>7,787,317</u>
Balance, December 31, 2017		<u><u>\$ 950,545</u></u>

**TOWNSHIP OF HADDON  
GENERAL CAPITAL FUND  
ANALYSIS OF GENERAL CAPITAL CASH  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Fund Balance	\$ 39,833
Capital Improvement Fund	19,050
Due Trust Assessment Fund	450
Reserve for Encumbrances	685,447
Reserve for Flood Proceeds	25,866
Reserve for DY DEE Development	5,405
Due Current Fund	(198,033)

**Improvement Authorizations:**

## ORDINANCE

NUMBER	DESCRIPTION	
911	Various Improvements	412
933-1065	Acquisition of MacArthur Tract	66,756
1103	Acquisition, Construction, Repair & Installation of Various Capital Improvements	24,846
1134	Acquisition, Construction, Repair & Installation of Various Capital Improvements	851
1161	Acquisition, Construction, Repair & Installation of Various Capital Improvements	(898)
1185	Acquisition, Construction, Repair & Installation of Various Capital Improvements	(20,103)
1220	Completion of Various Capital Improvements & Acquisition of Capital Equipment	110,960
1240	Acquisition, Construction, Repair & Installation of Various Capital Improvements	485,339
1265	Acquisition, Construction, Repair & Installation of Various Capital Improvements	86,462
1279	Acquisition, Construction, Repair & Installation of Various Capital Improvements	51,691
1298	Acquisition, Construction, Repair & Installation of Various Capital Improvements	14,191
1308	Acquisition of Various Capital Equipment Department of Public Safety	87
1309	Acquisition of Capital Equipment & Various Capital Improvements	15,777
1322	Acquisition of Capital Equipment & Various Capital Improvements	(22,647)
1328	Acquisition of Real Property in the Township	7,492
1334	Acquisition of Capital Equipment & Various Capital Improvements	(27,432)
1336	Acquisition of Various Equipment for Police Department	48,945
1355	Acquisition of Capital Equipment & Various Capital Improvements	(142,360)
1356	Acquisition of Various Equipment for Police Department	142,539
1369	Acquisition of Capital Equipment & Various Capital Improvements	(470,381)
	Total	<u>\$ 950,545</u>

**TOWNSHIP OF HADDON  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 17,209,225
Decreased by:		
2017 Budget Appropriations:		
Serial Bonds Payable	\$ 1,064,650	
Green Acres Loans	37,949	1,102,599
Balance, December 31, 2017		\$ 16,106,626

**TOWNSHIP OF HADDON  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE	2017	FUNDED	BALANCE		ANALYSIS OF BALANCE		
		DECEMBER 31, 2016	AUTHORIZATIONS		DECEMBER 31, 2017	DECEMBER 31, 2017	EXCESS FINANCING	UNEXPENDED BALANCE	EXPENDED BALANCE
1104/1247	Acquisition, Construction, Repair & Installation of Various Capital Improvements to the DyDee Wash Redevelopment Project	\$ 28,585	-	-	28,585	-	28,585	-	-
1161	Acquisition, Construction, Repair & Installation of Various Capital Improvements	898	-	-	898	-	-	-	898
1185	Acquisition, Construction, Repair & Installation of Various Capital Improvements	38,765	-	-	38,765	-	-	18,662	20,103
1220	Completion of Various Capital Improvements and Acquisition of Capital Equipment	41,900	-	-	41,900	-	-	-	41,900
1298	Acquisition of Capital Equipment & Various Capital Improvements	1,054,500	-	95,000	959,500	959,500	-	-	-
1308	Acquisition of Various Capital Equipment for the Department of Public Safety	205,500	-	25,000	180,500	180,500	-	-	-
1309	Acquisition of Capital Equipment & Various Capital Improvements	1,235,000	-	42,000	1,193,000	1,183,485	-	9,515	-
1321	Acquisition of Capital Equipment & Various Capital Improvements	183,350	-	-	183,350	183,350	-	-	-
1322	Acquisition of Capital Equipment & Various Capital Improvements	1,213,750	-	30,000	1,183,750	1,183,750	-	-	-
1328	Acquisition of Real Property in the Township	313,500	-	-	313,500	313,500	-	-	-
1334	Acquisition of Capital Equipment & Various Capital Improvements	1,353,750	-	-	1,353,750	1,148,150	-	178,168	27,432
1336	Acquisition of Various Capital Equipment for the Police Department	190,000	-	-	190,000	190,000	-	-	-
1345	Improvements to Real Property in the Township	237,500	-	-	237,500	237,500	-	-	-
1355	Acquisition of Capital Equipment & Various Capital Improvements	1,353,750	-	-	1,353,750	1,040,750	-	170,640	142,360
1356	Acquisition of Various Capital Equipment for the Police Department	190,000	-	-	190,000	190,000	-	-	-
1369	Acquisition of Capital Equipment & Various Capital Improvements	-	1,353,750	-	1,353,750	-	-	883,369	470,381
<b>Total</b>		\$ 7,640,748	\$ 1,353,750	\$ 192,000	\$ 8,802,498	\$ 6,810,485	\$ 28,585	\$ 1,260,354	\$ 703,074

Issuance of Bonds	\$ -	
Payment from Dydee Project	-	
Payment by Budget Appropriation	192,000	
<b>Total</b>	\$ 192,000	
Improvement Authorizations Unfunded		\$ 1,537,223
Less - Unexpended Proceeds of Bond Anticipation		
Notes Issued:		
Ordinance 1298		64,191
Ordinance 1308		87
Ordinance 1309		6,262
Ordinance 1322		7,353
Ordinance 1328		7,492
Ordinance 1336		48,945
Ordinance 1356		142,539
		<u>\$ 1,260,354</u>

**TOWNSHIP OF HADDON  
GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR DY-DEE DEVELOPMENT  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$	5,401
Increased by:		
Interest Earnings		4
		<hr/>
Balance, December 31, 2017	\$	<u>5,405</u>

**SCHEDULE OF DUE FROM CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$	438,124	
Decreased by:			
Interfund Loan Returned	\$	237,500	
Interest Due to Current		2,591	240,091
		<hr/>	<hr/>
Balance, December 31, 2017	\$	<u>198,033</u>	

**TOWNSHIP OF HADDON  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 5,300
Increased by:	
Receipts - 2017 Budget Appropriation	<u>85,000</u>
Subtotal	90,300
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>71,250</u>
Balance, December 31, 2017	<u><u>\$ 19,050</u></u>



**TOWNSHIP OF HADDON  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2016		2017 AUTHORIZATIONS	PRIOR YEAR ENCUMBRANCES RECLASSIFIED	EXPENDED	RESERVE FOR ENCUMBRANCES	ADJUSTMENT	BALANCE DECEMBER 31, 2017	
				FUNDED	UNFUNDED						FUNDED	UNFUNDED
911	Various Improvements	5/7/91	\$ 2,895,000	\$ 412	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 412	\$ -
933-1065	Acquisition of MacArthur Tract	4/21/92&00	1,650,000	66,756	-	-	-	-	-	-	66,756	-
1103	Acquisition, Construction, Repair & Installation of Various Capital Improvements	5/18/04	3,675,000	24,849	-	-	1,998	-	1,998	(3)	24,846	-
1104/1247	Acquisition, Construction, Repair & Installation of Various Capital Improvements to the DyDee Wash Redevelopment Project	9/28/04	8,000,000	-	-	-	3,775	-	3,775	-	-	-
1134	Acquisition, Construction, Repair & Installation of Various Capital Improvements	5/31/05	1,400,000	-	-	-	851	-	-	-	851	-
1185	Acquisition, Construction, Repair & Installation of Various Capital Improvements	6/25/07	1,550,000	22,355	38,765	-	10,119	20,890	31,687	-	-	18,662
1220	Completion of Various Capital Improvements and Acquisition of Capital Equipment		2,400,000	98,844	41,900	-	-	29,784	-	-	110,960	-
1240	Acquisition, Construction, Repair & Installation of Various Capital Improvements	6/23/09	2,211,000	489,833	-	-	110,010	5,400	109,104	-	485,339	-
1265	Acquisition, Construction, Repair & Installation of Various Capital Improvements	6/23/10	1,625,000	118,379	-	-	70,861	31,916	70,862	-	86,462	-
1279	Acquisition, Construction, Repair & Installation of Various Capital Improvements	4/26/11	1,365,000	56,767	-	-	1,305	6,381	-	-	51,691	-
1298	Acquisition of Capital Equipment & Various Capital Improvements	7/24/12	1,054,500	-	61,004	-	5,662	2,475	-	-	-	64,191
1308	Acquisition of Various Capital Equipment for the Department of Public Safety	7/23/13	215,800	-	87	-	-	-	-	-	-	87
1309	Acquisition of Capital Equipment & Various Capital Improvements	7/23/13	1,300,000	-	35,842	-	396	13,751	6,710	-	-	15,777
1321	Acquisition of Capital Equipment & Various Capital Improvements	8/26/14	193,000	-	-	-	22,767	22,767	-	-	-	-
1322	Acquisition of Capital Equipment & Various Capital Improvements	8/26/14	1,425,000	-	181,819	-	323	132,755	42,034	-	-	7,353
1328	Acquisition of Real Property in the Township	4/28/15	330,000	-	7,492	-	-	-	-	-	-	7,492
1334	Acquisition of Capital Equipment & Various Capital Improvements	7/28/15	1,425,000	-	820,932	-	1,881	614,645	30,000	-	-	178,168
1336	Acquisition of Various Capital Equipment for the Police Department	7/28/15	200,000	-	70,325	-	17,976	24,206	15,150	-	-	48,945
1355	Acquisition of Capital Equipment & Various Capital Improvements	4/26/16	1,425,000	-	513,958	-	360,445	563,684	140,079	-	-	170,640
1356	Acquisition of Various Capital Equipment for the Police Department	4/26/16	200,000	-	143,134	-	-	595	-	-	-	142,539
1369	Acquisition of Capital Equipment & Various Capital Improvements	5/23/17	1,425,000	-	-	1,425,000	-	307,583	234,048	-	-	883,369
Total				\$ 878,195	\$ 1,915,258	\$ 1,425,000	\$ 608,369	\$ 1,776,832	\$ 685,447	\$ (3)	\$ 827,317	\$ 1,537,223

**TOWNSHIP OF HADDON  
GENERAL CAPITAL FUND  
SCHEDULE OF GREEN TRUST LOAN PROGRAM - CRYSTAL LAKE DEVELOPMENT  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 31,571
Decreased by:	
Budget Appropriation	<u>5,003</u>
Balance, December 31, 2017	<u><u>\$ 26,568</u></u>

**SCHEDULE OF GREEN ACRES LOAN PAYABLE DECEMBER 31, 2017**

April 2018	2,539
October 2018	2,565
April 2019	2,590
October 2019	2,616
April 2020	2,643
October 2020	2,669
April 2021	2,696
October 2021	2,723
April 2022	2,750
October 2022	<u>2,777</u>
Total	<u><u>\$ 26,568</u></u>

**TOWNSHIP OF HADDON  
GENERAL CAPITAL FUND  
SCHEDULE OF GREEN TRUST LOAN PROGRAM - MAC ARTHUR TRACT ACQUISITION  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 226,354
Decreased by:	
Budget Appropriation	<u>32,946</u>
Balance, December 31, 2017	<u><u>\$ 193,408</u></u>

**SCHEDULE OF GREEN ACRES LOAN PAYABLE DECEMBER 31, 2017**

January 2018	16,721
July 2018	16,888
January 2019	17,057
July 2019	17,228
January 2020	17,400
July 2020	17,574
January 2021	17,750
July 2021	17,927
January 2022	18,106
July 2022	18,287
January 2023	<u>18,470</u>
Total	<u><u>\$ 193,408</u></u>

**TOWNSHIP OF HADDON  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURETIES OF BONDS		INTEREST RATE	BALANCE DECEMBER 31, 2016	ISSUED	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2017
			OUTSTANDING DECEMBER 31, 2017	DATE					
2008 General Bonds	5/7/2008	2,595,000	125,000	5/1/18	3.625%	1,805,000	-	125,000	1,680,000
			135,000	5/1/19	3.625%				
			140,000	5/1/20	3.750%				
			150,000	5/1/21	3.750%				
			160,000	5/1/22-23	3.750%				
		160,000	5/1/24-27	4.000%					
		170,000	5/1/28	4.000%					
2008 Refunding Bonds	5/7/2008	2,394,000	139,650	9/15/18	3.450%	279,300	-	139,650	139,650
2013 General Bonds	8/15/2013	6,057,000	210,000	8/15/18	2.000%	5,222,000	-	210,000	5,012,000
			210,000	8/15/19	2.000%				
			305,000	8/15/20	2.000%				
			310,000	8/15/21	2.000%				
			320,000	8/15/22	2.000%				
			325,000	8/15/23	2.000%				
			335,000	8/15/24	2.000%				
			340,000	8/15/25	2.125%				
			350,000	8/15/26	2.250%				
			360,000	8/15/27	2.350%				
			370,000	8/15/28	2.450%				
			380,000	8/15/29	2.500%				
			390,000	8/15/30	2.600%				
		400,000	8/15/31	2.650%					
		407,000	8/15/32	2.750%					
2013 Refunding Bonds	8/15/2013	1,035,000	120,000	8/15/18	2.000%	575,000	-	120,000	455,000
			115,000	8/15/19	2.000%				
			110,000	8/15/20	2.000%				
			110,000	8/15/21	2.000%				

**TOWNSHIP OF HADDON  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURETIES OF BONDS		INTEREST RATE	BALANCE DECEMBER 31, 2016	ISSUED	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2017
			OUTSTANDING DECEMBER 31, 2017	AMOUNT					
2014 Refunding Bonds	9/10/2014	3,705,000	11/15/18	335,000	2.000%	3,730,000	-	340,000	3,390,000
			11/15/19	380,000	3.000%				
			11/15/20	375,000	3.000%				
			11/15/21	370,000	4.000%				
			11/15/22	390,000	4.000%				
			11/15/23	390,000	4.000%				
			11/15/24	390,000	4.000%				
			11/15/25	385,000	4.000%				
			11/15/26						
	2016 Taxable Bonds	4/20/2016	\$5,340,000	4/15/18	130,000	3.000%	5,340,000	-	130,000
			4/15/19	130,000	3.000%				
			4/15/20	130,000	3.000%				
			4/15/21	130,000	3.000%				
			4/15/22	130,000	3.000%				
			4/15/23	130,000	3.000%				
			4/15/24	130,000	3.000%				
			4/15/25	130,000	3.000%				
			4/15/26	130,000	3.000%				
			4/15/27	135,000	3.000%				
			4/15/28	140,000	3.000%				
			4/15/29	145,000	3.250%				
			4/15/30	150,000	4.000%				
			4/15/31	160,000	4.000%				
			4/15/32	165,000	4.000%				
			4/15/33	170,000	4.000%				
			4/15/34	180,000	4.000%				
		4/15/35	185,000	4.000%					
		4/15/36	195,000	4.000%					
		4/15/37	205,000	4.000%					
		4/15/38	215,000	4.000%					
		4/15/39	225,000	4.000%					
		4/15/40	230,000	4.000%					
		4/15/41	245,000	4.000%					
		4/15/42	255,000	4.000%					
		4/15/43	260,000	4.000%					
		4/15/44	260,000	4.000%					
		4/15/45	260,000	4.000%					
		4/15/46	260,000	4.000%					
<b>Total</b>									
						\$ 16,951,300	\$ -	\$ 1,064,650	\$ 15,886,650

**TOWNSHIP OF HADDON  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2016	INCREASE	DECREASE	BALANCE DECEMBER 31, 2017
1104/1247	Acquisition, Construction, Repair & Installation of Various Capital Improvements to the DyDee Redevelopment Project	11/17/2005				\$ 70,485	\$ -	\$ 70,485	\$ -
1298	Acquisition of Capital Equipment & Various Capital Improvements	11/13/2014	11/6/17	11/5/18	1.24%	1,004,500	959,500	1,004,500	959,500
1308	Acquisition of Capital Equipment & Various Capital Improvements	11/13/2014	11/6/17	11/5/18	1.24%	195,500	180,500	195,500	180,500
1309	Acquisition of Capital Equipment & Various Capital Improvements	11/13/2014	11/6/17	11/5/18	1.24%	1,135,000	1,183,485	1,135,000	1,183,485
1321	Acquisition of Capital Equipment & Various Capital Improvements	11/10/2015	11/6/17	11/5/18	1.24%	150,000	183,350	150,000	183,350
1322	Acquisition of Capital Equipment & Various Capital Improvements	11/10/2015	11/6/17	11/5/18	1.24%	1,083,750	1,183,750	1,083,750	1,183,750
1328	Acquisition of Real Property in the Township	11/10/2015	11/6/17	11/5/18	1.24%	313,500	313,500	313,500	313,500
1334	Acquisition of Capital Equipment & Various Capital Improvements	11/10/2015	11/6/17	11/5/18	1.24%	741,500	1,148,150	741,500	1,148,150
1336	Acquisition of Various Equipment for Police department	11/10/2015	11/6/17	11/5/18	1.24%	190,000	190,000	190,000	190,000
1345	Improvements to Real Property in the Township	11/08/2016	1/25/17	1/24/18	0.95%	237,500	237,500	237,500	237,500
1355	Acquisition of Capital Equipment & Various Capital Improvements	11/08/2016	11/6/17	11/5/18	1.24%	840,750	1,040,750	840,750	1,040,750
1356	Acquisition of Various Equipment for Police department	11/08/2016	11/6/17	11/5/18	1.24%	190,000	190,000	190,000	190,000
Total						\$ 6,152,485	\$ 6,810,485	\$ 6,152,485	\$ 6,810,485
						Paid by Budget Appropriations Renewal \$ 5,960,485 BAN's Issued 850,000 <u>\$ 6,810,485</u>			

**TOWNSHIP OF HADDON  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2016	2017 AUTHORIZATIONS	BOND ANTICIPATION NOTES ISSUED	BALANCE DECEMBER 31, 2017
1161	Acquisition, Construction, Repair & Installation of Various Capital Improvements	\$ 898	\$ -	\$ -	\$ 898
1185	Acquisition, Construction, Repair & Installation of Various Capital Improvements	38,765	-	-	38,765
1298	Acquisition of Capital Equipment & Various Capital Improvements	50,000	-	-	50,000
1308	Acquisition of Capital Equipment & Various Capital Improvements	10,000	-	10,000	-
1309	Acquisition of Capital Equipment & Various Capital Improvements	100,000	-	100,000	-
1321	Acquisition of Capital Equipment & Various Capital Improvements	33,350	-	33,350	-
1322	Acquisition of Capital Equipment & Various Capital Improvements	130,000	-	100,000	30,000
1334	Acquisition of Capital Equipment & Various Capital Improvements	612,250	-	406,650	205,600
1355	Acquisition of Capital Equipment & Various Capital Improvements	513,000	-	200,000	313,000
1369	Acquisition of Capital Equipment & Various Capital Improvements	-	1,353,750	-	1,353,750
	Total	<u>\$ 1,488,263</u>	<u>\$ 1,353,750</u>	<u>\$ 850,000</u>	<u>\$ 1,992,013</u>

**TOWNSHIP OF HADDON  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL SURPLUS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 23,583
Increased by:	
Cancellation of Prior Year Outstanding Checks	<u>16,250</u>
Balance, December 31, 2017	<u><u>\$ 39,833</u></u>



**WATER-SEWER UTILITY FUND**

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**TOWNSHIP OF HADDON  
WATER-SEWER UTILITY OPERATING FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	OPERATING FUND	CAPITAL FUND
Balance, December 31, 2016	\$ 1,599,440	\$ 463,618
Increased by Receipts:		
Collector	\$ 3,252,877	\$ -
Interest on Investments	4,322	1,182
Bond Anticipation Notes Issued	-	2,362,500
	3,257,199	2,363,682
Subtotal	3,257,199	2,363,682
Total	4,856,639	2,827,300
Decreased by Disbursements:		
2017 Appropriations	3,823,145	-
2016 Appropriation Reserves	63,315	-
Accrued Interest	280,572	-
Refund of Prior Year Revenue	6,557	-
Interfund Disbursement - Current Fund	173,866	-
Bond Anticipation Notes Paid	-	1,862,500
Improvement Authorizations	-	410,257
	4,347,455	2,272,757
Total Disbursements	4,347,455	2,272,757
Balance, December 31, 2017	\$ 509,184	\$ 554,543

**TOWNSHIP OF HADDON  
WATER-SEWER UTILITY OPERATING FUND  
SCHEDULE OF CASH - COLLECTOR  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$	-
Increased by Receipts:		
Consumer Accounts Receivable:		
Water	\$	1,946,018
Sewer		1,225,524
Privilege Fees		2,100
Other Receipts		79,235
		3,252,877
Subtotal		3,252,877
Decreased by Disbursements:		
Payment to Treasurer		3,252,877
Balance, December 31, 2017	\$	-

**TOWNSHIP OF HADDON  
WATER-SEWER UTILITY CAPITAL FUND  
ANALYSIS OF CASH - WATER-SEWER UTILITY CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Fund Balance	\$ 16,787
Capital Improvement Fund	12,427
Due Water/Sewer Operating Fund	232,559
Reserve for Encumbrances	717,781
NJEIT Loan Receivable	(278,697)

**IMPROVEMENT AUTHORIZATIONS:**

## ORDINANCE

NUMBER	DESCRIPTION	
1085	Various Improvements to the Water-Sewer Utility	600
1185	Various Improvements to the Water-Sewer Utility	7,551
1216	Rehabilitation & Reconstruction of Sewer Utility	(152,500)
1221	Various Improvements to the Water-Sewer Utility	11,004
1241	Various Improvements to the Water-Sewer Utility	17,654
1280	Various Improvements to the Water-Sewer Utility	61,499
1299	Various Improvements to the Water-Sewer Utility	12,712
1310	Various Improvements to the Water-Sewer Utility	6,814
1323	Various Improvements to the Water-Sewer Utility	(45,184)
1335	Various Improvements to the Water-Sewer Utility	(29,785)
1357	Various Improvements to the Water-Sewer Utility	(21,679)
1370	Various Improvements to the Water-Sewer Utility	(15,000)
		<hr/>
	Total	<u>\$ 554,543</u>

**TOWNSHIP OF HADDON  
WATER-SEWER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE - WATER  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$	4,602
Increased by:			
Water Rents Levied	\$	1,946,609	
Tranfser from Liens		-	1,946,609
			<hr/>
Subtotal			1,951,211
Decreased by:			
Receipts - Collector			<hr/>
			1,946,018
Balance, December 31, 2017		<hr/>	<hr/> <u>\$</u>
			5,193

**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE - SEWER  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$	26,455
Increased by:			
Sewer Rents Levied	\$	1,207,395	
Tranfser from Liens		-	1,207,395
			<hr/>
Subtotal			1,233,850
Decreased by:			
Receipts - Collector			<hr/>
			1,225,524
Balance, December 31, 2017		<hr/>	<hr/> <u>\$</u>
			8,326

EXHIBIT D-9

**TOWNSHIP OF HADDON  
WATER-SEWER UTILITY OPERATING FUND  
SCHEDULE OF DUE TO CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 173,866
Decreased by:	
Disbursements to Current	<u>173,866</u>
Balance, December 31, 2017	<u><u>\$ -</u></u>

EXHIBIT D-10

**SCHEDULE OF UTILITY LIENS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 and 2016	<u><u>\$ 1,235</u></u>
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**TOWNSHIP OF HADDON  
WATER-SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 & 2016

\$ 12,427



**TOWNSHIP OF HADDON  
WATER-SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL - WATER  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2017
Filter	\$ 49,959
Springs & Wells	563,598
Ozone Sterilization & Aeration Plant	15,463
Pumping Station Structure	75,334
Electric Power Pumping Equipment	12,444
Storage Reservoir, Tanks & Standpipes	103,723
Distribution Main & Accessories	480,969
Meters, Meter Boxes & Vaults	544,172
Fire Hydrants	12,265
General Equipment	153,552
Legal Expenditures During Construction	2,146
Pumping Station & Equipment	382,710
Water Plant Filter	23,494
Construction of Water Main in Main Street	6,460
Service Pipes & Stops	50,357
General & Mechanical Generator, General Building & Wash Water Tank	48,551
Electrical Generator Installation at Water Plant	32,273
Booster Pumping Station at Crystal Lake Avenue & Valley Drive	576,667
Elevated Water Storage Tank at Beechwood Avenue & Fist Street	851,042
Improvement to Water Supply & Distribution System	3,061,321
Refunding Issue	191,000
Improvement to Water Supply & Sewerage System	933,355
Reconstruction & Repair of Well No. 2	182,062
Replacement, Repairs & Improvements to Mains	209,476
Line Stop Machine	40,000
Vehicles	70,000
Land for Well No. 4	75,000
Dome Cover for Water Plant	12,700
Water Plant Improvements	152,200
Water Distribution System Improvements	242,605
Water Storage Improvements	191,675
Well Improvements	103,815
Water Supply Rehabilitation Improvements	258,867
	258,867
Total	\$ 9,709,255

**TOWNSHIP OF HADDON  
WATER-SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL - SEWER  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2017
Sewer Mains & Services	\$ 416,012
Transportation Equipment	608
Bettlewood Disposal Plant	20,483
Westmont Sewerage Disposal Plant	160,302
General Improvements	42,038
Right-of-Way for Haddonleigh Truck Sewer	750
Cuthbert Boulevard Sewerage Disposal Plant	118,698
Improvements to Sewerage Disposal Plant & Sewerage Pumping Stations	116,704
Sanitary Sewerage Disposal & Collections System	1,566,581
Wells	3,380
Equipment	35,137
Tax Map	600
Calvert Avenue Pumping Station Improvement	855
Calvert Avenue Reconstruction of Sewerage Treatment Plant	875,113
Installation of Communitor	9,440
South Park Drive Pumping Station	33,379
West Albertson Avenue Pumping Station	163,010
Construction of Sanitary Sewers	110,734
Improvements to Pumping Stations & Sewer Plant	162,601
West Collingswood Heights Disposal Plant	90,140
Renovations to Coles Mill Road Sewerage Treatment Plant	25,000
Replacement to Sewer Lines	495,256
Improvement of the Sanitary Sewerage System	311,524
 Total	 \$ 4,758,345

**TOWNSHIP OF HADDON**  
**WATER-SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2016	2017 DEFERRED CHARGES TO FUTURE REVENUES	BALANCE DECEMBER 31, 2017
		DATE	AMOUNT			
1105	Various Improvements to the Water-Sewer Utility	5/18/2004	\$ 855,000	\$ 855,000	\$ -	\$ 855,000
1122	Various Improvements to the Water-Sewer Utility	3/22/2005	332,413	332,413	-	332,413
1135	Various Improvements to the Water-Sewer Utility	5/31/2005	1,045,000	1,100,000	-	1,100,000
1162	Various Improvements to the Water-Sewer Utility	5/23/2006	850,000	850,000	-	850,000
1185	Various Improvements to the Water-Sewer Utility	6/25/2007	770,000	770,000	-	770,000
1216	Rehabilitation & Reconstruction of Sewer	5/27/2008	6,540,000	6,540,000	-	6,540,000
1221	Various Improvements to the Water-Sewer Utility	5/27/2008	705,250	705,250	-	705,250
1241	Various Improvements to the Water-Sewer Utility	5/26/2009	845,000	845,000	-	845,000
1266	Various Improvements to the Water-Sewer Utility	6/23/2010	340,000	340,000	-	340,000
1280	Various Improvements to the Water-Sewer Utility	5/24/2011	590,000	590,000	-	590,000
1299	Various Improvements to the Water-Sewer Utility	7/24/2012	750,000	750,000	-	750,000
1310	Various Improvements to the Water-Sewer Utility	7/24/2013	750,000	750,000	-	750,000
1323	Various Improvements to the Water-Sewer Utility	8/26/2014	750,000	750,000	-	750,000
1335	Various Improvements to the Water-Sewer Utility	8/25/2015	750,000	750,000	-	750,000
1357	Various Improvements to the Water-Sewer Utility	4/26/2016	750,000	750,000	-	750,000
1370	Various Improvements to the Water-Sewer Utility	5/23/2017	1,000,000	-	1,000,000	1,000,000
	Total			<u>\$ 16,677,663</u>	<u>\$ 1,000,000</u>	<u>\$ 17,677,663</u>

**TOWNSHIP OF HADDON  
WATER-SEWER UTILITY OPERATING FUND  
SCHEDULE OF 2016 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016		DISBURSED	BALANCE LAPSED
	ENCUMBERED	RESERVED		
Operating:				
Salaries and Wages	\$ -	\$ 155,094	\$ -	\$ 155,094
Other Expenses	20,484	205,328	63,315	162,497
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	-	11,468	-	11,468
State Disability Insurance	-	1,582	-	1,582
<b>Total</b>	<b>\$ 20,484</b>	<b>\$ 373,472</b>	<b>\$ 63,315</b>	<b>\$ 330,641</b>
		Cash Disbursements	\$ 63,315	
		Accounts Payable	<u>-</u>	
		Total	<u><u>\$ 63,315</u></u>	

EXHIBIT D-16

**SCHEDULE OF RESERVE FOR ENCUMBRANCES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 20,484
Increased by:	
2017 Appropriations	<u>44,428</u>
Subtotal	64,912
Decreased by:	
Transferred to 2016 Appropriation Reserves	<u>20,484</u>
Balance, December 31, 2017	<u><u>\$ 44,428</u></u>

EXHIBIT D-17

**SCHEDULE OF PROTESTED CHECKS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 & 2016	<u><u>\$ 2,608</u></u>
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**TOWNSHIP OF HADDON  
WATER-SEWER UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 101,153
Increased by:	
Budget Appropriation for Interest on Bonds	<u>276,846</u>
Subtotal	377,999
Decreased by:	
Cash Disbursements	<u>280,572</u>
Balance, December 31, 2017	<u><u>\$ 97,427</u></u>

**WATER-SEWER UTILITY CAPITAL FUND  
SCHEDULE OF DUE TO WATER-SEWER UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 231,377
Increased by:	
Operating Surplus	\$ -
Interest Earned on Investments & Deposits	<u>1,182</u> 1,182
Balance, December 31, 2017	<u><u>\$ 232,559</u></u>

**SCHEDULE OF CAPITAL FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 & 2016	<u><u>\$ 16,787</u></u>
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**TOWNSHIP OF HADDON  
WATER-SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 17,833,371
Increased by:		
Paid by Operating Fund:		
Serial Bonds Payable	\$ 465,350	
Bond Anticipation Notes	25,000	
Environmental Infrastructure Loan	307,893	798,243
Balance, December 31, 2017		\$18,631,614

**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION  
FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORDINANCE	BALANCE DECEMBER 31, 2017
General Improvements:			
1135	Various Improvements to the Water-Sewer Utility	05/31/2005	\$ 55,000
1221	Various Improvements to the Water-Sewer Utility	5/27/2008	35,263
1335	Various Improvements to the Water-Sewer Utility	8/25/2015	37,500
		Total	\$ 127,763

**TOWNSHIP OF HADDON  
WATER-SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	AUTHORIZED DATE	AMOUNT	BALANCE DECEMBER 31, 2016		2017 AUTHORIZATIONS	PRIOR YEAR ENCUMBRANCES RECLASSIFIED	EXPENDED	RESERVE FOR ENCUMBRANCES	BALANCE DECEMBER 31, 2017	
				FUNDED	UNFUNDED					FUNDED	UNFUNDED
1085	Various Improvements to the Water-Sewer Utility	6/18/2002	\$ 850,000	600	\$ -	\$ -	-	\$ -	-	600	\$ -
1114		12/28/2004									
1185	Various Improvements to the Water-Sewer Utility	6/25/2007	770,000	7,551	-	-	-	-	-	7,551	-
1216		5/27/2008		6,540,000	-	-	454,510	-	454,510	-	-
1221	Various Improvements to the Water-Sewer Utility	5/27/2008	705,250	10,846	-	-	27,400	-	27,242	11,004	-
1241		5/26/09		845,000	18,989	487	38,300	1,335	38,300	17,654	487
1280	Various Improvements to the Water-Sewer Utility	5/24/11	590,000	62,209	-	-	190	837	63	61,499	-
1299		7/24/12		750,000	-	11,247	18,089	10,666	5,959	-	12,711
1310	Various Improvements to the Water-Sewer Utility	7/24/13	750,000	-	8,049	-	2,733	1,209	2,759	-	6,814
1323		8/26/14		750,000	-	432,083	53,348	91,894	93,721	-	299,816
1335	Various Improvements to the Water-Sewer Utility	8/25/15	750,000	-	475,045	-	88,034	226,983	65,881	-	270,215
1357		8/25/15		750,000	-	750,000	-	-	68,704	22,975	-
1370	Various Improvements to the Water-Sewer Utility	5/23/17	1,000,000	-	-	1,000,000	-	8,629	6,371	-	985,000
Total				\$ 100,195	\$ 1,676,911	\$ 1,000,000	\$ 682,604	\$ 410,257	\$ 717,781	\$ 98,308	\$ 2,233,364

**TOWNSHIP OF HADDON  
WATER-SEWER UTILITY CAPITAL FUND  
SCHEDULE OF WATER-SEWER SERIAL BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2016	ISSUED IN 2017	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2017
			DATE	AMOUNT					
Water-Sewer Utility Bonds	05/07/2008	\$ 1,620,000	05/11/18	85,000	3.625%	\$ 1,125,000	\$ -	75,000	\$ 1,050,000
			05/11/19	85,000	3.625%				
			05/11/20	85,000	3.750%				
			05/11/21	95,000	3.750%				
			05/11/22	100,000	3.750%				
			05/11/23	100,000	3.750%				
			05/11/24	100,000	4.000%				
			05/11/25	100,000	4.000%				
Refunding Bonds	05/07/2008	1,806,000	09/15/18	105,350	3.450%	210,700	-	105,350	105,350
			8/15/18	75,000	2.000%				
			8/15/19	75,000	2.000%				
			8/15/20	105,000	2.000%				
			8/15/21	105,000	2.000%				
			8/15/22	110,000	2.000%				
			8/15/23	110,000	2.000%				
			8/15/24	115,000	2.000%				
2013 General Bonds	8/15/2013	2,075,000	8/15/18	75,000	2.000%	1,795,000	-	70,000	1,725,000
			8/15/19	75,000	2.000%				
			8/15/20	105,000	2.000%				
			8/15/21	105,000	2.000%				
			8/15/22	110,000	2.000%				
			8/15/23	110,000	2.000%				
			8/15/24	115,000	2.000%				
			8/15/25	120,000	2.125%				
			8/15/26	120,000	2.250%				
			8/15/27	125,000	2.350%				
			8/15/28	125,000	2.450%				
			8/15/29	130,000	2.500%				
8/15/30	135,000	2.600%							
8/15/31	135,000	2.650%							
8/15/32	140,000	2.750%							
2013 Refunding Bonds	8/15/2013	260,000	8/15/18	30,000	2.000%	145,000	-	30,000	115,000
			8/15/19	30,000	2.000%				
			8/15/20	30,000	2.000%				
			8/15/21	25,000	2.000%				
2014 Refunding Bonds	9/10/2014	3,705,000	11/15/18	180,000	2.000%	1,860,000	-	185,000	1,675,000
			11/15/19	175,000	3.000%				
			11/15/20	175,000	3.000%				
			11/15/21	170,000	3.000%				
			11/15/22	195,000	4.000%				
			11/15/23	195,000	4.000%				
			11/15/24	195,000	4.000%				
			11/15/25	195,000	4.000%				
11/15/26	195,000	4.000%							
Total									
						\$ 5,135,700	\$ -	\$ 465,350	\$ 4,670,350



**TOWNSHIP OF HADDON  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN  
FOR THE YEAR ENDED DECEMBER 31, 2017**

IMPROVEMENT DESCRIPTION	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DATE	INTEREST RATE	BALANCE DECEMBER 31, 2016	PAID BY BUDGET APPROPRIATION	ADJUSTMENT	BALANCE DECEMBER 31, 2017
Reconstruction & Rehabilitation of Various Sewers	11/9/2008	\$ 3,200,000	8/1/18 8/1/19 8/1/20 8/1/21 8/1/22 8/1/23 8/1/24 8/1/25 8/1/26 8/1/27 8/1/28	4.12% 4.31% 4.42% 4.51% 4.60% 4.66% 4.80% 4.85% 4.89% 4.92% 4.95%	\$ 2,355,000	145,000	-	\$ 2,210,000

**SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST  
FOR THE YEAR ENDED DECEMBER 31, 2017**

IMPROVEMENT DESCRIPTION	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DATE	INTEREST RATE	BALANCE DECEMBER 31, 2016	PAID BY BUDGET APPROPRIATION	ADJUSTMENT	BALANCE DECEMBER 31, 2017
Reconstruction & Rehabilitation of Various Sewers	11/9/2008	\$ 3,187,500	9/1/16-28 & 3/1/16-28	NONE	\$ 1,827,943	162,893	-	\$ 1,665,050

Principal payment are due on September 1st and March 1st through 2016. An amortization schedule is on file with the CFO.

**TOWNSHIP OF HADDON  
WATER-SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE			
						DECEMBER 31, 2016	DECEMBER 31, 2017		
						INCREASE	DECREASE		
1299	Various Improvements to the Water-Serer Utility	11/13/2014	11/6/17	11/5/18	1.24%	\$ 750,000	\$ 750,000	\$ 737,700	\$ 737,700
1310	Various Improvements to the Water-Serer Utility	11/13/2014	11/6/17	11/5/18	1.24%	685,000	685,000	737,300	737,300
1323	Various Improvements to the Water-Serer Utility	11/10/2015	11/6/17	11/5/18	1.24%	300,000	300,000	405,000	405,000
1335	Various Improvements to the Water-Serer Utility	11/08/2016	11/6/17	11/5/18	1.24%	152,500	152,500	412,500	412,500
1357	Various Improvements to the Water-Serer Utility	11/06/2017	11/6/17	11/5/18	1.24%	-	70,000	-	70,000
						<u>\$ 1,887,500</u>	<u>\$ 2,362,500</u>	<u>\$ 1,887,500</u>	<u>\$ 2,362,500</u>
						Paid by Utility Operating Fund		\$ -	\$ 25,000
						New BAN's Issued		500,000	-
						BAN Rollover		<u>1,862,500</u>	<u>1,862,500</u>
								<u>\$ 1,862,500</u>	<u>\$ 1,887,500</u>

**TOWNSHIP OF HADDON  
WATER-SEWER UTILITY CAPITAL FUND  
STATEMENT OF BONDS & NOTES AUTHORIZED BUT NOT ISSUED  
FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2016	AUTHORIZED	BOND ANTICIPATION NOTES ISSUED	BALANCE DECEMBER 31, 2017
1216	Rehabilitation & Reconstruction of Sewer	\$ 152,500	\$ -	\$ -	\$ 152,500
1241	Various Improvements to the Water-Sewer Utility	487	-	-	487
1310	Various Improvements to the Water-Sewer Utility	65,000	-	65,000	-
1323	Various Improvements to the Water-Sewer Utility	450,000	-	105,000	345,000
1335	Various Improvements to the Water-Sewer Utility	560,000	-	260,000	300,000
1357	Various Improvements to the Water-Sewer Utility	750,000	-	70,000	680,000
1370	Various Improvements to the Water-Sewer Utility	-	1,000,000	-	1,000,000
		<u>\$ 1,977,987</u>	<u>\$ 1,000,000</u>	<u>\$ 500,000</u>	<u>\$ 2,477,987</u>

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**TOWNSHIP OF HADDON**

**PART II**

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS -  
GOVERNMENT AUDITING STANDARDS**

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

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**TOWNSHIP OF HADDON**  
**SCHEDULE OF FINANCIAL STATEMENT FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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

None.

**TOWNSHIP OF HADDON  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2017**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

**Finding No. 2016-001**

Condition:

During our audit it was noted that the fixed asset accounting system was not updated to reflect the retirement or additions of fixed assets.

Current Status:

This finding has been corrected.

**FEDERAL AWARDS**

N/A – No Federal Single Audit in prior year.

**STATE FINANCIAL ASSISTANCE**

N/A – No State Single Audit in prior year.



**TOWNSHIP OF HADDON**

**PART III**

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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## OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2017:

<u>Name</u>	<u>Title</u>	
Randall W. Teague	Mayor	
Paul Dougherty	Commissioner	
James Mulroy	Commissioner	
Jack Bruno	Chief Financial Officer	(1)
Jenai Johnson	Municipal Clerk	(1)
Dawk Pennock	Treasurer	(1)
Ryan Giles	Tax Collector	(1)
Laura Donohue	Court Administrator	(1)
Robert Gleaner	Magistrate	(1)
Stuart A. Platt, Esq.	Solicitor	
Gregory Fusco	Engineer	

(1) There were Employee's Blanket Performance Bonds in the amount of \$1,000,000 for the Township employees and court personnel carried by the Camden County Joint Insurance Fund.

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HOLMAN | FRENIA  
ALLISON, P.C.

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Honorable Mayor and Members  
of the Township Commissioners  
Township of Haddon  
Westmont, New Jersey

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2017.

#### **GENERAL COMMENTS:**

##### **Contracts and Agreements required to be advertised by (N.J.S.A.40A:11-4)**

N.J.S.A.40A:11-4 states every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$40,000 for the year ended December 31, 2017.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

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

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold "for the performance of any work, or the furnishing of any materials, supplies or labor" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

## **Collection of Interest on Delinquent Taxes and Assessments**

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

The governing body on January 17, 2017 adopted the following resolution authorizing interest to be charged on delinquent taxes:

*NOW THEREFORE, BE IT RESOLVED, that if said taxes are deemed to be delinquent for non-payment of taxes, the Tax Collector shall charge eight (8%) percent per annum on the first \$1,500.00 of the delinquency, and eighteen (18%) percent per annum on any amount in excess of \$1,500.00; and*

*BE IT FURTHER RESOLVED, by the Commissioners of the Township, that the Tax Collector shall allow that no interest will be charged on payments received and made by the tenth calendar day following the date upon which the same became payable; and*

*BE IT FURTHER RESOLVED, by the Commissioners of the Township, that the Tax Collector shall charge, in addition to the interest for delinquent taxes, as noted above, a penalty of six (6%) percent of the amount of the delinquency in taxes in excess of \$10,000.00 to a taxpayer who fails to pay the delinquency prior to the end of the calendar year.*

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

### **OTHER COMMENTS (FINDINGS):**

#### **Finding 2017-01**

During our audit testing of employee health benefit calculations it was determined that calculations performed by the client were not correct in several instances

### **RECOMMENDATIONS:**

#### **Finding 2017-01**

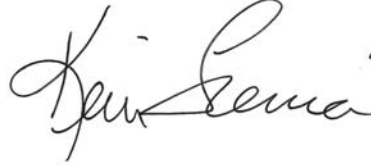
This has been corrected in 2018. It is recommended that the Township continue to monitor the calculations for the employee health benefit contributions to ensure they are accurate.

## Appreciation

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

A handwritten signature in black ink, appearing to read "Kevin Frenia". The signature is written in a cursive style with a large initial "K" and "F".

Kevin P. Frenia  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 435

Medford, New Jersey  
June 14, 2018