

TOWNSHIP OF HADDON

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2018**

**TOWNSHIP OF HADDON
COUNTY OF CAMDEN**

TABLE OF CONTENTS

	EXHIBIT	PAGE
PART I		
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
Financial Statements – Regulatory Basis:		
<u>Current Fund:</u>		
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	A	9
Statements 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	21
<u>General Capital Fund:</u>		
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	C	23
Statement of Fund Balance - Regulatory Basis	C-1	24
<u>Water- Sewer Utility Fund:</u>		
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	D	25
Statements of Operations and Changes in Operating Fund Balance – Regulatory Basis	D-1	27
Statement of Revenues – Regulatory Basis	D-2	28
Statement of Expenditures – Regulatory Basis	D-3	29
<u>General Fixed Assets Account Group:</u>		
Statements of Fixed Assets & Fund Balance - Regulatory Basis	E	31
Notes to Financial Statements		35
Supplementary Exhibits:		
<u>Current Fund:</u>		
Schedule of Cash - Treasurer	A-4	81
Schedule of Cash - Collector	A-5	82
Schedule of Change Funds	A-6	82
Schedule of Taxes Receivable & Analysis of Property Tax Levy	A-7	83
Schedule of Tax Title Liens	A-8	84
Schedule of Due from State of NJ Veteran & Senior Citizen Deductions	A-9	84
Schedule of Revenue Accounts Receivable	A-10	85
Schedule of Foreclosed Property	A-11	86
Schedule of Deferred Charges	A-12	86
Schedule of 2017 Appropriation Reserves	A-13	87
Schedule of Reserve for Encumbrances	A-14	90
Schedule of Prepaid Taxes	A-15	90
Schedule of Tax Overpayments	A-16	91
Schedule of Due to State of NJ Uniform Construction Code - Training Fees	A-17	92

**TOWNSHIP OF HADDON
COUNTY OF CAMDEN**

TABLE OF CONTENTS

	EXHIBIT	PAGE
<u>Current Fund (continued):</u>		
Schedule of Local School District Tax Payable	A-18	92
Schedule of Fire District Taxes Payable	A-19	93
Schedule of County Taxes Payable	A-20	93
Schedule of Due County for Added & Omitted Taxes Payable	A-21	94
Schedule of Business Improvement District Taxes Payable	A-22	94
Schedule of State & Federal Grants Receivable	A-23	95
Schedule of Reserve for Grants - Unappropriated	A-24	96
Schedule of Reserve for Grants - Appropriated	A-25	97
<u>Trust Fund:</u>		
Schedule of Cash - Treasurer	B-1	101
Schedule of Deposits on Future Assessments	B-2	102
<u>Animal Control Fund:</u>		
Schedule of Reserve for Animal Control Fund Expenditures	B-3	103
Schedule of Due To/From Current Fund	B-4	104
Schedule of Due to State of NJ	B-5	104
<u>Trust -Other Fund:</u>		
Schedule of Community Development Block Receivable	B-6	105
Schedule of Payroll Deductions Payable	B-7	106
Schedule of Due To/From Current Fund	B-8	107
Schedule of Due to State of New Jersey - Marriage & Burial License Fees	B-9	107
Schedule of Various Other Reserves	B-10	108
<u>General Capital Fund:</u>		
Schedule of General Capital Cash - Treasurer	C-2	111
Analysis of General Capital Cash	C-3	112
Schedule of Deferred Charges to Future Taxation - Funded	C-4	113
Schedule of Deferred Charges to Future Taxation - Unfunded	C-5	114
Schedule of Reserve for Dy-Dee Development	C-6	115
Schedule of Due to Current Fund	C-7	115
Schedule of Capital Improvement Fund	C-8	116
Schedule of Improvement Authorizations	C-9	117
Schedule of Green Trust Loan - Crystal Lake Development	C-10	118
Schedule of Green Trust Loan - MacArthur Tract Acquisition	C-11	119
Schedule of General Serial Bonds	C-12	120
Schedule of Bond Anticipation Notes	C-13	122
Schedule of Bonds & Notes Authorized but not Issued	C-14	123

**TOWNSHIP OF HADDON
COUNTY OF CAMDEN**

TABLE OF CONTENTS

	EXHIBIT	PAGE
<u>Water-Sewer Utility Operating Fund:</u>		
Schedule of Cash – Treasurer	D-4	127
Schedule of Cash - Collector	D-5	128
Analysis of Cash – Utility Capital Fund	D-6	129
Schedule of Consumer Accounts Receivable - Water	D-7	130
Schedule of Consumer Accounts Receivable - Sewer	D-8	130
Schedule of Due to Current Fund	D-9	131
Schedule of Utility Liens	D-10	131
Schedule of Fixed Capital - Water	D-11	132
Schedule of Fixed Capital - Sewer	D-12	133
Schedule of Fixed Capital Authorized & Uncompleted	D-13	134
Schedule of 2017 Appropriation Reserves	D-14	135
Schedule of Reserve for Encumbrances	D-15	135
Schedule of Protested Check Receivable	D-16	135
Schedule of Accrued Interest Payable	D-17	136
Schedule of Due to Utility Operating Fund	D-18	136
Schedule of Capital Fund Balance	D-19	136
Schedule of Reserve for Amortization	D-20	137
Schedule of Deferred Reserve for Amortization	D-21	137
Schedule of Improvement Authorizations	D-22	138
Schedule of Water-Sewer Serial Bonds	D-23	139
Schedule of NJ Environmental Infrastructure Trust Loan	D-24	141
Schedule of Bond Anticipated Notes	D-25	142
Schedule of Bonds & Notes Authorized but not Issued	D-26	143

PART II

<u>Schedule of Financial Statement Findings - Government Auditing Standards</u>		
Schedule of Financial Statement Findings		147
Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management		148

PART III

<u>Letter of Comments and Recommendations - Regulatory Basis</u>		
Officials in Office		151
General Comments		153
Other Comments (Findings)		154
Recommendations		154
Acknowledgment		155



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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, 2018**

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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, 2018 and 2017, 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, 2018 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, 2018 and 2017, 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, 2018 and 2017, 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, 2018 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the year ended December 31, 2018 the Township adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions - an Amendment of GASB Statement No. 45, 57, & 74. Our opinion is not modified with respect to this matter.

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.

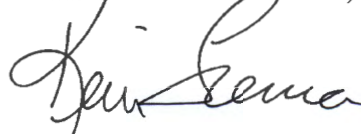
The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 15, 2019 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read "Kevin Frenia", is written over the printed name.

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

Medford, New Jersey
November 15, 2019

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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
Haddon, 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, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated November 15, 2019. 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

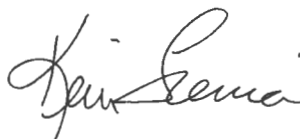
As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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.

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.



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

Medford, New Jersey
November 15, 2019

BASIC FINANCIAL STATEMENTS

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**TOWNSHIP OF HADDON
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017**

	REFERENCE	2018	2017
ASSETS			
Regular Fund:			
Cash	A-4	\$ 4,419,600.95	\$ 5,914,600.94
Petty Cash	A	400.00	200.00
Cash - Change Fund	A-6	650.00	650.00
Due from State of New Jersey for Senior Citizen & Veteran Deductions	A-9	39,746.07	31,452.37
Total Regular Fund		4,460,397.02	5,946,903.31
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	8,198.23	12,797.95
Tax Title Liens Receivable	A-8	105,668.31	118,444.68
Foreclosed Property - Assessed Valuation	A-11	1,894,100.00	1,894,100.00
Revenue Accounts Receivable	A-10	11,499.13	19,079.00
Protested Checks Receivable	A	10,758.90	10,758.90
Due From Bank	A	1,144.05	1,144.05
Due From Interfunds:			
Animal Control Fund	B	1,148.93	1,781.62
Total Receivables & Other Assets With Full Reserves		2,032,517.55	2,058,106.20
Deferred Charges			
Overexpenditure of Appropriation	A-12	-	35,810.00
Total Deferred Charges		-	35,810.00
Total Regular Fund, Receivables, Other Assets With Full Reserves & Deferred Charges		6,492,914.57	8,040,819.51
State & Federal Grants:			
Due from Current Fund	A	249,978.61	389,971.40
Grants Receivable	A-23	993,385.10	644,688.52
Total State & Federal Grants		1,243,363.71	1,034,659.92
Total Assets		\$ 7,736,278.28	\$ 9,075,479.43

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

**TOWNSHIP OF HADDON
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2018	2017
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 303,605.84	\$ 619,799.07
Reserve for Encumbrances	A-3,A-14	117,719.67	173,852.31
Accounts Payable	A	2,447.00	2,447.00
Prepaid Taxes	A-15	329,210.20	1,749,621.84
Tax Overpayments	A-16	15,439.26	21,892.00
Local School District Taxes Payable	A-18	-	51.00
Fire District Taxes Payable	A-19	88,511.00	133,051.98
Due County for Added & Omitted Taxes	A-21	53,322.91	40,633.19
Due to State of NJ - U.C.C. Training Fees	A-17	3,456.00	4,388.00
Due to C.C.M.U.A.	A	144,287.24	147,426.31
Reserve for Revaluation	A	32,523.00	32,523.00
Reserve for Champion School Improvements	A	3,037.92	3,037.92
Reserve for Local School Contribution	A	8,014.00	8,014.00
Reserve for Public Works Retro Payroll	A	15,000.00	15,000.00
Reserve for Salt & Sand	A	-	19,500.00
Reserve for Tax Appeals	A	3,050.00	3,050.00
Reserve for Fire Safety Act Penalties	A	1,135.00	235.00
Reserve for Flex Spending	A	66.01	45.90
Reserve for Street Scape	A	87,089.57	109,684.39
Due to Federal & State Grant Fund	A	249,978.61	389,971.40
Due to General Capital Fund	C	265,122.65	198,033.44
Due to Trust - Other Fund	B	5,922.66	11,116.26
Subtotal		<u>1,728,938.54</u>	<u>3,683,374.01</u>
Reserve for Receivables & Other Assets		2,032,517.55	2,058,106.20
Fund Balance	A-1	<u>2,731,458.48</u>	<u>2,299,339.30</u>
Total Regular Fund		<u>6,492,914.57</u>	<u>8,040,819.51</u>
State & Federal Grants:			
Reserve for Grants Unappropriated	A-24	101,559.57	141,394.40
Reserve for Grants Appropriated	A-25	1,141,804.14	820,011.00
Reserve for Encumbrances	A-25	<u>-</u>	<u>73,254.52</u>
Total State & Federal Grants		<u>1,243,363.71</u>	<u>1,034,659.92</u>
Total Liabilities, Reserves & Fund Balance		<u><u>\$ 7,736,278.28</u></u>	<u><u>\$ 9,075,479.43</u></u>

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

**TOWNSHIP OF HADDON
CURRENT FUND
STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 1,500,000.00	\$ 1,400,000.00
Miscellaneous Revenue Anticipated	4,290,249.25	3,454,610.00
Receipts From Delinquent Taxes & Tax Title Liens	64,801.97	40,481.00
Receipts From Current Taxes	47,881,854.16	46,864,417.00
Nonbudget Revenue	638,327.01	795,736.00
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	544,111.94	134,481.00
Liquidation of Interfund	632.69	134,221.00
Total	<u>54,919,977.02</u>	<u>52,823,946.00</u>
Expenditures:		
Budget & Emergency Appropriations:		
Operations Within "CAPS":		
Salaries & Wages	4,235,550.00	4,259,397.00
Other Expenses	4,474,913.00	4,406,839.00
Deferred Charges & Statutory Expenditures - Municipal Within "CAPS"	1,058,654.00	1,028,786.00
Operations Excluded from "CAPS":		
Salaries & Wages	344,900.00	374,933.00
Other Expenses	915,597.00	457,630.00
Capital Improvements	252,000.00	85,000.00
Municipal Debt Service	1,982,320.83	1,959,170.00
Deferred Charges - Municipal Excluded from "CAPS"	36,461.00	-
Special District Taxes - Business Improvement District	168,428.92	166,672.00
Fire District Taxes	1,670,741.00	1,556,498.00
County Taxes	12,176,156.98	11,953,985.00
Due County for Added & Omitted Taxes	53,322.91	40,633.00
Local District School Tax	25,579,310.00	25,039,882.00
Refund of Prior Year Revenue	21,656.25	-
Tax Overpayment Adjustment	9,621.65	-
Prior Year Grants Cancelled	8,222.00	-
Total Expenditures	<u>52,987,855.54</u>	<u>51,329,425.00</u>
Excess to Fund Balance	1,932,121.48	1,494,521.00
Fund Balance January 1	<u>2,299,337.00</u>	<u>2,204,816.00</u>
Total	4,231,458.48	3,699,337.00
Decreased by: Utilization as Anticipated Revenue	<u>1,500,000.00</u>	<u>1,400,000.00</u>
Fund Balance December 31	<u><u>\$ 2,731,458.48</u></u>	<u><u>\$ 2,299,337.00</u></u>

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, 2018**

	BUDGET	APPROPRIATED by N.J.S.A.40A:47-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Utilized	\$ 1,500,000.00	\$ -	\$ 1,500,000.00	\$ -
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	25,000.00	-	25,640.00	640.00
Other	6,600.00	-	7,120.00	520.00
Fees & Permits:				
Other	42,000.00	-	86,049.25	44,049.25
Fines & Costs:				
Municipal Court	265,000.00	-	233,423.74	(31,576.26)
Interest & Costs on Taxes	89,451.00	-	83,265.65	(6,185.35)
Parking Meters	26,000.00	-	16,640.61	(9,359.39)
Operation of Crystal Lake	194,000.00	-	206,132.50	12,132.50
Consolidated Municipal Property				
Tax Relief Act	144,635.00	-	54,169.00	(90,466.00)
Energy Receipts Tax	1,117,580.00	-	1,208,046.00	90,466.00
Uniform Construction Code				
Fees & Permits	300,000.00	-	370,275.75	70,275.75
Borough of Audubon Park - Police				
Protection Services	385,000.00	-	390,330.07	5,330.07
Fieldstone PILOT Payments	725,000.00		885,243.68	160,243.68
Body Armor Grant	5,178.00		5,178.00	-
Recycling Tonnage Grant	37,427.00		37,427.00	-
Clean Communities	29,764.00	-	29,764.00	-
Safe & Secure Communities Program	60,000.00	-	60,000.00	-
NJDOT Muinciapl Aid	300,000.00		300,000.00	-
Community Development Block Grant	32,500.00		32,500.00	-
Garden Club of NJ	525.00		525.00	-
Municipal Alliance Grant	18,904.00	-	18,904.00	-
Camden County Recreation				
Enhancement Grant	-	72,615.00	72,615.00	-
NJDOT - Bradley Avenue	-	167,000.00	167,000.00	-
Total Miscellaneous Revenues	3,804,564.00	239,615.00	4,290,249.25	246,070.25
Receipts from Delinquent Taxes	40,000.00	-	64,801.97	24,801.97
Local Tax for Municipal Purposes	8,150,000.00	-	8,663,998.35	513,998.35
Budget Totals	13,494,564.00	239,615.00	14,519,049.57	784,870.57
Nonbudget Revenues	-	-	638,327.01	638,327.01
Total	\$13,494,564.00	\$ 239,615.00	\$15,157,376.58	\$ 1,423,197.58

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, 2018**

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 47,881,854.16
Less: Allocated for School, County Taxes & Special District Taxes	<u>39,647,959.81</u>
Total Allocation of Current Tax Collections	8,233,894.35
Add: Budget Appropriation - Reserve for Uncollected Taxes	<u>430,104.00</u>
Total Amount for Support of Municipal Budget Appropriation	<u><u>\$ 8,663,998.35</u></u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 13,488.62
Tax Title Lien Collections	<u>51,313.35</u>
Total Receipts from Delinquent Taxes	<u><u>\$ 64,801.97</u></u>
Fees & Permits Other:	
Merchantile Application Fees	\$ 16,260.00
Solicitor's Permits	3,450.00
Planning & Zoning	15,293.00
Rent Control Board	23,720.00
Other	<u>27,326.25</u>
Total Fees & Permits Other	<u><u>\$ 86,049.25</u></u>

ANALYSIS OF NONBUDGET REVENUES

Miscellaneous Revenue Not Anticipated:	
Receipts:	
Interest On Investments	\$ 40,200.11
Payment in Lieu of Taxes	144,213.25
SC & Vet Administrative Fee	2,499.41
Insurance Reimbursements	11,306.25
Vacant Property Fines	39,375.05
Copies	37.35
Sale of Recyclables	1,591.75
LEA Rebates	20,846.01
Fire Safety Fees	28,859.50
Cable Franchise Fees	236,799.25
Other	<u>112,599.08</u>
Total Nonbudgeted Revenue	<u><u>\$ 638,327.01</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, 2018**

	APPROPRIATIONS		EXPENDED				CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED		
General Government Functions:							
General Administration:							
Salaries and Wages	\$ 1,300.00	\$ 1,300.00	\$ 1,271.80	\$ -	\$ 28.20	\$ -	
Human Resources:							
Salaries and Wages	16,500.00	16,500.00	16,389.52	-	110.48	-	
Other Expenses	50,000.00	50,000.00	40,771.05	351.99	8,876.96	-	
Mayor & Commissioners:							
Salaries and Wages	26,400.00	26,700.00	26,503.14	-	196.86	-	
Other Expenses	3,000.00	3,000.00	2,172.00	828.00	-	-	
Municipal Clerk:							
Salaries and Wages	57,000.00	59,400.00	59,016.78	-	383.22	-	
Other Expenses	38,900.00	38,900.00	25,655.89	-	13,244.11	-	
Registrar of Vital Statistics:							
Salaries and Wages	2,200.00	2,400.00	2,369.60	-	30.40	-	
Other Expenses	1,697.00	1,697.00	651.00	-	1,046.00	-	
Financial Administration (Treasury):							
Salaries and Wages	30,000.00	30,000.00	29,391.20	-	608.80	-	
Other Expenses	11,000.00	11,000.00	10,356.91	282.80	360.29	-	
Audit Services:							
Annual Audit	32,000.00	32,000.00	31,500.00	-	500.00	-	
Revenue Administration (Tax Collector):							
Salaries and Wages	87,000.00	87,000.00	82,172.52	-	4,827.48	-	
Other Expenses	12,900.00	12,900.00	10,847.18	47.80	2,005.02	-	
Assessments of Taxes:							
Salaries and Wages	38,000.00	23,000.00	22,786.14	-	213.86	-	
Other Expenses	22,300.00	12,300.00	9,051.20	-	3,248.80	-	
Legal Services:							
Other Expenses	154,500.00	209,500.00	208,112.48	-	1,387.52	-	
Municipal Court:							
Salaries and Wages	167,500.00	168,500.00	166,172.23	-	2,327.77	-	
Other Expenses	27,920.00	17,920.00	12,481.36	2,047.44	3,391.20	-	
Public Defender:							
Salaries and Wages	6,500.00	6,500.00	5,100.00	-	1,400.00	-	
Engineering Services & Costs:							
Other Expenses	15,000.00	5,000.00	4,285.00	-	715.00	-	
Economic Development:							
Other Expenses	13,000.00	7,000.00	6,766.35	-	233.65	-	

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, 2018**

	APPROPRIATIONS		EXPENDED			CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
Land Use Administration:						
Planning Board:						
Salaries and Wages	40,000.00	41,300.00	41,300.00	-	-	-
Other Expenses	7,500.00	7,500.00	7,103.51	381.00	15.49	-
Code Enforcement & Administration:						
Rent Control Commission:						
Salaries and Wages	13,500.00	13,500.00	11,610.81	-	1,889.19	-
Other Expenses	1,050.00	1,050.00	619.39	76.20	354.41	-
Insurance:						
General Liability	194,948.00	173,948.00	171,104.01	-	2,843.99	-
Worker's Compensation	190,248.00	190,248.00	190,248.00	-	-	-
Employee Group Health	1,095,000.00	1,370,000.00	1,357,770.36	1,421.97	10,807.67	-
Public Safety Functions:						
Police:						
Salaries and Wages	2,472,500.00	2,534,700.00	2,447,484.02	-	87,215.98	-
Other Expenses	159,500.00	159,500.00	135,252.48	15,790.61	8,456.91	-
Office of Emergency Management:						
Salaries and Wages	7,800.00	7,800.00	7,592.10	-	207.90	-
Other Expenses	250.00	250.00	-	-	250.00	-
Uniform Fire Safety Act:						
Salaries and Wages	72,000.00	72,500.00	71,675.40	-	824.60	-
Other Expenses	22,500.00	22,500.00	20,458.31	146.29	1,895.40	-
Municipal Prosecutor:						
Salaries and Wages	14,750.00	14,750.00	12,774.46	-	1,975.54	-
Public Works Functions:						
Streets & Roads Maintenance:						
Salaries and Wages	819,000.00	769,000.00	753,320.37	-	15,679.63	-
Other Expenses	149,000.00	149,000.00	127,044.69	12,884.44	9,070.87	-
Maintenance of Traffic Lights:						
Other Expenses	6,000.00	3,000.00	2,889.48	-	110.52	-
Shade Tree Program:						
Salaries and Wages	3,600.00	3,600.00	3,600.00	-	-	-
Other Expenses	30,000.00	30,100.00	14,687.45	15,320.00	92.55	-
Solid Waste Collection:						
Other Expenses	760,300.00	705,300.00	680,257.60	21,112.25	3,930.15	-
Building & Grounds:						
Other Expenses	32,500.00	32,500.00	27,499.03	2,171.06	2,829.91	-

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, 2018**

	APPROPRIATIONS		EXPENDED			CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
Vehicle Maintenance:						
Other Expenses	76,000.00	71,000.00	60,256.01	7,533.07	3,210.92	-
Community Services Act:						
Other Expenses	110,000.00	103,000.00	102,256.92	-	743.08	-
Health & Human Services:						
Environmental Commission:						
Other Expenses	2,000.00	2,000.00	929.08	-	1,070.92	-
Animal Control Program:						
Other Expenses	20,000.00	20,000.00	15,025.49	-	4,974.51	-
Park & Recreation Functions:						
Crystal Lake Pool:						
Salaries and Wages	103,500.00	79,500.00	78,712.62	-	787.38	-
Other Expenses	91,500.00	91,500.00	84,022.09	1,835.30	5,642.61	-
Parks & Playgrounds:						
Other Expenses	10,000.00	6,000.00	4,232.87	854.92	912.21	-
Utility Expense & Bulk Purchases:						
Electricity	30,000.00	30,000.00	30,000.00	-	-	-
Street Lighting	240,000.00	190,000.00	168,758.34	-	21,241.66	-
Telephone & Telegraph	33,000.00	28,000.00	27,707.73	-	292.27	-
Natural Gas	42,000.00	37,000.00	31,868.02	-	5,131.98	-
Gasoline	50,000.00	40,000.00	37,098.85	-	2,901.15	-
Postage	25,500.00	25,500.00	24,000.00	-	1,500.00	-
Copier	10,300.00	10,300.00	10,224.70	-	75.30	-
Landfill/Solid Waste Disposal Costs:						
Disposal Costs	410,000.00	375,000.00	338,705.87	33,610.39	2,683.74	-
Appropriation Offset By Dedicated Revenues:						
Code Enforcement & Administration:						
Salaries and Wages	141,600.00	145,600.00	143,217.56	-	2,382.44	-
Other Expenses	51,500.00	47,500.00	11,811.82	789.85	34,898.33	-
Other Common Operating Functions:						
Accumulated Leave Compensation	9,000.00	-	-	-	-	-
Celebration of Public Events, Anniversary or Holiday - Other Expenses	80,000.00	80,000.00	79,833.81	-	166.19	-
Senior Citizens Coordinator:						
Salaries and Wages	64,000.00	75,000.00	73,948.35	-	1,051.65	-
Other Expenses	2,000.00	2,000.00	93.25	-	1,906.75	-

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, 2018**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Community Communications:						
Salaries and Wages	114,000.00	57,000.00	56,908.74	-	91.26	-
Other Expenses	50,000.00	40,000.00	36,487.06	234.29	3,278.65	-
Disolution of Fire District #2:	30,000.00	30,000.00	27,750.60	-	2,249.40	-
Total Operations Within "CAPS" Including Contingent	8,702,463.00	8,710,463.00	8,301,964.60	117,719.67	290,778.73	-
Detail:						
Salaries and Wages	4,298,650.00	4,235,550.00	4,113,317.36	-	122,232.64	-
Other Expenses	4,403,813.00	4,474,913.00	4,188,647.24	117,719.67	168,546.09	-
Deferred Charges & Statutory Expenditures Municipal Within "CAPS":						
Statutory Expenditures:						
Contributions to:						
Social Security System (O.A.S.I.)	225,000.00	200,000.00	193,909.52	-	6,090.48	-
Police & Fireman's Retirement System of New Jersey	628,454.00	628,454.00	628,454.00	-	-	-
Public Employees Retirement System	228,200.00	230,200.00	230,089.76	-	110.24	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	1,081,654.00	1,058,654.00	1,052,453.28	-	6,200.72	-
Total General Appropriations for Municipal Purposes Within "CAPS"	9,784,117.00	9,769,117.00	9,354,417.88	117,719.67	296,979.45	-
Stormwater Regulations:						
Salaries and Wages	152,800.00	167,800.00	161,497.61	-	6,302.39	-
Borough of Audubon Park:						
Police Services	390,184.00	390,184.00	390,184.00	-	-	-
Municipal Clerk/Treasurer	22,500.00	22,500.00	22,500.00	-	-	-
Public & Private Programs Offset by Revenues:						
SFSP Fire District Payment	6,000.00	6,000.00	5,676.00	-	324.00	-
Clean Communities Act	29,764.00	29,764.00	29,764.00	-	-	-
Safe & Secure Communities Program	177,100.00	177,100.00	177,100.00	-	-	-
Recycling Tonnage Grant	37,427.00	37,427.00	37,427.00	-	-	-

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, 2018**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Body Armor Fund	5,178.00	5,178.00	5,178.00	-	-	-
Municipal Alliance Grant	18,904.00	18,904.00	18,904.00	-	-	-
Community Development	32,500.00	32,500.00	32,500.00	-	-	-
Garden Club of NJ	525.00	525.00	525.00	-	-	-
Camden County Recreation Enhancement Grant	-	72,615.00	72,615.00	-	-	-
NJDOT Municipal Aid	300,000.00	300,000.00	300,000.00	-	-	-
Total Operations Excluded from "CAPS"	1,172,882.00	1,260,497.00	1,253,870.61	-	6,626.39	-
Detail:						
Salaries and Wages	329,900.00	344,900.00	338,597.61	-	6,302.39	-
Other Expenses	842,982.00	915,597.00	915,273.00	-	324.00	-
Capital Improvements-Excluded from "CAPS":						
Capital Improvement Fund	85,000.00	85,000.00	85,000.00	-	-	-
NJDOT	-	167,000.00	167,000.00	-	-	-
Total Capital Improvements Excluded from "CAPS"	85,000.00	252,000.00	252,000.00	-	-	-
Municipal Debt Service - Excluded From "CAPS":						
Payment of Bond Principal	1,060,000.00	1,060,000.00	1,059,650.00	-	-	350.00
Payment of Bond Anticipation Notes & Capital Note	297,000.00	297,000.00	297,000.00	-	-	-
Interest on Bonds	502,000.00	502,000.00	499,222.30	-	-	2,777.70
Interest on Notes	84,000.00	84,000.00	83,528.59	-	-	471.41
Green Trust Loan Program:						
Loan Repayments for Principal & Interest	43,000.00	43,000.00	42,919.94	-	-	30.06
Total Municipal Debt Service Excluded from "CAPS"	1,986,000.00	1,986,000.00	1,982,320.83	-	-	3,679.17
Deferred Charges to Future Taxation - Unfunded:						
Overexpenditure of Grants	651.00	651.00	651.00	-	-	-
Expenditure Without Appropriation	35,810.00	35,810.00	35,810.00	-	-	-

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, 2018**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Total Deferred Charges - Excluded from "CAPS"	36,461.00	36,461.00	36,461.00	-	-	-
Subtotal General Appropriations	13,064,460.00	13,304,075.00	12,879,070.32	117,719.67	303,605.84	3,679.17
Reserve For Uncollected Taxes	430,104.00	430,104.00	430,104.00	-	-	-
Total General Appropriations	<u>\$ 13,494,564.00</u>	<u>\$ 13,734,179.00</u>	<u>\$ 13,309,174.32</u>	<u>\$ 117,719.67</u>	<u>\$ 303,605.84</u>	<u>\$ 3,679.17</u>
Appropriation by 40A:4-87		\$ 239,615.00				
Original Budget		<u>13,494,564.00</u>				
Total		<u><u>\$ 13,734,179.00</u></u>				
Reserve for Federal & State Grants - Appropriated			\$ 674,013.00			
NJ Department of Transportation			167,000.00			
Deferred Charge			36,461.00			
Reserve for Uncollected Taxes			430,104.00			
Cash Disbursements			<u>12,001,596.32</u>			
Total			<u><u>\$ 13,309,174.32</u></u>			

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

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**TOWNSHIP OF HADDON
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017**

ASSETS	REFERENCE	2018	2017
Assessment Fund:			
Due from General Capital Fund	C	\$ 450.00	\$ 450.00
Animal Control Fund:			
Cash	B-1	1,085.02	1,100.90
Change Fund	B	30.00	30.00
Deferred Charge - Overexpended Reserve	B	33.91	650.72
Total Animal Control Fund		1,148.93	1,781.62
Other Trust Funds:			
Cash	B-1	1,749,689.35	1,221,878.72
Due Utility Operating Fund	D	42,716.33	42,716.33
Due from Current Fund	B-8	5,922.66	11,115.77
Other Receivable	B	3,710.21	3,710.44
Community Development Block Grant Receivable	B-6	20,260.01	8,214.00
Total Other Trust Funds:		1,822,298.56	1,287,635.26
Total - All Funds		\$ 1,823,897.49	\$ 1,289,866.88
LIABILITIES & RESERVES			
Assessment Fund:			
Deposits on Future Assessments	B-2	\$ 450.00	\$ 450.00
Animal Control Fund:			
Due Current Fund	B-4	1,148.93	1,781.62
Total Animal Control Fund		1,148.93	1,781.62
Other Trust Funds:			
Payroll Deductions Payable	B-7	157,641.81	65,320.26
Due State of New Jersey - Marriage License Fees	B-9	2,645.00	2,770.00
Due State of New Jersey - Burial License	B-9	145.00	145.00
Various Reserves	B-10	1,661,866.75	1,219,400.00
Total Other Funds		1,822,298.56	1,287,635.26
Total - All Funds		\$ 1,823,897.49	\$ 1,289,866.88

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

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**TOWNSHIP OF HADDON
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017**

ASSETS	REFERENCE	2018	2017
Cash	C-1, C-2	\$ 997,002.62	\$ 950,545.01
Deferred Charges to Future Taxation:			
Unfunded	C-5	10,509,248.00	8,802,498.00
Funded	C-4	14,981,263.00	16,106,624.76
Due From Current Fund	A,C-7	265,122.65	198,033.44
Total		<u>\$ 26,752,636.27</u>	<u>\$ 26,057,701.21</u>
LIABILITIES, RESERVES & FUND BALANCE			
General Serial Bonds	C-12	\$ 14,800,000.00	\$ 15,886,650.00
Green Acres Loan Payable - Crystal Lake Development	C-10	21,464.00	26,567.10
Green Acres Loan Payable - MacArthur Tract Acquisition	C-11	159,799.00	193,407.66
Bond Anticipation Notes	C-13	8,011,485.00	6,810,485.00
Improvement Authorizations:			
Unfunded	C-9	1,930,469.19	1,537,223.90
Funded	C-9	330,387.34	827,316.77
Reserve for Encumbrances	C-9	1,414,361.17	685,447.36
Capital Improvement Fund	C-8	22,800.00	19,050.00
Reserve for Flood Proceeds	C	25,868.72	25,866.00
Reserve for DY DEE Development	C-6	5,480.19	5,404.71
Due Trust Assessment Fund	B	450.00	450.00
Fund Balance	C-11	30,071.66	39,832.71
Total		<u>\$ 26,752,636.27</u>	<u>\$ 26,057,701.21</u>

There were bonds and notes authorized but not issued on December 31, 2018 of \$2,497,763.00 and on December 31, 2017 was \$1,992,013.00.

**TOWNSHIP OF HADDON
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$ 39,833.38
Increased by:	
Premium on Sale of Bonds	<u>10,238.28</u>
	50,071.66
Decreased by:	
Adjustment - Deferred Charges Unfunded	<u>20,000.00</u>
Balance, December 31, 2018	<u><u>\$ 30,071.66</u></u>

**TOWNSHIP OF HADDON
WATER-SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017**

ASSETS	REFERENCE	2018	2017
Operating Fund:			
Cash	D-4	\$ 309,233.08	\$ 509,184.05
Change Fund - Collector	D	75.00	75.00
Due from Bank	D	2,216.00	2,216.00
Due from Water-Sewer Capital Fund	D-18	2,269.46	232,560.35
Total		313,793.54	744,035.40
Receivables & Other Assets With Full Reserves:			
Consumer Accounts Receivable	D-7, D-8	13,281.46	13,518.19
Liens Receivable	D-10	1,235.00	1,235.00
Protested Checks Receivable	D-16	2,608.30	2,608.30
Total Receivable & Other Assets With Full Reserves		17,124.76	17,361.49
Deferred Charges:			
Operating Deficit	D-1	189,700.34	-
Total Deferred Charges		189,700.34	-
Total Operating Fund		520,618.64	761,396.89
Capital Fund:			
Cash	D-4	1,101,103.48	554,543.65
NJEIT Loan Receivable	A	278,697.00	278,697.00
Fixed Capital:			
Water	D-11	9,709,255.00	9,709,255.03
Sewer	D-12	4,758,345.00	4,758,345.00
Fixed Capital Authorized & Uncompleted	D-13	18,677,663.00	17,677,663.00
Total Capital Fund		34,525,063.48	32,978,503.68
Total Operating & Capital Fund		\$ 35,045,682.12	\$ 33,739,900.57

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

**TOWNSHIP OF HADDON
WATER-SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017**

	REFERENCE	2018	2017
LIABILITIES RESERVES & FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3	\$ 128,600.66	\$ 45,814.93
Reserve for Encumbrances	D-15,D-3	15,238.41	44,427.83
Accrued Interest on Bonds & Notes	D-17	78,399.57	97,427.00
Accounts Payable	D-14	170.60	-
Water/Sewer Overpayments	D	3,008.23	3,008.23
Due to Trust Other Fund	B	42,716.33	42,716.33
Subtotal		<u>268,133.80</u>	<u>233,394.32</u>
Reserve for Receivables	D	17,124.76	17,361.49
Fund Balance	D-1	<u>235,360.08</u>	<u>510,641.08</u>
Total Operating Fund		<u>520,618.64</u>	<u>761,396.89</u>
Capital Fund:			
Serial Bonds	D-23	4,177,000.00	4,670,350.00
Bond Anticipation Notes	D-26	3,652,500.00	2,362,500.00
New Jersey Infrastructure Trust - Loan Payable	D-24	3,555,477.82	3,875,050.00
Improvement Authorizations:			
Funded	D-22	93,876.09	98,307.67
Unfunded	D-22	2,462,885.43	2,233,362.40
Reserve for Encumbrances	D-22	961,328.50	717,782.23
Capital Improvement Fund	D-9	12,427.00	12,427.00
Due to Water - Sewer Operating Fund	D-18	2,269.46	232,560.35
Reserves for:			
Amortization	D-20	19,479,536.18	18,631,614.00
Deferred Amortization	D-21	127,763.00	127,763.00
Fund Balance	D-19	<u>-</u>	<u>16,787.03</u>
Total Capital Fund		<u>34,525,063.48</u>	<u>32,978,503.68</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 35,045,682.12</u>	<u>\$ 33,739,900.57</u>

Bonds and Notes authorized but not issued as of December 31, 2018 was \$2,152,987.00 and as of December 31, 2017 was \$2,477,987.00.

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

**TOWNSHIP OF HADDON
WATER-SEWER UTILITY FUND
STATEMENTS OF OPERATIONS AND CHANGE
IN OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
Revenue & Other Income Realized:		
Fund Balance Appropriated	\$ 275,281.00	\$ 754,287.00
Rents	3,168,611.78	3,171,541.56
Miscellaneous	61,946.61	86,838.64
Capital Surplus Anticipated	16,787.00	-
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	36,017.71	330,641.00
	<u>3,558,644.10</u>	<u>4,343,308.20</u>
Total Income		
	<u>3,558,644.10</u>	<u>4,343,308.20</u>
Expenditures:		
Operating	2,488,200.00	2,452,064.94
Debt Service	1,078,844.44	1,065,947.84
Deferred Charges & Statutory Expenditures	181,300.00	672,221.90
Other Debits to Expenditures:		
Refund of Prior Year Revenue	-	8,238.44
	<u>-</u>	<u>8,238.44</u>
Total Expenditures		
	<u>3,748,344.44</u>	<u>4,198,473.12</u>
Excess/Deficit in Revenue	<u>(189,700.34)</u>	<u>144,835.08</u>
Operating Deficit to be Raised in Budget of Succeeding Year	189,700.34	-
Statutory Excess to Fund Balance	<u>-</u>	<u>144,835.08</u>
Fund Balance January 1	510,641.08	1,120,093.00
Less: Balance Appropriated	<u>275,281.00</u>	<u>754,287.00</u>
Fund Balance December 31	<u>\$ 235,360.08</u>	<u>\$ 510,641.08</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, 2018**

	ANTICIPATED	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 275,281.00	\$ 275,281.00	\$ -
Rents	3,168,533.00	3,118,611.78	(49,921.22)
Miscellaneous	86,839.00	61,946.61	(24,892.39)
Additional Rents	50,000.00	50,000.00	-
Capital Surplus Anticipated	16,787.00	16,787.00	-
Interfund Receivable	232,560.00	-	(232,560.00)
	<u>232,560.00</u>	<u>-</u>	<u>(232,560.00)</u>
Total	<u>\$ 3,830,000.00</u>	<u>\$ 3,522,626.39</u>	<u>\$ (307,373.61)</u>

ANALYSIS OF REALIZED REVENUE

Rents:

Consumer Accounts Receivable:

Water	\$ 1,904,481.34
Sewer	<u>1,264,130.44</u>

Total Rents and Additional Rents	<u>\$ 3,168,611.78</u>
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Miscellaneous

Collector:

Other	\$ 57,930.73
Interest on Investments	1,746.77

Collected by Water-Sewer Utility Capital Fund:

Interest on Investments	<u>2,269.11</u>
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Total Miscellaneous	<u>\$ 61,946.61</u>
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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, 2018**

	ORIGINAL BUDGET	BUDGET AFTER MODIFICATION	EXPENDED		RESERVED	UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED		
Operating:						
Salaries and Wages	\$ 1,040,000.00	\$ 960,000.00	\$ 895,214.70	\$ -	\$ 64,785.30	\$ -
Other Expenses	1,448,200.00	1,528,200.00	1,466,067.60	15,238.41	46,893.99	-
Total Operating	2,488,200.00	2,488,200.00	2,361,282.30	15,238.41	111,679.29	-
Debt Service:						
Payment of Bond Principal	795,500.00	795,500.00	794,922.18	-	-	577.82
Payment of Bond Anticipation Notes	35,000.00	35,000.00	35,000.00	-	-	-
Interest on Bonds & Loans	295,000.00	295,000.00	214,271.21	-	-	80,728.79
Interest on Notes	35,000.00	35,000.00	34,651.05	-	-	348.95
Total Debt Service	1,160,500.00	1,160,500.00	1,078,844.44	-	-	81,655.56
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	81,639.00	81,639.00	66,267.73	-	15,371.27	-
Public Employees Retirement System	97,661.00	97,661.00	97,661.00	-	-	-
State Disability Insurance	2,000.00	2,000.00	449.90	-	1,550.10	-
Total Statutory Expenditures	181,300.00	181,300.00	164,378.63	-	16,921.37	-
Total Expenditures	\$ 3,830,000.00	\$ 3,830,000.00	\$ 3,604,505.37	\$ 15,238.41	\$ 128,600.66	\$ 81,655.56
Cash Disbursed			\$ 3,623,532.80			
Deferred Charges			-			
Due to Utility Capital			-			
Budget Refunds			-			
Accrued Interest Adjustment			(19,027.43)			
Total			\$ 3,604,505.37			

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

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**TOWNSHIP OF HADDON
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF GENERAL FIXED ASSETS
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017**

ASSETS	<u>2018</u>	<u>2017</u>
Land	\$ 4,086,701.00	\$ 4,086,701.00
Building & Improvements	3,922,957.00	3,922,957.00
Equipment & Vehicles	<u>5,329,761.00</u>	<u>5,220,054.00</u>
Total	<u>\$ 13,339,419.00</u>	<u>\$ 13,229,712.00</u>
FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 13,339,419.00</u>	<u>\$ 13,229,712.00</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, 2018**

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**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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.

TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 1. Summary of Significant Accounting Policies (continued)

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 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 10th 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.

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 1. Summary of Significant Accounting Policies (continued)

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

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

Inventories 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

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 1. Summary of Significant Accounting Policies (continued)

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 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 10th 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 10th of the current year and due to be paid to the County by February 15th 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 1 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.

TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 1. Summary of Significant Accounting Policies (continued)

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. 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 31st 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 adopts 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 their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The following GASB pronouncement effective for the current year did have a significant impact on the Township’s financial statements.

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

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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 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, 2018, the Township's bank balance of \$8,749,641.41 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 5,782,553.88
Uninsured and Uncollateralized	<u>2,967,087.53</u>
	<u>\$ 8,749,641.41</u>

Investments

The Township had no investments as of December 31, 2018.

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>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	<u>\$ 3.633</u>	<u>\$ 3.579</u>	<u>\$ 3.512</u>
Apportionment of Tax Rate:			
Municipal	0.644	0.641	0.637
County General	0.964	0.950	0.928
Local School	2.025	1.988	1.947

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 3. Property Taxes (continued)

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2018	\$ 1,263,773,263.00
2017	1,259,248,750.00
2016	1,256,876,026.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2018	\$ 47,955,547.74	\$ 47,806,501.21	99.69%
2017	46,960,466.00	46,864,417.00	99.80%
2016	45,996,255.00	45,819,321.00	99.61%

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>
2018	\$ 105,668.31	\$ 8,198.23	\$ 113,866.54	0.24%
2017	118,444.68	12,797.95	131,242.63	0.28%
2016	95,462.00	23,763.00	119,225.00	0.26%

Number of Tax Title Liens

<u>Year</u>	<u>Number</u>
2018	13
2017	18
2016	12

The last tax sale was held on December 28, 2018.

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>
2018	\$ 1,894,100.00
2017	1,894,100.00
2016	1,894,100.00

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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>
2018	\$ 13,518.19	\$ 3,168,375.05	\$ 3,181,893.24	\$ 3,168,611.78	99.58%
2017	31,057.00	3,154,004.00	3,185,061.00	3,171,542.81	99.57%
2016	10,221.00	3,160,408.00	3,170,629.00	3,139,572.00	99.02%

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>
Current Fund:			
2018	\$ 2,731,458.48	\$ 2,270,000.00	83.11%
2017	2,299,337.00	1,500,000.00	65.24%
2016	2,204,816.00	1,400,000.00	63.50%
Utility Operating Fund:			
2018	\$ 235,360.08	\$ 200,000.00	84.98%
2017	510,640.00	275,281.00	53.91%
2016	1,120,093.00	754,287.00	67.34%

Note 7. Disaggregated Receivable and Payable Balances

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

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, 2018:

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 8. Interfund Receivables, Payables and Transfers (continued)

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 1,148.93	\$ 521,023.92
State and Federal Grant Fund	249,978.61	-
Animal Control Trust	-	1,148.93
Trust Other Fund	48,638.99	-
Trust Assessment Fund	450.00	-
Capital Fund	265,122.65	450.00
Utility Operating Fund	2,269.46	42,716.33
Utility Capital Fund	-	2,269.46
	<u>\$ 567,608.64</u>	<u>\$ 567,608.64</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:

Fund	Transfers In	Transfers Out
Current Fund	\$ 297,000.00	\$ 491,989.79
State and Federal Grant Fund	265,314.79	-
Capital Fund	226,675.00	297,000.00
Utility Operating Fund	232,560.00	-
Utility Capital Fund	-	232,560.00
	<u>\$ 1,021,549.79</u>	<u>\$ 1,021,549.79</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.

Note 9. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2018:

	Balance December 31, 2017	Additions	Deletions	Balance December 31, 2018
Land	\$ 4,086,701.00	\$ -	\$ -	\$ 4,086,701.00
Buildings and Improvements	3,922,957.00	-	-	3,922,957.00
Machinery & Equipment	5,220,054.00	109,707.00	-	5,329,761.00
	<u>\$ 13,229,712.00</u>	<u>\$ 109,707.00</u>	<u>\$ -</u>	<u>\$ 13,339,419.00</u>

TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of 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 2018, the State's pension contribution was less than the actuarial determined amount. The local

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS)

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, 2018, the Township's contractually required contribution to PERS plan was \$320,309.

Components of Net Pension Liability - At December 31, 2018, the Township's proportionate share of the PERS net pension liability was \$6,340,475. The net pension liability was measured as of June 30, 2018. 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, 2017, which was rolled forward to June 30, 2018. 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, 2018. The Township's proportion measured as of June 30, 2018, was .032203200% which was a decrease of .0027407257% from its proportion measured as of June 30, 2017.

Balances at December 31, 2018 and December 31, 2017

	<u>12/31/2018</u>	<u>12/30/2017</u>
Actuarial valuation date (including roll forward)	June 30, 2018	June 30, 2017
Deferred Outflows of Resources	\$ 3,344,605	\$ 5,421,613
Deferred Inflows of Resources	4,977,497	5,348,429
Net Pension Liability	6,340,475	8,134,183
Township's portion of the Plan's total net pension Liability	0.03220%	0.03494%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2018, the Township's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2018 measurement date is \$235,378. 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 \$320,309 to the plan in 2018.

At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS)

	<u>Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 120,914	\$ 32,694
Changes of Assumptions	1,044,805	2,027,347
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	59,474
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>2,178,886</u>	<u>2,857,982</u>
	<u>\$ 3,344,605</u>	<u>\$ 4,977,497</u>

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

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
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	-
June 30, 2018	5.63	-
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
June 30, 2018	-	5.63
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	-
June 30, 2018	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
June 30, 2018	5.63	5.63

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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:

Year Ending Dec 31,	<u>Amount</u>
2019	\$ (173,870.00)
2020	(526,430.00)
2021	(359,072.00)
2022	(391,974.00)
2023	<u>(181,547.00)</u>
	<u><u>\$ (1,632,893.00)</u></u>

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

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

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

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS)

retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2012 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, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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

TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 10. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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 5.66% as of June 30, 2018. 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 3.87% as of June 30, 2018 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 50% 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 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the 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 (4.66%) or 1-percentage-point higher (6.66%) than the current rate:

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS)

	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
Township's Proportionate Share of the Net Pension Liability	\$ 7,972,418	\$ 6,340,476	\$ 4,971,381

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

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

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Pension Obligations (continued)

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

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 2018, 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, 2018, the Township's contractually required contributions to PFRS plan was \$717,479.

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

Net Pension Liability and Pension Expense - At December 31, 2018 the Township's proportionate share of the PFRS net pension liability was \$9,930,650. The net pension liability was measured as of June 30, 2018. 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, 2017, to the measurement date of June 30, 2018. 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, 2018. The Township's proportion measured as of June 30, 2018, was .0733883248%, which was an increase of .0023780544% from its proportion measured as of June 30, 2017.

Balances at December 31, 2018 and December 31, 2017

	<u>12/31/2018</u>	<u>12/31/2017</u>
Actuarial valuation date (including roll forward)	June 30, 2018	June 30, 2017
Deferred Outflows of Resources	\$ 1,805,430	\$ 2,394,906
Deferred Inflows of Resources	3,081,018	2,511,015
Net Pension Liability	9,930,650	10,962,613
Township's portion of the Plan's total net pension Liability	0.07339%	0.07101%

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2018, the Township's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2018 measurement date was \$844,986. 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 \$717,479 to the plan in 2018.

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Pension Obligations (continued)

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

At December 31, 2018, 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	\$ 101,031	\$ 41,095
Changes of Assumptions	852,413	2,545,054
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	54,330
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>851,986</u>	<u>440,539</u>
	<u>\$ 1,805,430</u>	<u>\$ 3,081,018</u>

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

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Pension Obligations (continued)

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
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	-
June 30, 2018	5.73	-
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
June 30, 2018	-	5.73
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	-
June 30, 2018	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
June 30, 2018	5.73	5.73

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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:

Year Ending	
<u>Dec 31,</u>	<u>Amount</u>
2019	\$ 270,050.00
2020	(20,457.00)
2021	(479,176.00)
2022	(892,126.00)
2023	<u>(153,881.00)</u>
	<u><u>\$ (1,275,590.00)</u></u>

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 \$1,348,915 as of December 31, 2018. The net pension liability was measured as of June 30, 2018. 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, 2017, to the measurement date of June 30, 2018. 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, 2018 was .0733883248%, which was an increase of .0023780544% from its proportion measured as of June 30, 2017, which is the same proportion as the Township's. At December 31, 2018, the Township's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Pension Obligations (continued)

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

Township's Proportionate Share of Net Pension Liability	\$ 9,930,650
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>1,348,915</u>
	<u>\$ 11,279,565</u>

At December 31, 2018, the State's proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2018 measurement date was \$159,777.

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 2012 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 2012 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, 2018**

Note 10. Pension Obligations (continued)

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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 6.51% as of June 30, 2018. 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 3.87% as of June 30, 2018 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

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Pension Obligations (continued)

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

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.

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 (5.51%) or 1-percentage-point higher (7.51%) than the current rate:

	1% Decrease (5.51%)	Current Discount Rate (6.51%)	1% Increase (7.51%)
Township's Proportionate Share of the Net Pension Liability	\$ 13,290,943	\$ 9,930,650	\$ 7,139,637
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>1,805,355</u>	<u>1,348,915</u>	<u>969,802</u>
	<u><u>\$ 15,096,298</u></u>	<u><u>\$ 11,279,565</u></u>	<u><u>\$ 8,109,439</u></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, 2018

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>2018</u>	<u>2017</u>	<u>2016</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 22,992,748.00	\$ 22,912,140.00	\$ 23,361,710.00
Utility:			
Bonds, Notes and Loans	11,384,977.82	10,907,900.00	11,206,143.00
Total Debt Issued	<u>34,377,725.82</u>	<u>33,820,040.00</u>	<u>34,567,853.00</u>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	2,497,763.00	1,992,013.00	1,488,263.00
Utility:			
Bonds, Notes and Loans	2,152,987.00	2,477,987.00	1,977,987.00
Total Authorized But Not Issued	<u>4,650,750.00</u>	<u>4,470,000.00</u>	<u>3,466,250.00</u>
Total Gross Debt	<u>\$ 39,028,475.82</u>	<u>\$ 38,290,040.00</u>	<u>\$ 38,034,103.00</u>
Deductions:			
Utility:			
Self Liquidating Debt	\$ 8,667,239.02	\$ 13,385,887.00	\$ 13,184,130.00
Total Deductions	<u>8,667,239.02</u>	<u>13,385,887.00</u>	<u>13,184,130.00</u>
Total Net Debt	<u>\$ 30,361,236.80</u>	<u>\$ 24,904,153.00</u>	<u>\$ 24,849,973.00</u>

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	\$ 3,625,000.00	\$ 3,625,000.00	\$ -
General Debt	25,490,511.00	-	25,490,511.00
Utility Debt	13,537,964.82	8,667,239.02	4,870,725.80
	<u>\$ 42,653,475.82</u>	<u>\$ 12,292,239.02</u>	<u>\$ 30,361,236.80</u>

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 11. Municipal Debt (continued)

Net Debt \$30,361,236.80 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$1,359,759,235.67, equals 2.233%. 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, 2018 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 47,591,573.25
Net Debt	<u>30,361,236.80</u>
Remaining Borrowing Power	<u>\$ 17,230,336.45</u>

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

Cash Receipts From Fees, Rents or Other Charges for the Year	\$ 3,522,626.39
Deductions:	
Operating and Maintenance Costs	\$ 2,669,500.00
Debt Service	<u>1,096,662.68</u>
Total Deductions	<u>3,766,162.68</u>
Excess/(Deficit) in Revenue	<u>\$ (243,536.29)</u>

*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.

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.

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 11. Municipal Debt (continued)

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.

On August 30 2018, the Township issued \$1,528,000.00 of Refunding Bonds to refund the callable portion of the outstanding 2008 Bond Issue. The Refunding Bonds generated \$27,000.00 in gross debt service savings and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$50,154.92, or a net annual present value savings of 3.23%. The Refunding Bonds were issued at interest rates varying from 3.00% to 4.00% and mature on May 1, 2028.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 971,000.00	\$ 475,110.00	\$ 1,446,110.00
2020	1,057,000.00	449,230.00	1,506,230.00
2021	1,072,000.00	421,670.00	1,493,670.00
2022	977,000.00	392,240.00	1,369,240.00
2023	1,002,000.00	360,860.00	1,362,860.00
2024-2028	4,379,000.00	1,328,425.00	5,707,425.00
2029-2033	2,367,000.00	797,662.50	3,164,662.50
2034-2038	980,000.00	520,200.00	1,500,200.00
2039-2043	1,215,000.00	305,600.00	1,520,600.00
2044-2046	780,000.00	62,400.00	842,400.00
	<u>\$ 14,800,000.00</u>	<u>\$ 5,113,397.50</u>	<u>\$ 19,913,397.50</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, 2018</u>
Series 2018 A	11/6/2017	11/5/2018	1.79%	\$ 7,773,985.00
Series 2018 A - Taxable	1/23/2018	1/22/2019	1.29%	237,500.00
				<u>\$ 8,011,485.00</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, 2018, the Township had \$2,497,763.00 in various General Capital bonds and notes authorized but not issued.

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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>
2019	\$ 39,491.00	\$ 3,428.77	\$ 42,919.77
2020	40,286.00	2,634.98	42,920.98
2021	41,096.00	1,825.26	42,921.26
2022	41,920.00	999.26	42,919.26
2023	18,470.00	184.70	18,654.70
	<u>\$ 181,263.00</u>	<u>\$ 9,072.97</u>	<u>\$ 190,335.97</u>

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.

On August 30 2018, the Township issued \$947,000.00 of Refunding Bonds to refund the callable portion of the outstanding 2008 Bond Issue. The Refunding Bonds generated \$18,000.00 in gross debt service savings and an economic gain (difference between the present value of the debt service payments of the

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 11. Municipal Debt (continued)

refunded and refunding bonds) of \$31,025.47, or a net annual present value savings of 3.22%. The Refunding Bonds were issued at interest rates varying from 3.00% to 4.00% and mature on May 1, 2028.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 364,000.00	\$ 125,690.00	\$ 489,690.00
2020	393,000.00	117,570.00	510,570.00
2021	393,000.00	107,130.00	500,130.00
2022	403,000.00	95,710.00	498,710.00
2023	403,000.00	83,740.00	486,740.00
2024-2028	1,681,000.00	215,227.50	1,896,227.50
2029-2032	540,000.00	35,305.00	575,305.00
	<u>\$ 4,177,000.00</u>	<u>\$ 780,372.50</u>	<u>\$ 4,957,372.50</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, 2018:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2018</u>
Series 2018 A	11/6/2017	11/5/2018	1.790%	<u>\$ 3,652,500.00</u>
				<u>\$ 3,652,500.00</u>

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, 2018 the Township had \$2,152,987.00 in various Utility bonds and notes authorized but not issued.

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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>
2019	\$ 322,893.49	\$ 114,600.00	\$ 437,493.49
2020	333,870.18	106,850.00	440,720.18
2021	344,266.95	98,450.00	442,716.95
2022	354,328.46	89,100.00	443,428.46
2023	364,053.31	79,200.00	443,253.31
2024-2028	1,836,065.43	234,750.00	2,070,815.43
	<u>\$3,555,477.82</u>	<u>\$ 722,950.00</u>	<u>\$4,278,427.82</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, 2017	Accrued/ Increases	Retired/ Decreases	Balance December 31, 2018	Balance Due Within One Year
General Capital:					
General Bonds	\$ 15,886,650.00	\$ 1,528,000.00	\$ 2,614,650.00	\$ 14,800,000.00	\$ 971,000.00
Bond Anticipation Notes	6,810,485.00	8,011,485.00	6,810,485.00	8,011,485.00	8,011,485.00
Loans	219,976.00	-	38,713.00	181,263.00	39,491.00
	<u>\$ 22,917,111.00</u>	<u>\$ 9,539,485.00</u>	<u>\$ 9,463,848.00</u>	<u>\$ 22,992,748.00</u>	<u>\$ 9,021,976.00</u>
Utility Capital:					
Utility Bonds	\$ 4,670,350.00	\$ 947,000.00	\$ 1,440,350.00	\$ 4,177,000.00	\$ 364,000.00
Bond Anticipation Notes	2,362,500.00	3,652,500.00	2,362,500.00	3,652,500.00	3,652,500.00
Loans	3,875,050.00	-	319,572.18	3,555,477.82	322,893.49
	<u>\$ 10,907,900.00</u>	<u>\$ 4,599,500.00</u>	<u>\$ 4,122,422.18</u>	<u>\$ 11,384,977.82</u>	<u>\$ 4,339,393.49</u>

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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, 2018 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>2018</u>	2019 Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
Animal Control Fund			
Overexpenditure of Reserve	\$ 33.91	\$ 33.91	\$ -

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 \$1,595,106 at December 31, 2018.

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, 2018, the Township has reserved in the Other Trust Fund \$104,016.81 to fund compensated absences in accordance with NJSA 40A:4-39.

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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, 2018, 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>
2018	\$ -	\$ 7,950.11	\$ 597.31	\$ 21,073.62	\$ 114,470.08
2017	-	8,330.28	375.00	2,924.00	126,996.28
2016	10,000.00	5,792.00	365.00	23,404.00	121,215.00

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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, 2018 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, 2018.

Note 17. Postemployment Benefits Other Than Pensions

A. Local Plan

General Information about the OPEB Plan

The financial statements of the Township are not prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. The following information is provided in accordance with the requirements of the Statement and has been implemented prospectively.

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.

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 17. Postemployment Benefits Other Than Pensions (continued):

Employees and Retirees Covered – At December 31, 2018, the following employees were covered by the Township plan:

Participant Data	As of <u>12/31/2016</u>	As of <u>12/31/2018</u>
<u>Active Employees</u>		
Total	56	54
Average Age	57.0	46.8
Average Service	16.3	12.8
<u>Retired Employees</u>		
Retirees (including spouses)	63	57

Actuarial Assumptions and Other Inputs

This valuation has been conducted as of December 31, 2018 based on census, plan design and premium information provided by the Township. Census includes 38 retired participants (including spouses) and 70 active participants. The Measurement Date, for each fiscal year is as of the end of the prior year. Thus, the Total OPEB Liability for fiscal year ending December 31, 2018 of \$17,213,210 is measured at December 31, 2017 as allowed under GASB 75.

The values are determined in accordance with GASB 75 including the Individual Entry Age Normal Cost method with the normal cost determined as a percentage of pay. Standard roll forward and backward techniques were used to adjust valuation dates to measurement dates. The following assumptions and other inputs applied to all periods in the measurement, unless otherwise specified:

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 17. Postemployment Benefits Other Than Pensions (continued):

Actuarial Cost Method	Individual Entry Age Normal as a level percentage of pay						
Discount Rate	Based on Muni 20 year Aa as published by Fidelity Investments 3.31% as of December 31, 2018 (measured at December 31, 2017).						
Inflation Rate	2.50%						
Salary Increases	3.00%						
Health Care Cost Trend	7.00% for 2016-2019 grading down to 3.5% (by 0.5% increments) in 2026.						
Per Capita Claims Costs and Premiums	Annual per capita cost for retiree and spouse at age 64 and 65. <table> <tr> <td>Age 64</td><td>\$ 23,561</td></tr> <tr> <td>Age 65</td><td>\$ 3,247</td></tr> <tr> <td>Dental (all ages)</td><td>N/A</td></tr> </table>	Age 64	\$ 23,561	Age 65	\$ 3,247	Dental (all ages)	N/A
Age 64	\$ 23,561						
Age 65	\$ 3,247						
Dental (all ages)	N/A						
Age Based Utilization	Per capita costs (non Medicare eligible) are adjusted to reflect expected costs changers related to age. Age factors range from .60 for under age 30 to 3.00 for 75 and up.						
Rates of Mortality	RP 2014 White or Blue Collar Table projected to 2024 with scale MP18.						
Rates of Turnover	Ultimate termination rates vary by age						
Rates of Retirement	Annual rates varying by age						
Rates of Disability	None assumed						
Spouse Assumption	Marrital status is assumed not to change prior to or after retirment						
Retiree Participation	100% of eligible retirees are assumed to elect to participate in the plan						
Funding Policy	Pay as you go						
Investment Rate of Return	Not applicable						
Asset Valuation Method	Not applicable						

Discount Rate – The discount rate is the single rate that reflects (1) the long-term expected rate of return on the OPEB plan investments that are expected to be used to finance the payments of benefits, to the extent that the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and OPEB plan assets are expected to be invested using a strategy to achieve that return and (2) a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of Aa, to the extent that the conditions for use of the long-term expected rate of return are not met. For the total OPEB liability calculation as of December 31, 2018, the discount rate utilized was 3.31%.

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 17. Postemployment Benefits Other Than Pensions (continued):

Changes in the Total OPEB Liability – The changes to the total OPEB Liability during the year ending December 31, 2018 were as follows:

Changes in the Total OPEB Liability

Total OPEB Liability

Balance, January 1, 2018	\$ 17,074,358
Changes for the Year:	
Service Cost	280,608
Interest Cost	637,705
Changes of Assumptions	765,150
Difference between Actual and Expected	(871,219)
Benefits Paid (implicit)	(673,392)
Net Changes	138,852
Balance, December 31, 2018	\$ 17,213,210

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be, if it were calculated using a discount rate that is 1-percentage-point lower (2.31 percent) or 1-percentage pointer higher (4.31 percent) that the current discount rate:

	December 31, 2018		
	At 1% Decrease (2.31%)	At Discount Rate (3.31%)	At 1% Increase (4.31%)
Total OPEB Liability	\$ 19,887,463.00	\$ 17,213,210.00	\$ 15,056,693.00

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

	December 31, 2018		
	1% Decrease	Healthcare Cost Trend Rate*	1% Increase
Total OPEB Liability	\$ 15,285,873.00	\$ 17,213,210.00	\$ 19,572,930.00

* See Healthcare Cost Trend Assumptions for details of rates.

TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 17. Postemployment Benefits Other Than Pensions (continued):

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Township's OPEB expense was estimated to be \$827,769. At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ (726,016)
Changes of Assumptions or other inputs	<u>637,625</u>	<u>(291,465)</u>
Total	<u>\$ 637,625</u>	<u>\$ (1,017,481)</u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	
2019	\$ (90,544)
2020	(90,544)
2021	(90,544)
2022	(90,544)
Thereafter	<u>(17,680)</u>
	<u>\$ (379,856)</u>

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 17. Postemployment Benefits Other Than Pensions (continued):

Other Supplementary Information

Schedule of Changes in the Township's Total OPEB Liability and Related Ratios

	Fiscal Year Ending December 31,		
	2018	2017	2016
Service Cost	\$ 280,608	\$ 304,664	N/A
Interest Cost	637,705	594,387	
Changes of Assumptions	765,150	(437,198)	
Difference between Actual and Expected	(871,219)	-	
Benefits Paid (implicit)	<u>(673,392)</u>	<u>(588,166)</u>	
Net Change in Total OPEB Liability	138,852	(126,314)	
Total OPEB Liability (Beginning)	<u>17,074,358</u>	<u>17,200,672</u>	
Total OPEB Liability (Ending)	<u><u>\$17,213,210</u></u>	<u><u>\$17,074,358</u></u>	
Total Covered Employee Payroll	2,310,446	2,363,610	
Net OPEB Liability as a Percentage of Payroll	745%	722%	

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 17. Postemployment Benefits Other Than Pensions (continued):

Schedule of Funding Progress

Year Ended	December 31, 2018	2017
Total OPEB Liability	\$ 17,213,210	\$ 17,074,358
Fiduciary Net Position	-	-
Net OPEB Liability	<u>\$ 17,213,210</u>	<u>\$ 17,074,358</u>
Funded Ratio	0%	0%
Covered Payroll	2,310,446	2,363,610
Net OPEB Liability as a Percentage of Covered Payroll	745%	722%

Schedule of Employer Contributions

Year Ended December 31,	Actuarial Determined Contribution	Actual Contribution	Contribution Deficiency	Covered Payroll	Contributions Percentage Covered Payroll
2018	\$ 898,313	\$ 673,392	\$ 224,921	\$ 2,310,446	29%
2017	899,051	588,166	310,885	2,363,610	25%

B. State Plan

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 17. Postemployment Benefits Other Than Pensions (continued):

medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

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

Basis of Presentation

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the participating employers or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan 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.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2018 were \$6,338,578,586 and \$9,642,524,641, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2017 through June 30, 2018. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 17. Postemployment Benefits Other Than Pensions (continued):

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

The participating employer allocations included in the supplemental schedule of employer special funding allocations and the supplemental schedule of special funding amounts by employer for each employer are provided as each employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the OPEB expense allocated to the State of New Jersey under the special funding situation and include their proportionate share of the collective net OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

Additionally, the State's proportionate share of the OPEB liability attributable to the Township is \$6,122,874.00 as of December 31, 2018. The OPEB liability was measured as of June 30, 2018. The total OPEB liability used to calculate the OPEB liability was determined using update procedures to roll forward the total OPEB liability from an actuarial valuation as of July 1, 2017, to the measurement date of June 30, 2018. The State's proportion of the OPEB liability associated with the Township was based on a projection of the Township's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2018 was 0.098536%, which was a decrease of 0.002057% from its proportion measured as of June 30, 2017, which is the same proportion as the Township's. At December 31, 2018, the Township's and the State of New Jersey's proportionate share of the OPEB liability were as follows:

State of New Jersey's	
Proportionate Share of OPEB Liability	
Associated with the Township	\$ 6,122,874.00

At December 31, 2018, the State's proportionate share of the OPEB expense, associated with the Township, calculated by the plan as of the June 30, 2018 measurement date was \$185,347.00.

**TOWNSHIP OF HADDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 18. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2018 and November 15, 2019, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. No items have come to the attention of the Township that would require disclosure.

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, 2018**

	<u>CURRENT</u>	<u>STATE & FEDERAL</u>
Balance December 31, 2017	\$ 5,914,600.95	\$ -
Increased by Receipts:		
Tax Collector	\$ 48,795,912.27	-
Revenue Accounts Receivable	1,335,611.92	-
Miscellaneous Revenue Not Anticipated	638,327.01	-
New Jersey State Training Fees	21,650.00	-
Reserve for Fire Safety Act Penalties	900.00	-
Reserve for Flex Spending	20.11	-
Due to C.C.M.U.A.	99,954.94	-
Due to General Capital Fund	297,000.00	-
Due to Current Fund	-	265,314.79
Federal & State Grants Unappropriated	-	109,375.57
Federal & State Grants Receivable	-	185,284.02
	<u>51,189,376.25</u>	<u>559,974.38</u>
Subtotal	<u>51,189,376.25</u>	<u>559,974.38</u>
Total	<u>57,103,977.20</u>	<u>559,974.38</u>
Decreased by Disbursements:		
2018 Appropriations	12,001,596.32	-
2017 Appropriation Reserves	249,539.44	-
County Taxes	12,176,156.98	-
Due County for Added & Omitted Taxes	40,633.19	-
Fire District Taxes Payable	1,715,283.00	-
Local District School Tax	25,579,361.00	-
Business Improvement District Taxes	168,428.92	-
New Jersey State Training Fees	22,582.00	-
Tax Overpayments	63,061.91	-
Due to C.C.M.U.A.	103,094.01	-
Reserve for Salt and Sand	28,198.62	-
Reserve for Streetscape Proceeds	22,594.82	-
Refund of Prior Year Revenue	21,656.25	-
Petty Cash	200.00	-
Due to General Capital Fund	226,675.00	-
Due Federal & State Grant Fund	265,314.79	-
Reserve for Federal & State Grant Funds Appropriated	-	559,974.38
	<u>52,684,376.25</u>	<u>559,974.38</u>
Total Disbursements	<u>52,684,376.25</u>	<u>559,974.38</u>
Balance December 31, 2018	<u><u>\$ 4,419,600.95</u></u>	<u><u>\$ -</u></u>

**TOWNSHIP OF HADDON
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017		\$ -
Increased by:		
Taxes Receivable	\$ 46,070,367.99	
Tax Title Liens	51,313.35	
Interest & Costs on Taxes	83,265.65	
2019 Prepaid Taxes	329,210.20	
Due from State of New Jersey Senior Citizen & Veteran Deductions	114,296.40	
Fieldstone PILOT Payments	885,243.68	
Consolidated Municipal Property Relief Aid	54,169.00	
Energy Receipts Tax	1,208,046.00	48,795,912.27
Subtotal		48,795,912.27
Decreased by:		
Payments to Treasurer		48,795,912.27
Balance December 31, 2018		\$ -

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, 2018**

Office:		
Municipal Court	\$ 75.00	
Crystal Lake Pool Operations	125.00	
Township Clerk (Central Cashiering)	150.00	
Tax Collector (Central Cashiering)	300.00	
Total		\$ 650.00

**TOWNSHIP OF HADDON
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2018**

YEAR	BALANCE DECEMBER 31, 2017		2018 LEVY	ADDED TAXES	COLLECTED		DUE FROM STATE OF NEW JERSEY	CANCELLED	OVERPAYMENTS CREATED	TRANSFER TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2018	
					2017	2018						
2017	\$	12,798.00	\$	-	\$	750.00	\$	-	\$	59.38	\$	-
Total		12,798.00		-		750.00		-		59.38		-
2018		-		47,746,282.26		208,515.48		1,749,621.84		46,056,879.37		122,340.47
								26,208.69		(46,987.52)		38,536.66
Total	\$	12,798.00	\$	47,746,282.26	\$	209,265.48	\$	1,749,621.84	\$	46,070,367.99	\$	122,340.47
								26,268.07		(46,987.52)		38,536.66
												8,198.23

ANALYSIS OF 2018 PROPERTY TAX LEVY

General Purpose Tax		\$ 45,907,112.34
Fire District Taxes		1,670,741.00
Special District Taxes		168,428.92
Added & Omitted Taxes		<u>209,265.48</u>
Total		<u>\$ 47,955,547.74</u>
TAX LEVY:		
Local District School Tax		\$ 25,579,310.00
County Taxes:		
General County Tax	\$ 11,195,733.72	
County Library Tax	707,586.79	
County Open Space	272,836.47	
Due County for Added & Omitted Taxes	<u>53,322.91</u>	12,229,479.89
Fire District Taxes:		
Fire District No. 1	1,471,282.00	
Fire District No. 3	45,433.00	
Fire District No. 4	<u>154,026.00</u>	1,670,741.00
Special District Taxes:		
Haddon Township Business Improvement		168,428.92
Local Tax for Municipal Purposes	8,150,000.00	
Add: Addition Tax Levied	<u>157,587.93</u>	<u>8,307,587.93</u>
Total		<u>\$ 47,955,547.74</u>

EXHIBIT A-8

**TOWNSHIP OF HADDON
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$ 118,445.00
Increased by:	
Transfers from Taxes Receivable	<u>38,536.66</u>
Subtotal	156,981.66
Decreased by:	
Lien Payments Received	<u>51,313.35</u>
Balance December 31, 2018	<u><u>\$ 105,668.31</u></u>

EXHIBIT A-9

**SCHEDULE OF DUE FROM STATE OF NJ VETERAN AND SENIOR CITIZEN DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$ 31,452.00
Increased by:	
Senior Citizen & Veterans Deductions Per Tax Billings	\$ 133,250.00
Deductions Allowed by Tax Collector	<u>1,750.00</u> 135,000.00
Subtotal	166,452.00
Decreased by:	
Deductions Disallowed by Tax Collector - 2018 Taxes	12,409.53
Receipts - Collector	<u>114,296.40</u> 126,705.93
Balance December 31, 2018	<u><u>\$ 39,746.07</u></u>

**TOWNSHIP OF HADDON
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2018**

	BALANCE DECEMBER 31, 2017	ACCRUED IN 2018	REALIZED	BALANCE DECEMBER 31, 2018
Clerk:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 25,640.00	\$ 25,640.00	\$ -
Other	-	7,120.00	7,120.00	-
Fees & Permits	-	86,049.25	86,049.25	-
Municipal Court:				
Fines & Costs	19,079.00	225,843.87	233,423.74	11,499.13
Parking Meters	-	16,640.61	16,640.61	-
Operation of Crystal Lake	-	206,132.50	206,132.50	-
Uniform Construction Code Fees & Permits	-	370,275.75	370,275.75	-
Borough of Audubon Park - Police Protection Services	-	390,330.07	390,330.07	-
Utility Operating Surplus	-	-	-	-
Reserve for Repayment of Bonds	-	-	-	-
Total	\$ 19,079.00	\$ 1,328,032.05	\$ 1,335,611.92	\$ 11,499.13

**TOWNSHIP OF HADDON
CURRENT FUND
SCHEDULE OF FORECLOSED PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017 and 2018

\$ 1,894,100.00

**SCHEDULE OF DEFERRED CHARGES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	BALANCE DECEMBER 31, 2017	ADDED IN 2018	RAISED IN 2018 BUDGET	BALANCE DECEMBER 31, 2018
Overexpenditure of Appropriations	\$ 35,810.00	\$ -	\$ 35,810.00	\$ -
Total	<u>\$ 35,810.00</u>	<u>\$ -</u>	<u>\$ 35,810.00</u>	<u>\$ -</u>

**TOWNSHIP OF HADDON
CURRENT FUND
SCHEDULE OF 2017 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2018**

OPERATIONS	BALANCE DECEMBER 31, 2017		BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
	ENCUMBERED	RESERVED			
General Government Functions:					
General Administration:					
Other Expenses	\$ 68.47	\$ 29.25	\$ 97.72	\$ 45.48	\$ 52.24
Human Resources:					
Salaries and Wages	-	329.42	329.42	-	329.42
Other Expenses	1,921.04	4,870.13	6,791.17	4,200.73	2,590.44
Mayor & Commissioners:					
Salaries and Wages	-	904.26	904.26	-	904.26
Other Expenses	-	564.63	564.63	-	564.63
Municipal Clerk:					
Salaries and Wages	-	833.20	833.20	-	833.20
Other Expenses	366.29	9,439.36	9,805.65	152.57	9,653.08
Registrar of Vital Statistics:					
Salaries and Wages	-	334.92	334.92	-	334.92
Other Expenses	316.74	152.83	469.57	22.74	446.83
Financial Administration:					
Salaries and Wages	-	12,753.93	12,753.93	-	12,753.93
Other Expenses	479.66	884.29	1,363.95	456.92	907.03
Audit Services:					
Annual Audit	1,400.00	-	1,400.00	-	1,400.00
Revenue Administration (Tax Collector):					
Salaries and Wages	-	2,556.88	2,556.88	-	2,556.88
Other Expenses	662.93	2,852.74	3,515.67	114.09	3,401.58
Tax Assessor:					
Salaries and Wages	-	29,965.90	29,965.90	-	29,965.90
Other Expenses	1,647.83	8,419.83	10,067.66	2,594.97	7,472.69
Legal Services:					
Other Expenses	4,182.23	64,283.14	68,465.37	11,451.23	57,014.14
Municipal Court:					
Salaries and Wages	-	1,308.89	1,308.89	-	1,308.89
Other Expenses	1,991.68	8,385.07	10,376.75	2,938.15	7,438.60
Public Defender:					
Salaries and Wages	750.00	150.00	900.00	750.00	150.00
Engineering Services & Cost:					
Other Expenses	-	5,911.46	5,911.46	-	5,911.46
Economic Development:					
Other Expenses	30.28	8,151.02	8,181.30	180.28	8,001.02
Land Use Administration:					
Planning Board:					
Salaries and Wages	-	3,063.21	3,063.21	-	3,063.21
Other Expenses	859.05	536.01	1,395.06	1,393.44	1.62
Code Enforcement & Administration:					
Rent Control Commission:					
Salaries and Wages	-	2,240.32	2,240.32	-	2,240.32
Other Expenses	148.71	192.72	341.43	-	341.43
Insurance:					
General Liability	-	2,468.89	2,468.89	-	2,468.89
Employee Group Health	-	59,298.86	9,298.86	377.50	8,921.36

**TOWNSHIP OF HADDON
CURRENT FUND
SCHEDULE OF 2017 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2018**

OPERATIONS	BALANCE DECEMBER 31, 2017		BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
	ENCUMBERED	RESERVED			
Public Safety Functions:					
Police:					
Salaries and Wages	-	19,942.34	69,942.34	41,068.45	28,873.89
Other Expenses	21,833.84	6,496.80	28,330.64	22,675.13	5,655.51
Office of Emergency Management:					
Salaries and Wages	-	3,156.80	3,156.80	-	3,156.80
Other Expenses	-	250.00	250.00	-	250.00
Uniform Fire Safety Act:					
Salaries and Wages	-	2,930.46	2,930.46	-	2,930.46
Other Expenses	249.07	76.49	2,325.56	1,678.86	646.70
Municipal Prosecutor:					
Salaries and Wages	1,115.86	1,059.68	2,175.54	1,115.86	1,059.68
Public Works Functions:					
Streets & Roads Maintenance:					
Salaries and Wages	-	35,085.51	30,085.51	-	30,085.51
Other Expenses	12,743.85	7,820.64	20,564.49	8,785.67	11,778.82
Maintenance of Traffic Lights:					
Other Expenses	-	2,581.20	2,581.20	-	2,581.20
Shade Tree:					
Salaries and Wages	-	471.36	471.36	-	471.36
Other Expenses	10,200.00	423.20	10,623.20	10,623.20	-
Solid Waste Collection:					
Other Expenses	24,684.00	-	24,684.00	8,505.00	16,179.00
Building & Grounds:					
Other Expenses	1,089.33	5,510.85	6,600.18	245.00	6,355.18
Vehicle Maintenance:					
Other Expenses	10,505.20	12,490.48	22,995.68	5,357.95	17,637.73
Community Services Act:					
Other Expenses	2,265.25	26,405.68	29,170.93	28,959.85	211.08
Health & Human Services:					
Environmental Commission:					
Other Expenses	235.00	769.82	1,004.82	235.00	769.82
Animal Control Program:					
Other Expenses	-	279.37	2,279.37	1,800.00	479.37
Park & Recreation Functions:					
Crystal Lake Pool:					
Salaries and Wages	-	19,100.70	19,100.70	-	19,100.70
Other Expenses	24,192.48	981.08	25,673.56	25,415.15	258.41
Parks & Playgrounds:					
Other Expenses	1,052.03	1,076.64	2,128.67	194.62	1,934.05
Utility Expense & Bulk Purchases:					
Electricity	-	14,449.38	14,449.38	3,083.22	11,366.16
Street Lighting	-	62,989.40	62,989.40	15,359.99	47,629.41
Telephone & Telegraph	1,460.47	2,448.26	3,908.73	2,332.74	1,575.99
Natural Gas	-	10,235.00	10,235.00	7,665.75	2,569.25
Gasoline	6,869.00	23,837.11	30,706.11	7,700.01	23,006.10
Postage	225.00	2,275.00	2,500.00	-	2,500.00
Copier	305.97	1,861.12	2,167.09	388.84	1,778.25
Landfill/Solid Waste Disposal Costs:					
Disposal Costs	38,312.27	6,578.58	44,890.85	29,670.03	15,220.82

**TOWNSHIP OF HADDON
CURRENT FUND
SCHEDULE OF 2017 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2018**

OPERATIONS	BALANCE DECEMBER 31, 2017		BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
	ENCUMBERED	RESERVED			
Appropriation Offset By					
Dedicated Revenues:					
Code Enforcement & Administration:					
Salaries and Wages	-	20,201.48	20,201.48	-	20,201.48
Other Expenses	849.20	35,249.40	36,098.60	48.03	36,050.57
Other Common Operating Functions:					
Accumulated Leave Compensation	-	9,000.00	9,000.00	-	9,000.00
Celebration of Public Events, Anniversary or Holiday					
Other Expenses	59.10	79.40	138.50	-	138.50
Senior Citizen Coordinator:					
Salaries and Wages	-	1,896.45	1,896.45	-	1,896.45
Other Expenses	153.48	1,140.32	1,293.80	130.74	1,163.06
Community Communications:					
Salaries and Wages	-	12,010.16	12,010.16	-	12,010.16
Other Expenses	-	1,344.34	1,344.34	551.25	793.09
Disolution of Fire District #2	-	2,793.48	2,793.48	-	2,793.48
Total General Appropriations for Municipal Purposes Within "CAPS"	173,225.31	586,179.14	759,404.45	248,268.44	511,136.01
Deferred Charges & Statutory Expenditures					
Municipal Within "CAPS":					
Statutory Expenditures:					
Contributions to:					
Social Security System (O.A.S.I.)	-	17,850.00	17,850.00	-	17,850.00
Total Deferred Charges & Statutory Expenditures Within "CAPS"	-	17,850.00	17,850.00	-	17,850.00
Operations Excluded From "CAPS":					
Stormwater Regulations:					
Salary & Wages	-	2,896.93	2,896.93	-	2,896.93
Interlocal Municipal Service Agreements:					
Borough of Audubon Park:					
Treasurer	-	500.00	500.00	-	500.00
Tax Collector	-	7,000.00	7,000.00	-	7,000.00
Public & Private Programs					
Offset by Revenues:					
SFSP Fire District Payment	627.00	5,373.00	6,000.00	1,271.00	4,729.00
Total Operations Excluded from "CAPS"	627.00	15,769.93	16,396.93	1,271.00	15,125.93
Grand Total All Appropriations	\$ 173,852.31	\$ 619,799.07	\$ 793,651.38	\$ 249,539.44	\$ 544,111.94

EXHIBIT A-14

**TOWNSHIP OF HADDON
CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 173,852.31
Increased by:	
2018 Appropriations	<u>117,719.67</u>
Subtotal	291,571.98
Decreased by:	
Transferred to 2017 Appropriations Reserves	<u>173,852.31</u>
Balance, December 31, 2018	<u><u>\$ 117,719.67</u></u>

EXHIBIT A-15

**SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 1,749,621.84
Increased by:	
Collections - 2018 Taxes	<u>329,210.20</u>
Subtotal	2,078,832.04
Decreased by:	
Application to 2017 Taxes Receivable	<u>1,749,621.84</u>
Balance, December 31, 2018	<u><u>\$ 329,210.20</u></u>

**TOWNSHIP OF HADDON
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017		\$	21,892.00
Increased by:			
Overpayments in 2018	\$	46,987.52	
Adjustment		<u>9,621.65</u>	<u>56,609.17</u>
Subtotal			78,501.17
Decreased by:			
Refunded			<u>63,061.91</u>
Balance, December 31, 2017		\$	<u><u>15,439.26</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, 2018**

Balance, December 31, 2017	\$ 4,388.00
Increased by:	
Receipts - Treasurer	<u>21,650.00</u>
Subtotal	26,038.00
Decreased by:	
Disbursements	<u>22,582.00</u>
Balance, December 31, 2018	<u><u>\$ 3,456.00</u></u>

**SCHEDULE OF LOCAL SCHOOL DISTRICT TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 51.00
Increased by:	
Levy - Calendar Year 2018	<u>25,579,310.00</u>
Subtotal	25,579,361.00
Decreased by:	
Disbursements	<u>25,579,361.00</u>
Balance, December 31, 2017	<u><u>\$ -</u></u>

**TOWNSHIP OF HADDON
CURRENT FUND
SCHEDULE OF FIRE DISTRICT TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2018**

	BALANCE DECEMBER 31, 2017		2018 LEVY		DISBURSEMENTS		BALANCE DECEMBER 31, 2018
Fire District No.1	\$ 11,498.00	\$	1,471,282.00	\$	1,471,282.00	\$	11,498.00
Fire District No.3	44,542.00		45,433.00		89,975.00		-
Fire District No.4	77,013.00		154,026.00		154,026.00		77,013.00
	<hr/>						
Total	\$ 133,053.00	\$	1,670,741.00	\$	1,715,283.00	\$	88,511.00
	<hr/>						

**SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017		\$ -
Increased by:		
County Tax	\$ 11,195,733.72	
County Library Tax	707,586.79	
County Open Space Tax	272,836.47	12,176,156.98
	<hr/>	
Subtotal		12,176,156.98
Decreased by:		
Disbursements		12,176,156.98
	<hr/>	
Balance December 31, 2018		\$ -
	<hr/>	

**TOWNSHIP OF HADDON
CURRENT FUND
SCHEDULE OF DUE COUNTY FOR ADDED AND OMITTED TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$ 40,633.19
Increased by:	
County Share of 2018 Added Taxes	<u>53,322.91</u>
Subtotal	93,956.10
Decreased by:	
Disbursements	<u>40,633.19</u>
Balance December 31, 2017	<u><u>\$ 53,322.91</u></u>

**SCHEDULE OF BUSINESS IMPROVEMENT DISTRICT TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$ -
Increased by:	
2018 Tax Levy	<u>168,428.92</u>
Subtotal	168,428.92
Decreased by:	
Transfer to Business Improvement District	<u>168,428.92</u>
Balance December 31, 2018	<u><u>\$ -</u></u>

**TOWNSHIP OF HADDON
FEDERAL AND STATE GRANTS FUND
SCHEDULE OF FEDERAL, STATE AND OTHER GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2018**

	BALANCE DECEMBER 31, 2017	ACCRUED	RECEIVED	TRANSFERRED FROM UNAPPROPRIATED	CANCELLED	BALANCE DECEMBER 31, 2018
State Grants:						
Seatbelt Enforcement Grant	\$ 399.38	\$ -	\$ -	\$ -	\$ -	\$ 399.38
Drug Awareness & Resistance Education:						
Municipal Alliance Program	-	18,904.00	-	18,904.00	-	-
Safe & Secure Communities Grant	-	60,000.00	-	60,000.00	-	-
Delaware Valley Estuary Grant	25,000.00	-	-	-	-	25,000.00
Alcohol Education & Rehabilitation Fund	8,222.00	-	-	-	8,222.00	-
Environmental Commissioner -						
DEP Grant	210.00	-	-	-	-	210.00
Economic Development Authority						
Grant	434,914.74	-	84,669.02	-	-	350,245.72
Pedestrian Safety Grant	16,180.00	-	-	-	-	16,180.00
Clean Communities Program	-	29,764.00	-	29,764.00	-	-
CSIP Shade Tree Program	280.00	-	-	-	-	280.00
NJ Historic Trust	18,725.00	-	-	-	-	18,725.00
Recycling Tonnage Grant	-	37,427.00	-	37,427.00	-	-
Gardiner Small Communities Grant	35,000.00	-	-	-	-	35,000.00
Drive Sover or Get Pulled Over	5,850.00	-	-	-	-	5,850.00
NJDEP - Clean Communities Grant	13,656.00	-	-	-	-	13,656.00
NJDOT Municipal Grant - 2016	50,000.00	-	-	-	-	50,000.00
NJDOT Municipal Grant- Buckner Ave - 2018	-	300,000.00	-	-	-	300,000.00
NJDOT Municipal Grant- Bradley Ave - 2018	-	167,000.00	-	-	-	167,000.00
Green Communities	3,000.00	-	3,000.00	-	-	-
Holiday Crackdown	7,500.00	-	-	-	-	7,500.00
Click It or Ticket	750.00	-	-	-	-	750.00
Body Armor Grant	-	5,178.00	-	2,589.00	-	2,589.00
Total State Grants	619,687.12	618,273.00	87,669.02	148,684.00	8,222.00	993,385.10
Other Grants:						
Camden County Open Space Grant:						
MacArthur Tract	25,000.00	-	25,000.00	-	-	-
2018	-	72,615.00	72,615.00	-	-	-
Garden Club of New Jersey	-	525.00	-	525.00	-	-
Total Other Grants	25,000.00	73,140.00	97,615.00	525.00	-	-
Total All Grant	\$ 644,687.12	\$ 691,413.00	\$ 185,284.02	\$ 149,209.00	\$ 8,222.00	\$ 993,385.10

**TOWNSHIP OF HADDON
FEDERAL AND STATE GRANTS FUND
SCHEDULE OF RESERVES FOR GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2018**

	BALANCE DECEMBER 31, 2017	CASH RECEIPTS	REALIZED AS REVENUE IN 2018 BUDGET	BALANCE DECEMBER 31, 2018
<u>STATE GRANTS</u>				
Municipal Alliance	\$ -	\$ 19,038.71	\$ 18,904.00	\$ 134.71
Garden Club of NJ	525.00	-	525.00	-
Body Armor Fund	2,589.00	-	2,589.00	-
Alcohol Education Rehabilitation Fund	-	1,854.87	-	1,854.87
Safe & Secure Communities Grant	60,000.00	60,000.00	60,000.00	60,000.00
Drug Awareness - Municipal Alliance	11,088.00	-	-	11,088.00
Clean Communities Program	29,764.00	28,481.99	29,764.00	28,481.99
Recycling Tonnage Grant	37,427.00	-	37,427.00	-
Total All Grant	\$ 141,393.00	\$ 109,375.57	\$ 149,209.00	\$ 101,559.57

**TOWNSHIP OF HADDON
FEDERAL AND STATE GRANTS FUND
SCHEDULE OF RESERVES FOR GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2018**

	BALANCE DECEMBER 31, 2017	2017 ENCUMBERED	TRANSFER FROM 2018 BUDGET APPROPRIATION	EXPENDED	BALANCE DECEMBER 31, 2018
State Grants:					
Recycling Tonnage Grant	\$ 17,443.24	\$ 4,230.84	\$ 37,427.00	\$ 22,891.41	\$ 36,209.67
Alcohol Education & Rehabilitation Fund	738.57	-	-	738.57	-
Environmental Commissioner - DEP Grant	620.00	-	-	-	620.00
Drunk Driving Enforcement Grant	11,247.00	-	-	-	11,247.00
Clean Communities Grant	81,210.15	65,931.81	29,764.00	86,150.38	90,755.58
Pedestrian Safety Grant	15,980.00	-	-	-	15,980.00
Delaware Valley Estuary Grant	25,000.00	-	-	-	25,000.00
Body Armor Fund	3,143.55	-	5,178.00	8,321.55	-
Economic Development Authority Grant - 2008	11,601.00	-	-	-	11,601.00
Economic Development Authority Grant - 2009	356,943.00	-	-	48,640.50	308,302.50
Economic Development Authority Grant - 2011	36,232.00	-	-	10,884.67	25,347.33
Economic Development Authority Grant - 2013	121,635.27	-	-	34,779.68	86,855.59
CSIP Tree Commission	99.00	-	-	-	99.00
NJ Historic Trust	25,300.00	-	-	-	25,300.00
NJDEP Clean Communities	13,656.00	-	-	-	13,656.00
NJ DOT Municipal Aid	14,847.00	-	-	-	14,847.00
NJ DOT Municipal Aid Buckner Ave 2018	-	-	300,000.00	-	300,000.00
NJ DOT Municipal Aid Bradley Ave 2018	-	-	167,000.00	167,000.00	-
Click It or Ticket - 2014	4,000.00	-	-	-	4,000.00
Drive Sober or Get Pulled Over - 2013	2,700.00	-	-	-	2,700.00
Drive Sober or Get Pulled Over - 2014	5,000.00	-	-	-	5,000.00
Safe & Secure Communities Grant	-	-	177,100.00	177,100.00	-
NJLM Grant	1,115.00	-	-	-	1,115.00
Holiday Crackdown - 2014	6,350.00	-	-	-	6,350.00
Municipal Alliance	-	91.87	18,904.00	467.62	18,528.25
Green Communities	500.00	3,000.00	-	3,000.00	500.00
Sustainable Grant	35,000.00	-	-	-	35,000.00
Gardiner Small Communities	-	-	525.00	-	525.00
Total State Grants	790,360.78	73,254.52	735,898.00	559,974.38	1,039,538.92
Other Grants:					
Camden County Recreation Grant:					
New Jersey Ave	-	-	25,000.00	-	25,000.00
Recchino Field	-	-	47,615.00	-	47,615.00
Fire Safety Program - Township Match	355.00	-	-	-	355.00
Municipal Alliance - Township Match	1,848.22	-	-	-	1,848.22
Safe & Secure Grant - Township Match	27,447.00	-	-	-	27,447.00
Total Other Grants	29,650.22	-	72,615.00	-	102,265.22
Total All Grant	\$ 820,011.00	\$ 73,254.52	\$ 808,513.00	\$ 559,974.38	\$ 1,141,804.14

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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, 2018**

	OTHER	ANIMAL CONTROL FUND
Balance December 31, 2017	\$ 1,221,878.72	\$ 1,100.90
Increased by Receipts:		
Animal Control	-	5,325.00
Dog Registration Fees - Due State of New Jersey	-	535.80
Due Current Fund	5,193.11	18.03
Other Receivable	0.23	-
Reserve for Payroll	7,459,485.53	-
Marriage License Fees - Due State of New Jersey	1,725.00	-
Community Development Block Grant Receivable	20,453.99	-
Various Reserves	1,951,298.50	-
Total Increases	<u>9,438,156.36</u>	<u>5,878.83</u>
Total Increases & Balances	<u>10,660,035.08</u>	<u>6,979.73</u>
Decreased by Disbursements:		
Expenditures Under R.S.4:19-15.11	-	5,325.00
Dog Registration Fees - Due State of New Jersey	-	535.80
Overexpenditure of Reserve - Deferred Charge	-	33.91
Reserve for Payroll	7,367,163.98	-
Marriage License Fees - Due State of New Jersey	1,850.00	-
Various Reserves	1,541,331.75	-
Total Disbursements	<u>8,910,345.73</u>	<u>5,894.71</u>
Balance December 31, 2018	<u><u>\$ 1,749,689.35</u></u>	<u><u>\$ 1,085.02</u></u>

**TOWNSHIP OF HADDON
TRUST ASSESSMENT FUND
SCHEDULE OF DEPOSITS ON FUTURE ASSESSMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NAME	BLOCK	LOT	AMOUNT
Alan J. Curtin	248	20	\$ 300.00
Hamilton Builders, Inc. (D&G Albanese Paving)	20	8	<u>150.00</u>
Total			<u><u>\$ 450.00</u></u>

**TOWNSHIP OF HADDON
TRUST FUND - ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$	-
Increased by:		
Receipts:		
Dog License Fees	\$	4,584.00
Cat License Fees		506.00
Late Fees & Duplicate Tag Fees		235.00
		<u>5,325.00</u>
Subtotal		5,325.00
Decreased by:		
Disbursements - Expenditures Under R.S. 4:19-15.11 Cash		<u>5,325.00</u>
Balance/(Deficit) December 31, 2018	\$	<u><u>-</u></u>

LICENSE FEES COLLECTED

YEAR	AMOUNT
2017	\$ 7,452.00
2016	<u>5,708.00</u>
Total	<u><u>\$ 13,160.00</u></u>

EXHIBIT B-4

**TOWNSHIP OF HADDON
TRUST FUND - ANIMAL CONTROL FUND
SCHEDULE OF DUE TO/FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$ 1,781.62
Increased by:	
Interest Earned on Investments & Deposits	<u>18.03</u>
	1,799.65
Decreased by:	
Deferred Charge Raised in Budget	<u>650.72</u>
Balance December 31, 2018	<u><u>\$ 1,148.93</u></u>

EXHIBIT B-5

**SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$ -
Increased by:	
Registration Fees Collected	<u>535.80</u>
Subtotal	535.80
Decreased by:	
Disbursements	<u>535.80</u>
Balance December 31, 2018	<u><u>\$ -</u></u>

**TOWNSHIP OF HADDON
TRUST OTHER FUND
SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 8,214.00
Increased by:	
Additional Funding Awarded	<u>32,500.00</u>
Subtotal	40,714.00
Decreased by:	
Cash Receipts	<u>20,453.99</u>
Balance, December 31, 2018	<u><u>\$ 20,260.01</u></u>

**TOWNSHIP OF HADDON
TRUST OTHER FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance December 31, 2017	\$ 65,320.26
Increased by:	
Receipts	<u>7,459,485.53</u>
Subtotal	7,524,805.79
Decreased by:	
Disbursements	<u>7,367,163.98</u>
Balance December 31, 2018	<u><u>\$ 157,641.81</u></u>

EXHIBIT B-8

**TOWNSHIP OF HADDON
TRUST FUND OTHER FUND
SCHEDULE OF DUE TO/FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 11,115.77
Decreased by:	
Interest Earned	<u>5,193.11</u>
Balance, December 31, 2018	<u><u>\$ 5,922.66</u></u>

EXHIBIT B-9

**SCHEDULE OF DUE TO STATE OF NEW JERSEY - MARRIAGE & BURIAL LICENSE FEES
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 2,915.00
Increased by:	
Receipts	<u>1,725.00</u>
Subtotal	4,640.00
Decreased by:	
Disbursements	<u>1,850.00</u>
Balance, December 31, 2017	<u><u>\$ 2,790.00</u></u>
Marriage License	\$ 2,645.00
Burial License	<u>145.00</u>
Total	<u><u>\$ 2,790.00</u></u>

**TOWNSHIP OF HADDON
TRUST OTHER FUND
SCHEDULE OF VARIOUS OTHER RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	BALANCE DECEMBER 31, 2017	INCREASES	DECREASES	BALANCE DECEMBER 31, 2018
Reserve for:				
POAA	\$ 5,872.71	\$ 344.00	\$ -	\$ 6,216.71
Unemployment Compensation Insurance	126,996.28	8,547.42	21,073.62	114,470.08
Reserve for Recreation	1,778.90	15,560.50	15,512.49	1,826.91
Tax Title Liens & Premiums	247,856.25	1,490,330.07	1,104,996.28	633,190.04
Municipal Drug Alliance	16,756.64	45.20	16,441.73	360.11
Funds Held in Escrow	55,718.44	28,730.00	14,900.00	69,548.44
Employment of Off-Duty Police Officers - PSEG	529,133.66	311,724.41	238,711.50	602,146.57
Accumulated Leave Compensation	159,633.01	-	55,616.20	104,016.81
Donations - Civic Celebrations	15,932.78	38,330.00	18,124.75	36,138.03
Election Expense	3,158.44	-	-	3,158.44
Maintenance - West Bid Signs	4,000.00	-	-	4,000.00
Cell Tower Lease Deposits	4,400.00	-	-	4,400.00
Library	2,403.25	-	-	2,403.25
Public Defender	6,375.00	3,265.50	-	9,640.50
M.L.E.T.A.	800.00	-	-	800.00
Shade Tree Program	181.18	500.00	-	681.18
Developer Escrow - Lazcor	14,876.65	43.37	-	14,920.02
Fieldstone Haddontowne Escrow	60.92	31,646.13	31,640.00	67.05
Community Garden Donations	-	775.00	569.76	205.24
Environment Community Donations	13,198.68	3,804.59	-	17,003.27
McDonalds Inspection Escrow	-	5,034.31	3,720.00	1,314.31
Reserve for Community Development Block Grant	1,912.71	32,500.00	20,025.42	14,387.29
Reserve for Police Video Surcharge	854.50	219.50	-	1,074.00
Reserve for T-Mobile Inspection Escrow	3,000.00	-	-	3,000.00
Reserve for AT&T Escrow	4,500.00	-	-	4,500.00
TACO Performance Bond	-	12,398.50	-	12,398.50
Total	<u>\$ 1,219,400.00</u>	<u>\$ 1,983,798.50</u>	<u>\$ 1,541,331.75</u>	<u>\$ 1,661,866.75</u>

Cash Receipts	\$ 1,951,298.50
Grant Awards	<u>32,500.00</u>
Total Increases	<u>\$ 1,983,798.50</u>

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, 2018**

Balance, December 31, 2017		\$ 950,545.01
Increased by Receipts:		
Bond Anticipation Notes	\$ 8,011,485.00	
Other Receipts - Refunding Proceeds	10,238.28	
Interest Due to Current Fund	3,235.79	
Interfund Loan Returned	226,675.00	
Reserve for DY DEE Development - Interest Earnings	75.48	
Capital Improvement Fund	85,000.00	8,336,709.55
Subtotal		9,287,254.56
Decreased by Disbursements:		
Bond Anticipation Note Payable	6,513,485.00	
Due to Current Fund	297,000.00	
Improvement Authorizations	1,479,766.94	8,290,251.94
Balance, December 31, 2018		<u>\$ 997,002.62</u>

**TOWNSHIP OF HADDON
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2018**

Fund Balance	\$ 30,071.66
Capital Improvement Fund	22,800.00
Due Trust Assessment Fund	450.00
Reserve for Encumbrances	1,414,361.17
Reserve for Flood Proceeds	25,868.72
Reserve for DY DEE Development	5,480.19
Due Current Fund	(265,122.65)

Improvement Authorizations:**ORDINANCE**

NUMBER	DESCRIPTION	
911	Various Improvements	412.00
933-1065	Acquisition of MacArthur Tract	66,755.80
1103	Acquisition, Construction, Repair & Installation of Various Capital Improvements	14,843.97
1134	Acquisition, Construction, Repair & Installation of Various Capital Improvements	851.00
1161	Acquisition, Construction, Repair & Installation of Various Capital Improvements	(898.00)
1185	Acquisition, Construction, Repair & Installation of Various Capital Improvements	(20,103.00)
1220	Completion of Various Capital Improvements & Acquisition of Capital Equipment	81,747.97
1240	Acquisition, Construction, Repair & Installation of Various Capital Improvements	70,123.60
1265	Acquisition, Construction, Repair & Installation of Various Capital Improvements	86,462.00
1279	Acquisition, Construction, Repair & Installation of Various Capital Improvements	9,191.00
1298	Acquisition, Construction, Repair & Installation of Various Capital Improvements	(38,406.94)
1308	Acquisition of Various Capital Equipment Department of Public Safety	87.40
1309	Acquisition of Capital Equipment & Various Capital Improvements	77.00
1322	Acquisition of Capital Equipment & Various Capital Improvements	(26,032.33)
1328	Acquisition of Real Property in the Township	7,492.50
1334	Acquisition of Capital Equipment & Various Capital Improvements	80,707.44
1336	Acquisition of Various Equipment for Police Department	3.18
1355	Acquisition of Capital Equipment & Various Capital Improvements	130,575.51
1356	Acquisition of Various Equipment for Police Department	131,271.64
1369	Acquisition of Capital Equipment & Various Capital Improvements	(124,932.60)
1383	Refunding Ordinance	(16,140.84)
1384	Acquisition of Capital Equipment & Various Capital Improvements	(690,994.77)
Total		<u>\$ 997,002.62</u>

**TOWNSHIP OF HADDON
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017			\$ 16,106,626.00
Increased by:			
Refunding Bonds Issued			<u>1,528,000.00</u>
Subtotal			17,634,626.00
Decreased by:			
2018 Budget Appropriations:			
Serial Bonds Payable	\$ 1,059,650.00		
Serial Bonds Refunded	1,555,000.00		
Green Acres Loans	<u>38,713.00</u>	2,653,363.00	
Balance, December 31, 2018			<u><u>\$ 14,981,263.00</u></u>

**TOWNSHIP OF HADDON
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2018**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2017	2018 AUTHORIZATIONS	FUNDED	BALANCE DECEMBER 31, 2018	ANALYSIS OF BALANCE DECEMBER 31, 2018			
						BAN'S OUTSTANDING	UNEXPENDED BALANCE	EXPENDED BALANCE	
1104/1247	Acquisition, Construction, Repair & Installation of Various Capital Improvements to the DyDee Wash Redevelopment Project	\$ 28,585.00	\$ -	\$ 28,585.00	\$ -	\$ -	\$ -	\$ -	
1161	Acquisition, Construction, Repair & Installation of Various Capital Improvements	898.00	-	-	898.00	-	-	898.00	
1185	Acquisition, Construction, Repair & Installation of Various Capital Improvements	38,765.00	-	-	38,765.00	-	18,662.00	20,103.00	
1220	Completion of Various Capital Improvements and Acquisition of Capital Equipment	41,900.00	-	41,900.00	-	-	-	-	
1298	Acquisition of Capital Equipment & Various Capital Improvements	959,500.00	-	(5,000.00)	964,500.00	914,500.00	11,593.06	38,406.94	
1308	Acquisition of Various Capital Equipment for the Department of Public Safety	180,500.00	-	25,000.00	155,500.00	155,500.00	-	-	
1309	Acquisition of Capital Equipment & Various Capital Improvements	1,193,000.00	-	61,515.00	1,131,485.00	1,131,485.00	-	-	
1321	Acquisition of Capital Equipment & Various Capital Improvements	183,350.00	-	25,000.00	158,350.00	158,350.00	-	-	
1322	Acquisition of Capital Equipment & Various Capital Improvements	1,183,750.00	-	50,000.00	1,133,750.00	1,103,750.00	3,967.67	26,032.33	
1328	Acquisition of Real Property in the Township	313,500.00	-	5,000.00	308,500.00	308,500.00	-	-	
1334	Acquisition of Capital Equipment & Various Capital Improvements	1,353,750.00	-	60,000.00	1,293,750.00	1,293,150.00	600.00	-	
1336	Acquisition of Various Capital Equipment for the Police Department	190,000.00	-	25,000.00	165,000.00	165,000.00	-	-	
1345	Improvements to Real Property in the Township	237,500.00	-	-	237,500.00	237,500.00	-	-	
1355	Acquisition of Capital Equipment & Various Capital Improvements	1,353,750.00	-	-	1,353,750.00	1,353,750.00	-	-	
1356	Acquisition of Various Capital Equipment for the Police Department	190,000.00	-	-	190,000.00	190,000.00	-	-	
1369	Acquisition of Capital Equipment & Various Capital Improvements	1,353,750.00	-	-	1,353,750.00	1,000,000.00	228,817.40	124,932.60	
1383	Refunding Ordinance	-	480,000.00	-	480,000.00	-	463,859.16	16,140.84	
1384	Acquisition of Capital Equipment & Various Capital Improvements	-	1,543,750.00	-	1,543,750.00	-	852,755.23	690,994.77	
Total		\$ 8,802,498.00	\$ 2,023,750.00	\$ 317,000.00	\$ 10,509,248.00	\$ 8,011,485.00	\$ 1,580,254.52	\$ 917,508.48	

Capital Surplus	\$ 20,000.00
Payment by Budget Appropriation	297,000.00
Total	<u>\$ 317,000.00</u>

Improvement Authorizations Unfunded	\$ 1,930,469.19
Less - Unexpended Proceeds of Bond Anticipation	
Notes Issued:	
Ordinance 1308	87.40
Ordinance 1309	77.00
Ordinance 1328	7,492.50
Ordinance 1334	80,707.44
Ordinance 1336	3.18
Ordinance 1355	130,575.51
Ordinance 1356	131,271.64
	<u>\$ 1,580,254.52</u>

**TOWNSHIP OF HADDON
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR DY-DEE DEVELOPMENT
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 5,404.71
Increased by:	
Interest Earnings	<u>75.48</u>
Balance, December 31, 2018	<u><u>\$ 5,480.19</u></u>

**SCHEDULE OF DUE FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 198,033.44
Increased by:	
Disbursements	<u>297,000.00</u>
Subtotal	495,033.44
Decreased by:	
Interfund Loan Returned	\$ 226,675.00
Interest Due to Current	<u>3,235.79</u>
	<u>229,910.79</u>
Balance, December 31, 2018	<u><u>\$ 265,122.65</u></u>

**TOWNSHIP OF HADDON
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 19,050.00
Increased by:	
Budget Appropriation	<u>85,000.00</u>
Subtotal	104,050.00
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>81,250.00</u>
Balance, December 31, 2018	<u><u>\$ 22,800.00</u></u>

**TOWNSHIP OF HADDON
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2017		2018 AUTHORIZATIONS	PRIOR YEAR ENCUMBRANCES RECLASSIFIED	EXPENDED	RESERVE FOR ENCUMBRANCES	BALANCE DECEMBER 31, 2018	
		DATE	AMOUNT	FUNDED	UNFUNDED					FUNDED	UNFUNDED
911	Various Improvements	5/7/1991	\$ 2,895,000.00	\$ 412.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 412.00	\$ -
933-1065	Acquisition of MacArthur Tract	4/21/92&00	1,650,000.00	66,755.80	-	-	-	-	-	66,755.80	-
1103	Acquisition, Construction, Repair & Installation of Various Capital Improvements	5/18/2004	3,675,000.00	24,845.97	-	-	1,998.00	12,000.00	-	14,843.97	-
1104/1247	Acquisition, Construction, Repair & Installation of Various Capital Improvements to the DyDee Wash Redevelopment Project	9/28/2004	8,000,000.00	-	-	-	3,775.00	-	3,775.00	-	-
1134	Acquisition, Construction, Repair & Installation of Various Capital Improvements	5/31/2005	1,400,000.00	851.00	-	-	-	-	-	851.00	-
1185	Acquisition, Construction, Repair & Installation of Various Capital Improvements	6/25/2007	1,550,000.00	-	18,662.00	-	31,686.73	21,568.11	10,118.62	-	18,662.00
1220	Completion of Various Capital Improvements and Acquisition of Capital Equipment		2,400,000.00	110,960.00	-	-	-	28,738.86	473.17	81,747.97	-
1240	Acquisition, Construction, Repair & Installation of Various Capital Improvements	6/23/2009	2,211,000.00	485,339.00	-	-	109,103.03	383,306.00	141,012.43	70,123.60	-
1265	Acquisition, Construction, Repair & Installation of Various Capital Improvements	6/23/2010	1,625,000.00	86,462.00	-	-	70,860.58	-	70,860.58	86,462.00	-
1279	Acquisition, Construction, Repair & Installation of Various Capital Improvements	4/26/2011	1,365,000.00	51,691.00	-	-	-	-	42,500.00	9,191.00	-
1298	Acquisition of Capital Equipment & Various Capital Improvements	7/24/2012	1,054,500.00	-	64,191.00	-	-	2,097.94	50,500.00	-	11,593.06
1308	Acquisition of Various Capital Capital Equipment for the Department of Public Safety	7/23/2013	215,800.00	-	87.40	-	-	-	-	-	87.40
1309	Acquisition of Capital Equipment & Various Capital Improvements	7/23/2013	1,300,000.00	-	15,777.00	-	6,709.74	6,709.74	15,700.00	-	77.00
1322	Acquisition of Capital Equipment & Various Capital Improvements	8/26/2014	1,425,000.00	-	7,353.00	-	42,034.12	45,419.45	-	-	3,967.67
1328	Acquisition of Real Property in the Township	4/28/2015	330,000.00	-	7,492.50	-	-	-	-	-	7,492.50
1334	Acquisition of Capital Equipment & Various Capital Improvements	7/28/2015	1,425,000.00	-	178,168.00	-	30,000.00	94,318.11	32,542.45	-	81,307.44
1336	Acquisition of Various Capital Equipment for the Police Department	7/28/2015	200,000.00	-	48,945.00	-	15,150.00	62,310.36	1,781.46	-	3.18
1355	Acquisition of Capital Equipment & Various Capital Improvements	4/26/2016	1,425,000.00	-	170,640.00	-	140,078.33	147,592.34	32,550.48	-	130,575.51
1356	Acquisition of Various Capital Equipment for the Police Department	4/26/2016	200,000.00	-	142,539.00	-	-	507.50	10,759.86	-	131,271.64
1369	Acquisition of Capital Equipment & Various Capital Improvements	5/23/2017	1,425,000.00	-	883,369.00	-	234,048.44	500,942.76	387,657.28	-	228,817.40
1383	Refunding Ordinance	5/22/2018	480,000.00	-	-	480,000.00	-	16,140.84	-	-	463,859.16
1384	Acquisition of Capital Equipment & Various Capital Improvements	5/22/2018	1,625,000.00	-	-	1,625,000.00	-	158,114.93	614,129.84	-	852,755.23
Total				\$ 827,316.77	\$ 1,537,223.90	\$ 2,105,000.00	\$ 685,443.97	\$ 1,479,766.94	\$ 1,414,361.17	\$ 330,387.34	\$ 1,930,469.19

**TOWNSHIP OF HADDON
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PROGRAM - CRYSTAL LAKE DEVELOPMENT
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 26,568.00
Decreased by:	
Payments	<u>5,104.00</u>
Balance, December 31, 2018	<u><u>\$ 21,464.00</u></u>

SCHEDULE OF GREEN ACRES LOAN PAYABLE DECEMBER 31, 2018

	PRINCIPAL	INTEREST	TOTAL
April 2019	\$ 2,590.00	\$ 214.63	\$ 2,804.63
October 2019	2,616.00	188.73	2,804.73
April 2020	2,643.00	162.56	2,805.56
October 2020	2,669.00	136.14	2,805.14
April 2021	2,696.00	109.45	2,805.45
October 2021	2,723.00	82.49	2,805.49
April 2022	2,750.00	55.27	2,805.27
October 2022	<u>2,777.00</u>	<u>27.77</u>	<u>2,804.77</u>
Total	<u><u>\$ 21,464.00</u></u>	<u><u>\$ 977.04</u></u>	<u><u>\$ 22,441.04</u></u>

**TOWNSHIP OF HADDON
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PROGRAM - MAC ARTHUR TRACT ACQUISITION
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 193,408.00
Decreased by:	
Payments	<u>33,609.00</u>
Balance, December 31, 2018	<u><u>\$ 159,799.00</u></u>

SCHEDULE OF GREEN ACRES LOAN PAYABLE DECEMBER 31, 2018

	PRINCIPAL	INTEREST	TOTAL
January 2019	\$ 17,057.00	\$ 1,597.99	\$ 18,654.99
July 2019	17,228.00	1,427.42	18,655.42
January 2020	17,400.00	1,255.14	18,655.14
July 2020	17,574.00	1,081.14	18,655.14
January 2021	17,750.00	905.41	18,655.41
July 2021	17,927.00	727.91	18,654.91
January 2022	18,106.00	548.64	18,654.64
July 2022	18,287.00	367.58	18,654.58
January 2023	<u>18,470.00</u>	<u>184.70</u>	<u>18,654.70</u>
Total	<u><u>\$ 159,799.00</u></u>	<u><u>\$ 8,095.93</u></u>	<u><u>\$ 167,894.93</u></u>

**TOWNSHIP OF HADDON
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2017	ISSUED	PAID BY BUDGET APPROPRIATION	BONDS REFUNDED	BALANCE DECEMBER 31, 2018
			31-Dec-18 DATE	AMOUNT						
2008 General Bonds	5/7/2008	\$ 2,595,000.00	N/A	N/A	N/A	\$ 1,680,000.00	\$ -	\$ 125,000.00	\$ 1,555,000.00	\$ -
2008 Refunding Bonds	5/7/2008	2,394,000.00	N/A	N/A	N/A	139,650.00	-	139,650.00	-	-
2013 General Bonds	8/15/2013	6,057,000.00	8/15/2019	210,000.00	2.00%	5,012,000.00	-	210,000.00	-	4,802,000.00
			8/15/2020	305,000.00	2.00%					
			8/15/2021	310,000.00	2.00%					
			8/15/2022	320,000.00	2.00%					
			8/15/2023	325,000.00	2.00%					
			8/15/2024	335,000.00	2.00%					
			8/15/2025	340,000.00	2.13%					
			8/15/2026	350,000.00	2.25%					
			8/15/2027	360,000.00	2.35%					
			8/15/2028	370,000.00	2.45%					
			8/15/2029	380,000.00	2.50%					
			8/15/2030	390,000.00	2.60%					
			8/15/2031	400,000.00	2.65%					
			8/15/2032	407,000.00	2.75%					
2013 Refunding Bonds	8/15/2013	1,035,000.00	8/15/2019	115,000.00	2.00%	455,000.00	-	120,000.00	-	335,000.00
			8/15/2020	110,000.00	2.00%					
			8/15/2021	110,000.00	2.00%					
2014 Refunding Bonds	9/10/2014	3,705,000.00	11/15/2019	380,000.00	3.00%	3,390,000.00	-	335,000.00	-	3,055,000.00
			11/15/2020	375,000.00	3.00%					
			11/15/2021	375,000.00	3.00%					
			11/15/2022	370,000.00	4.00%					
			11/15/2023	390,000.00	4.00%					
			11/15/2024	390,000.00	4.00%					
			11/15/2025	390,000.00	4.00%					
			11/15/2026	385,000.00	4.00%					

**TOWNSHIP OF HADDON
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2017	ISSUED	PAID BY BUDGET APPROPRIATION	BONDS REFUNDED	BALANCE DECEMBER 31, 2018
			31-Dec-18							
			DATE	AMOUNT						
2016 Taxable Bonds	4/20/2016	5,340,000.00	4/15/2019	130,000.00	3.00%	5,210,000.00	-	130,000.00	-	5,080,000.00
			4/15/2020	130,000.00	3.00%					
			4/15/2021	130,000.00	3.00%					
			4/15/2022	130,000.00	3.00%					
			4/15/2023	130,000.00	3.00%					
			4/15/2024	130,000.00	3.00%					
			4/15/2025	130,000.00	3.00%					
			4/15/2026	130,000.00	3.00%					
			4/15/2027	135,000.00	3.00%					
			4/15/2028	140,000.00	3.00%					
			4/15/2029	145,000.00	3.25%					
			4/15/2030	150,000.00	4.00%					
			4/15/2031	160,000.00	4.00%					
			4/15/2032	165,000.00	4.00%					
			4/15/2033	170,000.00	4.00%					
			4/15/2034	180,000.00	4.00%					
			4/15/2035	185,000.00	4.00%					
			4/15/2036	195,000.00	4.00%					
			4/15/2037	205,000.00	4.00%					
			4/15/2038	215,000.00	4.00%					
			4/15/2039	225,000.00	4.00%					
			4/15/2040	230,000.00	4.00%					
			4/15/2041	245,000.00	4.00%					
			4/15/2042	255,000.00	4.00%					
			4/15/2043	260,000.00	4.00%					
			4/15/2044	260,000.00	4.00%					
			4/15/2045	260,000.00	4.00%					
			4/15/2046	260,000.00	4.00%					
2018 Refunding Bonds	8/30/2018	1,528,000.00	5/1/2019	136,000.00	3.00%	-	1,528,000.00	-	-	1,528,000.00
			5/1/2020	137,000.00	3.00%					
			5/1/2021	147,000.00	4.00%					
			5/1/2022	157,000.00	4.00%					
			5/1/2023	157,000.00	4.00%					
			5/1/2024	156,000.00	4.00%					
			5/1/2025	157,000.00	4.00%					
			5/1/2026	157,000.00	4.00%					
			5/1/2027	157,000.00	4.00%					
			5/1/2028	167,000.00	4.00%					
			Total							

**TOWNSHIP OF HADDON
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2018**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2017	INCREASE	DECREASE	BALANCE DECEMBER 31, 2018
1298	Acquisition of Capital Equipmen & Various Capital Improvements	11/13/2014	11/6/2017 11/2/2018	11/5/2018 11/1/2019	1.24% 1.79%	\$ 959,500.00 -	\$ - 914,500.00	\$ 959,500.00 -	\$ - 914,500.00
1308	Acquisition of Capital Equipmen & Various Capital Improvements	11/13/2014	11/6/2017 11/2/2018	11/5/2018 11/1/2019	1.24% 1.24%	180,500.00 -	- 155,500.00	180,500.00 -	- 155,500.00
1309	Acquisition of Capital Equipmen & Various Capital Improvements	11/13/2014	11/6/2017 11/2/2018	11/5/2018 11/1/2019	1.24% 1.79%	1,183,485.00 -	- 1,131,485.00	1,183,485.00 -	- 1,131,485.00
1321	Acquisition of Capital Equipmen & Various Capital Improvements	11/10/2015	11/6/2017 11/2/2018	11/5/2018 11/1/2019	1.24% 1.79%	183,350.00 -	- 158,350.00	183,350.00 -	- 158,350.00
1322	Acquisition of Capital Equipmen & Various Capital Improvements	11/10/2015	11/6/2017 11/2/2018	11/5/2018 11/1/2019	1.24% 1.79%	1,183,750.00 -	- 1,103,750.00	1,183,750.00 -	- 1,103,750.00
1328	Acquisition of Real Property in the Township	11/10/2015	11/6/2017 11/2/2018	11/5/2018 11/1/2019	1.24% 1.79%	313,500.00 -	- 308,500.00	313,500.00 -	- 308,500.00
1334	Acquisition of Capital Equipmen & Various Capital Improvements	11/10/2015	11/6/2017 11/2/2018	11/5/2018 11/1/2019	1.24% 1.79%	1,148,150.00 -	- 1,293,150.00	1,148,150.00 -	- 1,293,150.00
1336	Acquisition of Various Equipmen for Police department	11/10/2015	11/6/2017 11/2/2018	11/5/2018 11/1/2019	1.24% 1.79%	190,000.00 -	- 165,000.00	190,000.00 -	- 165,000.00
1345	Improvements to Real Property in the Township	11/08/2016	1/25/2017 1/23/2018	1/24/2018 1/22/2019	0.95% 1.29%	237,500.00 -	- 237,500.00	237,500.00 -	- 237,500.00
1355	Acquisition of Capital Equipmen & Various Capital Improvements	11/08/2016	11/6/2017 11/2/2018	11/5/2018 11/1/2019	1.24% 1.79%	1,040,750.00 -	- 1,353,750.00	1,040,750.00 -	- 1,353,750.00
1356	Acquisition of Various Equipmen for Police Department	11/08/2016	11/6/2017 11/2/2018	11/5/2018 11/1/2019	1.24% 1.79%	190,000.00 -	- 190,000.00	190,000.00 -	- 190,000.00
1369	Acquisition of Capital Equipmen & Various Capital Improvements	11/2/2018	11/2/2018	11/1/2019	1.79%	-	1,000,000.00	-	1,000,000.00
Total						<u>\$ 6,810,485.00</u>	<u>\$ 8,011,485.00</u>	<u>\$ 6,810,485.00</u>	<u>\$ 8,011,485.00</u>

Paid by Budget Appropriations
Renewal
BAN's Issued

\$ -	\$ 297,000.00
6,513,485.00	6,513,485.00
1,498,000.00	-
<u>\$ 8,011,485.00</u>	<u>\$ 6,810,485.00</u>

**TOWNSHIP OF HADDON
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2018**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2017	2018 AUTHORIZATIONS	BOND ANTICIPATION NOTES ISSUED	FUNDED WITH CAPITAL SURPLUS	BALANCE DECEMBER 31, 2018
1161	Acquisition, Construction, Repair & Installation of Various Capital Improvements	\$ 898.00	\$ -	\$ -	\$ -	\$ 898.00
1185	Acquisition, Construction, Repair & Installation of Various Capital Improvements	38,765.00	-	-	-	38,765.00
1298	Acquisition of Capital Equipment & Various Capital Improvements	50,000.00	-	-	-	50,000.00
1322	Acquisition of Capital Equipment & Various Capital Improvements	30,000.00	-	-	-	30,000.00
1334	Acquisition of Capital Equipment & Various Capital Improvements	205,600.00	-	185,000.00	20,000.00	600.00
1355	Acquisition of Capital Equipment & Various Capital Improvements	313,000.00	-	313,000.00	-	-
1369	Acquisition of Capital Equipment & Various Capital Improvements	1,353,750.00	-	1,000,000.00	-	353,750.00
1383	Refunding Ordinance	-	480,000.00	-	-	480,000.00
1384	Acquisition of Capital Equipment & Various Capital Improvements	-	1,543,750.00	-	-	1,543,750.00
Total		\$ 1,992,013.00	\$ 2,023,750.00	\$ 1,498,000.00	\$ 20,000.00	\$ 2,497,763.00

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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, 2018**

	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance, December 31, 2017	\$ 509,184.05	\$ 554,543.65
Increased by Receipts:		
Collector	\$ 3,226,542.51	\$ -
Capital Surplus Anticipated	16,787.00	-
Interest on Investments	1,746.77	2,269.11
Interfund Receipts - Capital Fund	232,560.00	-
Bond Anticipation Notes Issued	-	3,652,500.00
	<u>3,477,636.28</u>	<u>3,654,769.11</u>
Subtotal	<u>3,477,636.28</u>	<u>3,654,769.11</u>
Total	<u>3,986,820.33</u>	<u>4,209,312.76</u>
Decreased by Disbursements:		
2018 Appropriations	3,355,583.11	-
2017 Appropriation Reserves	54,054.45	-
Accrued Interest	267,949.69	-
Capital Surplus Anticipated in Budget	-	16,787.00
Interfund Disbursement - Operating Fund	-	232,560.00
Bond Anticipation Notes Paid	-	2,327,500.00
Improvement Authorizations	-	531,362.28
	<u>3,677,587.25</u>	<u>3,108,209.28</u>
Total Disbursements	<u>3,677,587.25</u>	<u>3,108,209.28</u>
Balance, December 31, 2018	<u><u>\$ 309,233.08</u></u>	<u><u>\$ 1,101,103.48</u></u>

**TOWNSHIP OF HADDON
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017		\$	-
Increased by Receipts:			
Consumer Accounts Receivable:			
Water	\$ 1,904,481.34		
Sewer	1,264,130.44		
Other Receipts	57,930.73	3,226,542.51	
Subtotal		3,226,542.51	
Decreased by Disbursements:			
Payment to Treasurer		3,226,542.51	
Balance, December 31, 2018		\$	-

**TOWNSHIP OF HADDON
WATER-SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH - WATER-SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

Fund Balance	-
Capital Improvement Fund	\$ 12,427.00
Due Water/Sewer Operating Fund	2,269.46
Reserve for Encumbrances	961,328.50
NJEIT Loan Receivable	(278,697.00)

IMPROVEMENT AUTHORIZATIONS:

ORDINANCE

NUMBER	DESCRIPTION	
1085	Various Improvements to the Water-Sewer Utility	600.00
1185	Various Improvements to the Water-Sewer Utility	7,551.00
1216	Rehabilitation & Reconstruction of Sewer Utility	(152,500.00)
1221	Various Improvements to the Water-Sewer Utility	11,003.89
1241	Various Improvements to the Water-Sewer Utility	17,654.70
1280	Various Improvements to the Water-Sewer Utility	57,066.50
1299	Various Improvements to the Water-Sewer Utility	6,001.02
1310	Various Improvements to the Water-Sewer Utility	6,235.04
1323	Various Improvements to the Water-Sewer Utility	157,827.90
1335	Various Improvements to the Water-Sewer Utility	123,869.80
1357	Various Improvements to the Water-Sewer Utility	269,699.70
1370	Various Improvements to the Water-Sewer Utility	(86,234.03)
1385	Various Improvements to the Water-Sewer Utility	(15,000.00)
		<hr/>
	Total	<u><u>\$ 1,191,103.48</u></u>

EXHIBIT D-7

**TOWNSHIP OF HADDON
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE - WATER
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 5,192.53
Increased by:	
Water Rents Levied	<u>1,903,505.83</u>
Subtotal	1,908,698.36
Decreased by:	
Receipts - Collector	<u>1,904,481.34</u>
Balance, December 31, 2018	<u><u>\$ 4,217.02</u></u>

EXHIBIT D-8

**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE - SEWER
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 8,325.66
Increased by:	
Sewer Rents Levied	<u>1,264,869.22</u>
Subtotal	1,273,194.88
Decreased by:	
Receipts - Collector	<u>1,264,130.44</u>
Balance, December 31, 2018	<u><u>\$ 9,064.44</u></u>

EXHIBIT D-9

**TOWNSHIP OF HADDON
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2018 and 2017

\$ 12,427.00

EXHIBIT D-10

**WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF UTILITY LIENS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2018 and 2017

\$ 1,235.00

**TOWNSHIP OF HADDON
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL - WATER
FOR THE YEAR ENDED DECEMBER 31, 2018**

	BALANCE DECEMBER 31, 2018
Filter	\$ 49,959.00
Springs & Wells	563,598.00
Ozone Sterilization & Aeration Plant	15,463.00
Pumping Station Structure	75,334.00
Electric Power Pumping Equipment	12,444.00
Storage Reservoir, Tanks & Standpipes	103,723.00
Distribution Main & Accessories	480,969.00
Meters, Meter Boxes & Vaults	544,172.00
Fire Hydrants	12,265.00
General Equipment	153,552.00
Legal Expenditures During Construction	2,146.00
Pumping Station & Equipment	382,710.00
Water Plant Filter	23,494.00
Construction of Water Main in Main Street	6,460.00
Service Pipes & Stops	50,357.00
General & Mechanical Generator, General Building & Wash Water Tank	48,551.00
Electrical Generator Installation at Water Plant	32,273.00
Booster Pumping Station at Crystal Lake Avenue & Valley Drive	576,667.00
Elevated Water Storage Tank at Beechwood Avenue & Fist Street	851,042.00
Improvement to Water Supply & Distribution System	3,061,321.00
Refunding Issue	191,000.00
Improvement to Water Supply & Sewerage System	933,355.00
Reconstruction & Repair of Well No. 2	182,062.00
Replacement, Repairs & Improvements to Mains	209,476.00
Line Stop Machine	40,000.00
Vehicles	70,000.00
Land for Well No. 4	75,000.00
Dome Cover for Water Plant	12,700.00
Water Plant Improvements	152,200.00
Water Distribution System Improvements	242,605.00
Water Storage Improvements	191,675.00
Well Improvements	103,815.00
Water Supply Rehabilitation Improvements	<u>258,867.00</u>
Total	<u>\$ 9,709,255.00</u>

**TOWNSHIP OF HADDON
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL - SEWER
FOR THE YEAR ENDED DECEMBER 31, 2018**

	BALANCE DECEMBER 31, 2018
Sewer Mains & Services	\$ 416,012.00
Transportation Equipment	608.00
Bettlewood Disposal Plant	20,483.00
Westmont Sewerage Disposal Plant	160,302.00
General Improvements	42,038.00
Right-of-Way for Haddonleigh Truck Sewer	750.00
Cuthbert Boulevard Sewerage Disposal Plant	118,698.00
Improvements to Sewerage Disposal Plant & Sewerage Pumping Stations	116,704.00
Sanitary Sewerage Disposal & Collections System	1,566,581.00
Wells	3,380.00
Equipment	35,137.00
Tax Map	600.00
Calvert Avenue Pumping Station Improvement	855.00
Calvert Avenue Reconstruction of Sewerage Treatment Plant	875,113.00
Installation of Communitor	9,440.00
South Park Drive Pumping Station	33,379.00
West Albertson Avenue Pumping Station	163,010.00
Construction of Sanitary Sewers	110,734.00
Improvements to Pumping Stations & Sewer Plant	162,601.00
West Collingswood Heights Disposal Plant	90,140.00
Renovations to Coles Mill Road Sewerage Treatment Plant	25,000.00
Replacement to Sewer Lines	495,256.00
Improvement of the Sanitary Sewerage System	311,524.00
	<hr/>
Total	\$ 4,758,345.00
	<hr/> <hr/>

**TOWNSHIP OF HADDON
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2018**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2017	2018 DEFERRED CHARGES TO FUTURE REVENUES	BALANCE DECEMBER 31, 2018
		DATE	AMOUNT			
1105	Various Improvements to the Water-Sewer Utility	5/18/2004	855,000.00	\$ 855,000.00	\$ -	\$ 855,000.00
1122	Various Improvements to the Water-Sewer Utility	3/22/2005	332,413.00	332,413.00	-	332,413.00
1135	Various Improvements to the Water-Sewer Utility	5/31/2005	1,045,000.00	1,100,000.00	-	1,100,000.00
1162	Various Improvements to the Water-Sewer Utility	5/23/2006	850,000.00	850,000.00	-	850,000.00
1185	Various Improvements to the Water-Sewer Utility	6/25/2007	770,000.00	770,000.00	-	770,000.00
1216	Rehabilitation & Reconstruction of Sewer	5/27/2008	6,540,000.00	6,540,000.00	-	6,540,000.00
1221	Various Improvements to the Water-Sewer Utility	5/27/2008	705,250.00	705,250.00	-	705,250.00
1241	Various Improvements to the Water-Sewer Utility	5/26/2009	845,000.00	845,000.00	-	845,000.00
1266	Various Improvements to the Water-Sewer Utility	6/23/2010	340,000.00	340,000.00	-	340,000.00
1280	Various Improvements to the Water-Sewer Utility	5/24/2011	590,000.00	590,000.00	-	590,000.00
1299	Various Improvements to the Water-Sewer Utility	7/24/2012	750,000.00	750,000.00	-	750,000.00
1310	Various Improvements to the Water-Sewer Utility	7/24/2013	750,000.00	750,000.00	-	750,000.00
1323	Various Improvements to the Water-Sewer Utility	8/26/2014	750,000.00	750,000.00	-	750,000.00
1335	Various Improvements to the Water-Sewer Utility	8/25/2015	750,000.00	750,000.00	-	750,000.00
1357	Various Improvements to the Water-Sewer Utility	4/26/2016	750,000.00	750,000.00	-	750,000.00
1370	Various Improvements to the Water-Sewer Utility	5/23/2017	1,000,000.00	1,000,000.00	-	1,000,000.00
1385	Various Improvements to the Water-Sewer Utility	5/22/2018	1,000,000.00	-	1,000,000.00	1,000,000.00
Total				\$ 17,677,663.00	\$ 1,000,000.00	\$ 18,677,663.00

**TOWNSHIP OF HADDON
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF 2017 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	BALANCE DECEMBER 31, 2017			
	ENCUMBERED	RESERVED	DISBURSED	BALANCE LAPSED
Operating:				
Salaries and Wages	\$ -	\$ 6,049.94	\$ -	\$ 6,049.94
Other Expenses	44,427.83	28,668.23	54,225.05	18,871.01
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	-	9,591.59	-	9,591.59
State Disability Insurance	-	1,505.17	-	1,505.17
Total	<u>\$ 44,427.83</u>	<u>\$ 45,814.93</u>	<u>\$ 54,225.05</u>	<u>\$ 36,017.71</u>
		Cash Disbursements	\$ 54,054.45	
		Accounts Payable	<u>170.60</u>	
		Total	<u>\$ 54,225.05</u>	

**SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 44,427.83
Increased by:	
2018 Appropriations	<u>15,238.41</u>
Subtotal	59,666.24
Decreased by:	
Transferred to 2017 Appropriation Reserves	<u>44,427.83</u>
Balance, December 31, 2018	<u>\$ 15,238.41</u>

**SCHEDULE OF PROTESTED CHECKS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2018 and 2017	<u>\$ 2,608.30</u>
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EXHIBIT D-17

**TOWNSHIP OF HADDON
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 97,427.00
Increased by:	
Budget Appropriation for Interest on Bonds	<u>248,922.26</u>
Subtotal	346,349.26
Decreased by:	
Cash Disbursements	<u>267,949.69</u>
Balance, December 31, 2018	<u><u>\$ 78,399.57</u></u>

EXHIBIT D-18

**WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF DUE TO WATER-SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 232,560.35
Increased by:	
Interest Earned on Investments & Deposits	<u>2,269.11</u>
Decreased by:	
Cash Disbursements	<u>232,560.00</u>
Balance, December 31, 2018	<u><u>\$ 2,269.46</u></u>

EXHIBIT D-19

**WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 16,787.00
Decreased by:	
Anticipated Revenue in the Operating Budget	<u>16,787.00</u>
Balance, December 31, 2018	<u><u>\$ -</u></u>

**TOWNSHIP OF HADDON
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017		\$ 18,631,614.00
Increased by:		
Paid by Operating Fund:		
Serial Bonds Payable	\$ 475,350.00	
Serial Bonds Refunded	965,000.00	
Bond Anticipation Notes	35,000.00	
Environmental Infrastructure Loan	319,572.18	1,794,922.18
		<hr/>
Decreased by:		
Serial Bonds Issued		947,000.00
		<hr/>
Balance, December 31, 2018		<u><u>\$ 19,479,536.18</u></u>

**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2018**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORDINANCE	BALANCE DECEMBER 31, 2018
General Improvements:			
1135	Various Improvements to the Water-Sewer Utility	05/31/2005	\$ 55,000.00
1221	Various Improvements to the Water-Sewer Utility	5/27/2008	35,263.00
1335	Various Improvements to the Water-Sewer Utility	8/25/2015	<u>37,500.00</u>
		Total	<u><u>\$ 127,763.00</u></u>

TOWNSHIP OF HADDON
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	AUTHORIZED		BALANCE DECEMBER 31, 2017		2018 AUTHORIZATIONS	PRIOR YEAR ENCUMBRANCES RECLASSIFIED	EXPENDED	RESERVE FOR ENCUMBRANCES	BALANCE DECEMBER 31, 2018	
		DATE	AMOUNT	FUNDED	UNFUNDED					FUNDED	UNFUNDED
1085	Various Improvements to the	6/18/2002									
1114	Water-Serer Utility	12/28/2004	\$ 850,000.00	\$ 600.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600.00	\$ -
1185	Various Improvements to the	6/25/2007	770,000.00	7,551.00	-	-	-	-	-	7,551.00	-
1216	Rehabilitation & Reconstruction	5/27/2008	6,540,000.00	-	-	-	454,510.00	-	454,510.00	-	-
1221	Various Improvements to the	5/27/2008	705,250.00	11,003.89	-	-	27,242.00	-	27,242.00	11,003.89	-
1241	Various Improvements to the	5/26/09	845,000.00	17,654.70	487.00	-	38,300.00	-	38,300.00	17,654.70	487.00
1280	Various Improvements to the	5/24/11	590,000.00	61,498.08	-	-	63.42	4,495.00	-	57,066.50	-
1299	Various Improvements to the	7/24/12	750,000.00	-	12,708.69	-	5,959.26	6,708.67	5,959.26	-	6,000.02
1310	Various Improvements to the	7/24/13	750,000.00	-	6,814.78	-	2,759.21	2,222.96	1,115.99	-	6,235.04
1323	Various Improvements to the	8/26/14	750,000.00	-	299,815.49	-	93,720.85	104,276.46	131,431.98	-	157,827.90
1335	Various Improvements to the	8/25/15	750,000.00	-	270,215.36	-	65,881.24	168,854.66	43,372.14	-	123,869.80
1357	Various Improvements to the	8/25/15	750,000.00	-	658,321.08	-	22,975.00	152,199.25	259,397.13	-	269,699.70
1370	Various Improvements to the	5/23/17	1,000,000.00	-	985,000.00	-	6,371.25	77,605.28	-	-	913,765.97
1385	Various Improvements to the	5/22/2018	1,000,000.00	-	-	1,000,000.00	-	15,000.00	-	-	985,000.00
Total			\$ 98,307.67	\$ 2,233,362.40	\$ 1,000,000.00	\$ 717,782.23	\$ 531,362.28	\$ 961,328.50	\$ 93,876.09	\$ 2,462,885.43	

**TOWNSHIP OF HADDON
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF WATER-SEWER SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING 12/31/2018		INTEREST RATE	BALANCE DECEMBER 31, 2017	ISSUED IN 2018	PAID BY BUDGET APPROPRIATION	BONDS REFUNDED	BALANCE DECEMBER 31, 2018
			DATE	AMOUNT						
Water-Sewer Bonds	05/07/2008	\$ 1,620,000.00	N/A	N/A	N/A	\$ 1,050,000.00	\$ -	\$ 85,000.00	\$ 965,000.00	\$ -
2008 Refunding Bonds	05/07/2008	1,806,000.00	N/A	N/A	N/A	105,350.00	-	105,350.00	-	-
2013 General Bonds	8/15/2013	2,075,000.00	8/15/2019	75,000.00	2.00%	1,725,000.00	-	75,000.00	-	1,650,000.00
			8/15/2020	105,000.00	2.00%					
			8/15/2021	105,000.00	2.00%					
			8/15/2022	110,000.00	2.00%					
			8/15/2023	110,000.00	2.00%					
			8/15/2024	115,000.00	2.00%					
			8/15/2025	120,000.00	2.13%					
			8/15/2026	120,000.00	2.25%					
			8/15/2027	125,000.00	2.35%					
			8/15/2028	125,000.00	2.45%					
			8/15/2029	130,000.00	2.50%					
			8/15/2030	135,000.00	2.60%					
			8/15/2031	135,000.00	2.65%					
			8/15/2032	140,000.00	2.75%					
2013 Refunding Bonds	8/15/2013	260,000.00	8/15/2019	30,000.00	2.00%	115,000.00	-	30,000.00	-	85,000.00
			8/15/2020	30,000.00	2.00%					
			8/15/2021	25,000.00	2.00%					
2014 Refunding Bonds	9/10/2014	3,705,000.00	11/15/2019	175,000.00	3.00%	1,675,000.00	-	180,000.00	-	1,495,000.00
			11/15/2020	175,000.00	3.00%					
			11/15/2021	170,000.00	3.00%					
			11/15/2022	195,000.00	4.00%					
			11/15/2023	195,000.00	4.00%					
			11/15/2024	195,000.00	4.00%					
			11/15/2025	195,000.00	4.00%					
2018 Refunding Bonds	8/30/2018	947,000.00	5/1/2019	84,000.00	3.00%	-	947,000.00	-	-	947,000.00
			5/1/2020	83,000.00	3.00%					
			5/1/2021	93,000.00	4.00%					
			5/1/2022	98,000.00	4.00%					
			5/1/2023	98,000.00	4.00%					
			5/1/2024	99,000.00	4.00%					
			5/1/2025	98,000.00	4.00%					
			5/1/2026	98,000.00	4.00%					
			5/1/2027	98,000.00	4.00%					
			5/1/2028	98,000.00	4.00%					

**TOWNSHIP OF HADDON
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF WATER-SEWER SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE	ISSUED IN	PAID BY	BONDS	BALANCE	
			12/31/2018			DECEMBER 31,		BUDGET		REFUNDED	DECEMBER 31,
			DATE	AMOUNT		2017		2018		APPROPRIATION	2018
					Total	\$ 4,670,350.00	\$ 947,000.00	\$ 475,350.00	\$ 965,000.00	\$ 4,177,000.00	

**TOWNSHIP OF HADDON
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN
FOR THE YEAR ENDED DECEMBER 31, 2018**

IMPROVEMENT DESCRIPTION	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2017	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2018
			DATE	AMOUNT				
Reconstruction & Rehabilitation of Various Sewers	11/9/2008	\$ 3,200,000.00	8/1/2019	\$ 160,000.00	4.31%	\$ 2,210,000.00	\$ 155,000.00	\$ 2,055,000.00
			8/1/2020	170,000.00	4.42%			
			8/1/2021	180,000.00	4.51%			
			8/1/2022	190,000.00	4.60%			
			8/1/2023	200,000.00	4.66%			
			8/1/2024	210,000.00	4.80%			
			8/1/2025	220,000.00	4.85%			
			8/1/2026	230,000.00	4.89%			
			8/1/2027	240,000.00	4.92%			
			8/1/2028	255,000.00	4.95%			
Reconstruction & Rehabilitation of Various Sewers	11/9/2008	3,200,000.00	9/1/2019-28 & 3/1/2019-28	Various Various	NONE NONE	1,665,050.00	164,572.18	1,500,477.82
						<u>\$ 3,875,050.00</u>	<u>\$ 319,572.18</u>	<u>\$ 3,555,477.82</u>

Principal payment are due on September 1st and March 1st through 2028. 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, 2018**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2017	INCREASE	DECREASE	BALANCE DECEMBER 31, 2018
1299	Various Improvements to the Water-Serer Utility	11/13/2014	11/6/2017 11/2/2018	11/5/2018 11/1/2019	1.240% 1.790%	\$ 737,700.00 -	\$ - 725,400.00	\$ 737,700.00 -	\$ - 725,400.00
1310	Various Improvements to the Water-Serer Utility	11/13/2014	11/6/2017 11/2/2018	11/5/2018 11/1/2019	1.240% 1.790%	737,300.00 -	- 724,600.00	737,300.00 -	- 724,600.00
1323	Various Improvements to the Water-Serer Utility	11/10/2015	11/6/2017 11/2/2018	11/5/2018 11/1/2019	1.240% 1.790%	405,000.00 -	- 740,000.00	405,000.00 -	- 740,000.00
1335	Various Improvements to the Water-Serer Utility	11/08/2016	11/6/2017 11/2/2018	11/5/2018 11/1/2019	1.240% 1.790%	482,500.00 -	- 712,500.00	482,500.00 -	- 712,500.00
1357	Various Improvements to the Water-Serer Utility	11/2/2018	11/2/2018	11/1/2019	1.790%	-	750,000.00	-	750,000.00
						<u>\$ 2,362,500.00</u>	<u>\$ 3,652,500.00</u>	<u>\$ 2,362,500.00</u>	<u>\$ 3,652,500.00</u>

Paid by Utility Operating Fund	\$ -	\$ 35,000.00
New BAN's Issued	1,325,000.00	-
BAN Rollover	2,327,500.00	2,327,500.00
	<u>\$ 2,327,500.00</u>	<u>\$ 2,362,500.00</u>

**TOWNSHIP OF HADDON
WATER-SEWER UTILITY CAPITAL FUND
STATEMENT OF BONDS & NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2018**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2017	AUTHORIZED	BOND ANTICIPATION NOTES ISSUED	BALANCE DECEMBER 31, 2018
1216	Rehabilitation & Reconstruction of Sewer	\$ 152,500.00	\$ -	\$ -	\$ 152,500.00
1241	Various Improvements to the Water-Sewer Utility	487.00	-	-	487.00
1323	Various Improvements to the Water-Sewer Utility	345,000.00	-	345,000.00	-
1335	Various Improvements to the Water-Sewer Utility	230,000.00	-	230,000.00	-
1357	Various Improvements to the Water-Sewer Utility	750,000.00	-	750,000.00	-
1370	Various Improvements to the Water-Sewer Utility	1,000,000.00	-	-	1,000,000.00
1385	Various Improvements to the Water-Sewer Utility	-	1,000,000.00	-	1,000,000.00
		<u>\$ 2,477,987.00</u>	<u>\$ 1,000,000.00</u>	<u>\$ 1,325,000.00</u>	<u>\$ 2,152,987.00</u>

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TOWNSHIP OF HADDON

PART II

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

FOR THE YEAR ENDED DECEMBER 31, 2018

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TOWNSHIP OF HADDON
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018

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, 2018

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.

No prior year findings.

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, 2018**

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OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2018:

<u>Name</u>	<u>Title</u>	
Randall W. Teague	Mayor	
James Mulroy	Commissioner	
Ryan Linhart	Commissioner	
Jack Bruno	Chief Financial Officer	(1)
Jenai Johnson	Municipal Clerk	(1)
Dawn Pennock	Treasurer	(1)
Margaret King	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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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, 2018.

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, 2018.

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 16, 2018 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):

None Noted

RECOMMENDATIONS:

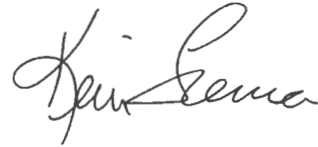
None Noted

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 P. Frenia". The signature is fluid and cursive, with the first name "Kevin" being more prominent than the last name "Frenia".

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

Medford, New Jersey
November 15, 2019