

**TOWNSHIP OF HAINESPORT  
COUNTY OF BURLINGTON**

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

**TOWNSHIP OF HAINESPORT**  
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**TOWNSHIP OF HAINESPORT**

**PART I**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS**

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

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Committee  
Township of Hainesport  
Hainesport, New Jersey 08036

### **Report on the Financial Statements**

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Hainesport, in the County of Burlington, State of New Jersey, 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, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 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 the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

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

## **Opinions**

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

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

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

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

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Hainesport, in the County of Burlington, State of New Jersey, as of December 31, 2018 and 2017, or the results of its operations and changes in fund balance for the years then ended.

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

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Hainesport, in the County of Burlington, State of New Jersey, 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 revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 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**

### ***Adoption of New Accounting Principles***

As discussed in note 1 to the financial statements, during the year ended December 31, 2018, the Township adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The adoption of this new accounting principle resulted in a material note disclosure (see note 15). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only required financial statement disclosures. Our opinions are not modified with respect to this matter.

**Other Matters***Other Information*

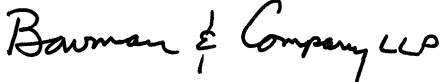
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 2, 2019 on our consideration of the Township of Hainesport, in the County of Burlington, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Hainesport's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Hainesport's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Robert P. Nehila, Jr.  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
August 2, 2019

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Committee  
Township of Hainesport  
Hainesport, New Jersey 08036

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Township of Hainesport, in the County of Burlington, State of New Jersey, 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 August 2, 2019. That report indicated that the Township of Hainesport's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting pronouncement.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Township of Hainesport'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 of Hainesport's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Hainesport'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.

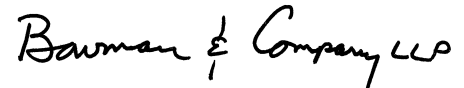
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township of Hainesport'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Robert P. Nehila, Jr.  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
August 2, 2019

**TOWNSHIP OF HAINESPORT**  
**CURRENT FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
As of December 31, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Regular Fund:			
Cash - Treasurer	SA-1	\$ 6,041,690.56	\$ 6,302,215.28
Change Funds	SA-2	300.00	300.00
		<u>6,041,990.56</u>	<u>6,302,515.28</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-4	220,359.92	193,328.93
Tax Title Liens Receivable	SA-5	70,737.24	22,581.18
Property Acquired for Taxes (Assessed Valuation)	SA-16	445,600.00	506,200.00
Accounts Receivable	A	66.93	66.93
Mortgage Accounts Receivable	SA-17	18,500.00	
Due Trust Assessment Fund	SB-12	270.11	177,683.05
Due from Trust Other Fund	SB-6	96,678.22	117,994.45
Due from Municipal Open Space Fund	SB-8	182,299.39	
Due from General Capital Fund	SC-9	47,875.00	
		<u>1,082,386.81</u>	<u>1,017,854.54</u>
		<u>7,124,377.37</u>	<u>7,320,369.82</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	SA-19	526,492.76	99,976.76
Due from Current Fund	SA-18	113,120.79	137,636.87
Due from General Capital Fund	C	17,924.79	17,924.79
		<u>657,538.34</u>	<u>255,538.42</u>
		<u>\$ 7,781,915.71</u>	<u>\$ 7,575,908.24</u>

(Continued)

**TOWNSHIP OF HAINESPORT**  
**CURRENT FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
As of December 31, 2018 and 2017

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3;SA-7	\$ 846,047.23	\$ 690,224.12
Reserve for Encumbrances	A-3;SA-7	108,128.13	34,102.85
Prepaid Taxes	SA-8	115,424.76	631,619.19
Tax Overpayments	SA-9		4,574.54
Due to State of New Jersey			
Senior Citizens and Veterans' Deductions	SA-3	23,114.81	19,158.64
Training Fees- Surcharge	SA-10	720.00	3,646.00
Marriage Licenses	SA-15	250.00	100.00
Due County for Added and Omitted Taxes	SA-12	8,127.05	10,488.30
Due Mount Holly MUA	SA-1	3,712.00	
Local District School Taxes Payable	SA-13	536,669.67	449,945.17
Regional High School Taxes Payable	SA-14	472,112.18	479,192.20
Due to Federal and State Grant Fund	SA-18	113,120.79	137,636.87
Due to Trust - Municipal Open Space Fund	SB-8		730.10
Due to General Capital Fund	SC-9		16,640.00
Accounts Payable	A	22,550.49	22,550.49
		2,249,977.11	2,500,608.47
Reserve for Receivables and Other Assets	A	1,082,386.81	1,017,854.54
Fund Balance	A-1	3,792,013.45	3,801,906.81
		7,124,377.37	7,320,369.82
Federal and State Grant Fund:			
Reserve for Encumbrances	SA-21	85,056.39	3,759.13
Reserve for Federal and State Grants:			
Unappropriated	SA-20	6,636.03	14,600.88
Appropriated	SA-21	565,845.92	237,178.41
		657,538.34	255,538.42
		\$ 7,781,915.71	\$ 7,575,908.24

The accompanying Notes to Financial Statements are an integral part of these statements.

**TOWNSHIP OF HAINESPORT**  
**CURRENT FUND**  
 Statements of Operations and Changes in Fund Balance - Regulatory Basis  
 For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 850,000.00	\$ 867,000.00
Miscellaneous Revenue Anticipated	1,257,267.19	773,213.19
Receipts from Delinquent Taxes	127,215.57	157,982.83
Receipts from Current Taxes	18,071,657.50	17,916,631.25
Non-Budget Revenue	267,178.68	209,407.79
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	623,051.54	638,242.09
Canceled Tax Overpayments	5,447.54	1,747.88
Mortgage Accounts Receivable	1,500.00	
Due from General Capital Fund		198,114.33
Due from Trust Other Fund	21,316.23	
Due from Trust Assessment Fund	177,412.94	
Due from Animal Control Fund		1,000.06
	<u>21,402,047.19</u>	<u>20,763,339.42</u>
Total Income		
<u>Expenditures</u>		
Budget Appropriations:		
Operations - Within "CAPS":		
Salaries and Wages	734,352.00	774,050.00
Other Expenses	1,945,125.00	1,882,950.00
Deferred Charges and Statutory Expenditures		
Within "CAPS"	134,230.00	130,544.00
Operations - Excluded from "CAPS":		
Other Expenses	650,028.33	132,096.29
Capital Improvements - Excluded from "CAPS"	439,100.00	417,000.00
Deferred Charges - Excluded from "CAPS"	72,438.00	72,438.00
Municipal Debt Service - Excluded from "CAPS"	597,933.55	545,419.72
County Taxes	3,288,950.24	3,292,063.91
Due County for Added and Omitted Taxes	8,127.05	10,488.30
Local District School Taxes	8,824,891.00	8,651,442.00
Regional High School Taxes	3,405,041.00	3,419,201.00
Municipal Open Space Tax	230,367.58	230,176.56
Municipal Open Space Tax - Added Taxes	568.19	730.10
Refund of Prior Year Revenue	614.22	111,462.13
Due Senior Citizens and Veterans - Taxation Audit		500.00
Reserves Created:		
Due from Trust Assessment Fund		176,617.40
Due from General Capital Fund	47,875.00	
Due from Municipal Open Space Fund	182,299.39	
Due from Trust Other Fund		93,906.43
	<u>20,561,940.55</u>	<u>19,941,085.84</u>
Total Expenditures		
Statutory Excess to Fund Balance	840,106.64	822,253.58
<u>Fund Balance</u>		
Balance January 1	3,801,906.81	3,846,653.23
	4,642,013.45	4,668,906.81
Decreased by:		
Utilization as Anticipated Revenue	850,000.00	867,000.00
Balance December 31	<u>\$ 3,792,013.45</u>	<u>\$ 3,801,906.81</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**TOWNSHIP OF HAINESPORT**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2018

	<u>Anticipated</u>	<u>Special</u>		<u>Excess or</u>
	<u>Budget</u>	<u>N.J.S.40A:4-87</u>	<u>Realized</u>	<u>(Deficit)</u>
Surplus Anticipated	\$ 850,000.00		\$ 850,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	20,000.00		15,500.00	\$ (4,500.00)
Other	14,000.00		20,496.00	6,496.00
Fees and Permits	33,000.00		25,335.00	(7,665.00)
Interest on Costs and Taxes	40,000.00		39,152.23	(847.77)
Interest and Costs on Assessments	24,000.00		6,741.31	(17,258.69)
Interest on Investments and Deposits	20,000.00		41,690.46	21,690.46
Recreation Fees	23,000.00		25,426.00	2,426.00
Energy Receipts Tax	379,764.00		379,764.00	
Uniform Construction Code Fees	151,000.00		102,721.00	(48,279.00)
Public and Private Revenues Off-Set with Appropriations:				
Community Development Block Grant	78,000.00		78,000.00	
Recycling Tonnage Grant	15,166.83		15,166.83	
Burlington County Park Grant	190,350.00		190,350.00	
New Jersey Department of Transportation Grant	235,000.00		235,000.00	
Clean Communities Program		\$ 13,811.50	13,811.50	
Special Items of General Revenue Anticipated with Prior Written				
Consent of Director of Local Gov't Services - Other Special Items:				
Railroad User Fees	52,000.00		68,112.86	16,112.86
	1,275,280.83	13,811.50	1,257,267.19	(31,825.14)
Receipts from Delinquent Taxes	153,000.00		127,215.57	(25,784.43)
Amounts to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including				
Reserve for Uncollected Taxes	2,499,079.00		2,513,712.44	14,633.44
Budget Totals	4,777,359.83	13,811.50	4,748,195.20	(42,976.13)
Non-Budget Revenues			267,178.68	267,178.68
	<u>\$ 4,777,359.83</u>	<u>\$ 13,811.50</u>	<u>\$ 5,015,373.88</u>	<u>\$ 224,202.55</u>

(Continued)

**TOWNSHIP OF HAINESPORT**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2018

Analysis of Realized Revenue

Allocation of Current Tax Collections:	
Revenues from Collections	\$ 18,071,657.50
Allocated to:	
School, County and Local Open Space Taxes	15,757,945.06
	<u>2,313,712.44</u>
Increased by:	
Appropriation "Reserve for Uncollected Taxes"	200,000.00
	<u>200,000.00</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 2,513,712.44</u></u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 125,271.70
Tax Title Liens	1,943.87
	<u>\$ 127,215.57</u>

Analysis of Non-Budget Revenues

Receipts:	
Miscellaneous Revenue not Anticipated:	
Cable Franchise Fees	\$ 43,000.75
PILOT - Davenport Village	56,732.15
Sale of Assets	28,726.03
LEA Rebates	23,539.47
NJEIT Savings Credits	73,574.65
Senior Citizen and Vet Admin Fee	1,393.66
Wellness and Safety Reimbursement	1,495.00
FEMA Reimbursements	3,641.60
JIF Wellness & Safety Award	5,291.60
Railroad Fees	9,500.00
Vacant Property Fees	13,708.43
Homestead Rebate Administrative Fee	565.20
Miscellaneous	6,010.14
	<u>\$ 267,178.68</u>

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

**TOWNSHIP OF HAINESPORT**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2018

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS - WITHIN "CAPS"						
General Government						
Administrative and Executive:						
Salaries and Wages	\$ 86,600.00	\$ 86,600.00	\$ 86,549.93		\$ 50.07	
Other Expenses	7,750.00	7,750.00	3,206.94		4,543.06	
Mayor and Committee:						
Salaries and Wages	26,300.00	26,300.00	25,330.32		969.68	
Other Expenses	15,200.00	15,200.00	11,123.26	\$ 995.73	3,081.01	
Municipal Clerk:						
Salaries and Wages	40,000.00	40,000.00	39,338.70		661.30	
Other Expenses	23,300.00	23,300.00	11,409.62	4,921.96	6,968.42	
Elections	4,000.00	4,000.00	3,392.17		607.83	
Financial Administration:						
Salaries and Wages	60,200.00	60,200.00	52,349.06		7,850.94	
Other Expenses	37,350.00	37,350.00	13,515.51	238.87	23,595.62	
Annual Audit	36,500.00	36,500.00	36,500.00			
Computerized Data Processing:						
Salaries and Wages	3,152.00	3,152.00	3,061.41		90.59	
Other Expenses	12,750.00	12,750.00	10,798.09	825.00	1,126.91	
Assessment of Taxes:						
Salaries and Wages	26,625.00	26,625.00	26,622.89		2.11	
Other Expenses	4,100.00	4,100.00	347.90		3,752.10	
Collection of Taxes:						
Salaries and Wages	98,000.00	98,000.00	96,131.48		1,868.52	
Other Expenses	12,550.00	12,550.00	7,677.41	303.87	4,568.72	
Legal Services and Costs:						
Other Expenses	96,000.00	96,000.00	61,015.54	2,234.18	32,750.28	
Engineering Services and Costs:						
Other Expenses	51,000.00	65,000.00	26,597.54	10,687.71	27,714.75	
Economic Development:						
Other Expenses	1,000.00	5,000.00			5,000.00	
Land Use Administration						
Planning Board:						
Salaries and Wages	7,000.00	7,000.00	6,917.15		82.85	
Other Expenses	133,000.00	133,000.00	13,744.87	81.94	119,173.19	
Zoning Officer:						
Salaries and Wages	10,800.00	10,800.00	10,397.48		402.52	
Other Expenses	1,200.00	1,200.00	642.25		557.75	
Code Enforcement Officer:						
Salaries and Wages	7,900.00	7,900.00	7,715.86		184.14	
Other Expenses	650.00	650.00	10.57		639.43	

(Continued)

**TOWNSHIP OF HAINESPORT**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2018

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>						
<u>Insurance</u>						
Liability Insurance	\$ 116,000.00	\$ 102,000.00	\$ 101,082.00		\$ 918.00	
Group Insurance Plan for Employees	280,000.00	280,000.00	245,581.92	\$ 1,660.23	32,757.85	
<u>Public Safety</u>						
Police:						
Salaries and Wages	6,000.00	6,000.00	5,231.50		768.50	
Other Expenses	200.00	200.00	194.78		5.22	
Office of Emergency Management Services:						
Other Expenses	750.00	750.00			750.00	
Aid to Volunteer Fire Company	90,000.00	90,000.00	90,000.00			
First Aid Organization-Contribution	30,000.00	30,000.00			30,000.00	
Fire Marshall:						
Salaries and Wages	23,075.00	23,075.00	22,499.94		575.06	
Other Expenses	119,275.00	119,275.00	89,478.91		29,796.09	
<u>Public Works</u>						
Road Repair and Maintenance:						
Salaries and Wages	285,000.00	265,000.00	234,402.35		30,597.65	
Other Expenses	47,250.00	67,250.00	61,589.82	2,930.60	2,729.58	
Solid Waste Collection - Contractual	166,000.00	166,000.00	133,762.27	11,996.25	20,241.48	
Recycling Program:						
Other Expenses	17,000.00	17,000.00			17,000.00	
Public Buildings and Grounds:						
Other Expenses	44,000.00	44,000.00	25,874.86	5,090.62	13,034.52	
Vehicle Maintenance:						
Other Expenses	24,000.00	24,000.00	11,366.14	1,555.64	11,078.22	
<u>Health and Welfare</u>						
Board of Health:						
Salaries and Wages	1,300.00	1,300.00	1,298.42		1.58	
Other Expenses	300.00	300.00			300.00	
Employee Immunization:						
Other Expenses	1,000.00	1,000.00	145.00		855.00	
Environmental Commission:						
Other Expenses	1,750.00	1,750.00	350.00		1,400.00	
Contributions to Social Services Agencies	700.00	700.00	210.00		490.00	
Parks and Recreation:						
Salaries and Wages	20,000.00	16,000.00	12,698.43		3,301.57	
Other Expenses	37,500.00	37,500.00	24,542.45	251.77	12,705.78	
Celebration of Public Events:						
Other Expenses	2,000.00	2,000.00			2,000.00	
Animal Control Regulation:						
Salaries and Wages	1,000.00	1,000.00			1,000.00	
Other Expenses	1,000.00	1,000.00			1,000.00	

(Continued)

**TOWNSHIP OF HAINESPORT**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2018

	Appropriations		Expended			Unexpended Balance
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>						
<u>Utility Expenses and Bulk Purchases</u>						
Postage	\$ 16,600.00	\$ 16,600.00	\$ 12,313.18	\$ 3,055.33	\$ 1,231.49	
Electricity	35,000.00	35,000.00	26,947.49	1,750.66	6,301.85	
Street Lighting	120,000.00	117,000.00	67,423.43	8,100.67	41,475.90	
Telephone	25,000.00	25,000.00	12,160.86	33.56	12,805.58	
Water	5,000.00	5,000.00	4,244.33	353.79	401.88	
Gas	17,500.00	17,500.00	16,536.82	692.91	270.27	
Gasoline	35,000.00	35,000.00	17,430.48		17,569.52	
Landfill/Solid Waste Disposal Costs	220,000.00	220,000.00	183,467.39		36,532.61	
COAH Administration:						
Salaries and Wages	20,000.00	20,000.00			20,000.00	
Other Expenses	20,000.00	20,000.00			20,000.00	
<u>Uniform Construction Code -</u>						
<u>Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4-17)</u>						
State Uniform Construction Code:						
Salaries and Wages	35,400.00	35,400.00	34,917.13		482.87	
Other Expenses	14,950.00	14,950.00	11,543.93	254.01	3,152.06	
Total Operations - Within "CAPS"	2,682,477.00	2,679,477.00	2,001,689.78	58,015.30	619,771.92	-
Detail:						
Salaries and Wages	758,352.00	734,352.00	665,462.05		68,889.95	
Other Expenses	1,924,125.00	1,945,125.00	1,336,227.73	58,015.30	550,881.97	
<u>Statutory Expenditures</u>						
Contribution to:						
Public Employees' Retirement System	62,830.00	62,830.00	62,829.94		0.06	
Social Security System (O.A.S.I.)	65,000.00	65,000.00	48,754.59		16,245.41	
Defined Contribution Retirement Program	1,400.00	1,400.00	997.78	235.34	166.88	
Unemployment Insurance	5,000.00	5,000.00	2,313.19		2,686.81	
Total Deferred Charges and Statutory Expenditures						
Municipal - Within "CAPS"	134,230.00	134,230.00	114,895.50	235.34	19,099.16	-
Total General Appropriations for Municipal Purposes						
Within "CAPS"	2,816,707.00	2,813,707.00	2,116,585.28	58,250.64	638,871.08	-

(Continued)

**TOWNSHIP OF HAINESPORT**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>						
Recycling Tax (N.J.S.A. 13:1E-96.5)	\$ 9,700.00	\$ 9,700.00			\$ 9,700.00	
NJPDES Stormwater Permit (N.J.S.A. 40A:4-45.3(cc)):						
Other Expenses	20,000.00	20,000.00	\$ 20,000.00			
Construction Office - Interlocal Service Agreement:						
Other Expenses	85,000.00	85,000.00	81,702.37		3,297.63	
<u>Public and Private Programs Off-Set by Revenues:</u>						
Municipal Alliance on Alcoholism and Drug Abuse - Local Share	3,000.00	3,000.00	2,200.00		800.00	
Community Development Block Grant	78,000.00	78,000.00	78,000.00			
Recycling Tonnage Grant	15,166.83	15,166.83	15,166.83			
Burlington County Park Grant	190,350.00	190,350.00	190,350.00			
New Jersey Department of Transportation Grant	235,000.00	235,000.00	235,000.00			
NJ DEP - Clean Communities						
Program (N.J.S.40A:4-87 \$13,811.50)		13,811.50	13,811.50			
Total Operations - Excluded from "CAPS"	636,216.83	650,028.33	636,230.70	-	13,797.63	-
Detail:						
Other Expenses	650,028.33	650,028.33	636,230.70	-	13,797.63	-
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	175,000.00	175,000.00	175,000.00			
Acquisition of Computers and Equipment	7,500.00	7,500.00	6,310.99		1,189.01	
Acquisition of Equipment and Vehicles	102,000.00	102,000.00			102,000.00	
Acquisition of Traffic Calming Devices	5,000.00	8,000.00	7,965.00		35.00	
Building Security and Improvements	20,000.00	20,000.00			20,000.00	
Acquisition of a Generator	60,000.00	60,000.00			60,000.00	
Acquisition of Fire Safety Equipment	66,600.00	66,600.00	6,568.00	\$ 49,877.49	10,154.51	
Total Capital Improvements Excluded from "CAPS"	436,100.00	439,100.00	195,843.99	49,877.49	193,378.52	-

(Continued)

**TOWNSHIP OF HAINESPORT**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<b><u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u></b>						
Payment of Bond Principal	\$ 342,647.00	\$ 342,647.00	\$ 342,647.00			
Payment of Bond Anticipation Notes and Capital Notes	138,750.00	138,750.00	138,375.00			\$ 375.00
Interest on Bonds	98,600.00	98,600.00	81,085.47			17,514.53
Interest on Notes	4,801.00	4,801.00	4,734.49			66.51
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	31,100.00	31,100.00	31,091.59			8.41
Total Municipal Debt Service Excluded from "CAPS"	615,898.00	615,898.00	597,933.55	-	-	17,964.45
<b><u>DEFERRED CHARGES - EXCLUDED FROM "CAPS"</u></b>						
Ord 2000 13-8 (Construction of Sewerage Conveyance System)	72,438.00	72,438.00	72,438.00	-	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,760,652.83	1,777,464.33	1,502,446.24	\$ 49,877.49	\$ 207,176.15	17,964.45
Subtotal General Appropriations	4,577,359.83	4,591,171.33	3,619,031.52	108,128.13	846,047.23	17,964.45
Reserve for Uncollected Taxes	200,000.00	200,000.00	200,000.00	-	-	-
Total General Appropriations	<u>\$ 4,777,359.83</u>	<u>\$ 4,791,171.33</u>	<u>\$ 3,819,031.52</u>	<u>\$ 108,128.13</u>	<u>\$ 846,047.23</u>	<u>\$ 17,964.45</u>
Budget		\$ 4,777,359.83				
Appropriation by 40A:4-87		13,811.50				
		<u>\$ 4,791,171.33</u>				
Reserve for Federal and State Grants Appropriated			\$ 532,328.33			
Reserve for Uncollected Taxes			200,000.00			
Due to General Capital Fund:						
Deferred Charges to Future Taxation Unfunded			72,438.00			
Capital Improvement Fund			175,000.00			
Refunds of Current Year Appropriations			(713.79)			
Disbursed			2,839,978.98			
			<u>\$ 3,819,031.52</u>			

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

**TOWNSHIP OF HAINESPORT**  
**TRUST FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
 As of December 31, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Assessment Fund:			
Cash	SB-1; SB-3	\$ 958,616.73	\$ 1,420,468.18
Due Bank	B	0.50	0.50
Assessments Receivable	SB-10	280,165.18	491,563.95
		<u>1,238,782.41</u>	<u>1,912,032.63</u>
Animal Control Trust Fund:			
Cash	SB-1	9,693.78	8,776.81
		<u>9,693.78</u>	<u>8,776.81</u>
Other Funds:			
Cash - Treasurer	SB-1	813,064.47	809,416.31
Cash - Collector	SB-2	15,267.99	200,585.81
		<u>828,332.46</u>	<u>1,010,002.12</u>
Municipal Open Space Fund:			
Cash	SB-1	794,202.66	532,347.03
Due from Current Fund	SB-8		730.10
Due from General Capital Fund	C	65,000.00	65,000.00
		<u>859,202.66</u>	<u>598,077.13</u>
		<u>\$ 2,936,011.31</u>	<u>\$ 3,528,888.69</u>

(Continued)

**TOWNSHIP OF HAINESPORT**  
**TRUST FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
 As of December 31, 2018 and 2017

<u>LIABILITIES AND RESERVES</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Assessment Fund:			
Due Current Fund	SB-12	\$ 270.11	\$ 177,683.05
Waste Water Treatment Loans Payable	SB-11	1,081,168.38	1,577,005.66
Fund Balance	B	<u>157,343.92</u>	<u>157,343.92</u>
		<u>1,238,782.41</u>	<u>1,912,032.63</u>
Animal Control Trust Fund			
Due to State of New Jersey	SB-5	12.60	7.20
Reserve for Animal Control Fund Expenditures	SB-4	<u>9,681.18</u>	<u>8,769.61</u>
		<u>9,693.78</u>	<u>8,776.81</u>
Other Funds:			
Due to Current Fund	SB-6	96,678.22	117,994.45
Due to Public Assistance Fund - Recreation Account	F	3,271.82	3,271.82
Reserve for Planning and Zoning Board Escrow	SB-7	115,634.07	107,140.14
Reserve for Recreation Commission	SB-7	91,285.19	93,547.69
Reserve for Affordable Housing	SB-7	447,362.75	470,427.84
Premiums Received at Tax Sale	SB-7	54,100.00	133,700.00
Reserve for Fire Safety Fund	SB-7	3,972.88	7,362.88
Reserve for Tax Title Lien Redemption	SB-7	9,309.50	72,527.32
Reserve for Payroll Deductions	SB-7	<u>6,718.03</u>	<u>4,029.98</u>
		<u>828,332.46</u>	<u>1,010,002.12</u>
Municipal Open Space Fund:			
Due to Current Fund	SB-8	182,299.39	
Reserve for Future Use	SB-9	<u>676,903.27</u>	<u>598,077.13</u>
		<u>859,202.66</u>	<u>598,077.13</u>
		<u>\$ 2,936,011.31</u>	<u>\$ 3,528,888.69</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**TOWNSHIP OF HAINESPORT**  
**TRUST ASSESSMENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2018

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	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Assessment Cash	<u>\$ 495,838.00</u>	<u>\$ 495,837.28</u>	<u>\$ 0.72</u>

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

**TOWNSHIP OF HAINESPORT**  
**TRUST ASSESSMENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2018

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	<u>Appropriations</u>				Unexpended
	<u>Original</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
	<u>Budget</u>	<u>Modification</u>	<u>Charged</u>		<u>Canceled</u>
Payment of Bond Principal	<u>\$ 495,838.00</u>	<u>\$ 495,838.00</u>	<u>\$ 495,837.28</u>	<u>\$ -</u>	<u>\$ 0.72</u>

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

**TOWNSHIP OF HAINESPORT**  
**MUNICIPAL OPEN SPACE TRUST FUND**  
 Statements of Operations and Changes in Reserve for Future Use - Regulatory Basis  
 For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
REVENUE REALIZED:		
Amount to be Raised by Taxation	\$ 230,935.77	\$ 230,906.66
Reserve for Future Use	<u>99,632.42</u>	<u>99,823.44</u>
Total Revenue	<u>330,568.19</u>	<u>330,730.10</u>
EXPENDITURES:		
Budget Appropriations:		
Maintenance of Lands for Recreation and Conservation	58,239.13	54,102.05
Acquisition of Lands for Recreation and Conservation	1,370.50	5,156.35
Payment of Bond Anticipation Notes and Capital Notes	70,000.00	
Other Charges to Municipal Open Space Trust Reserve:		
Payment of Bond Anticipation Notes and Capital Notes	<u>22,500.00</u>	
Total Expenditures	<u>152,109.63</u>	<u>59,258.40</u>
Excess to Reserve	178,458.56	271,471.70
RESERVE FOR FUTURE USE:		
Balance January 1,	<u>598,077.13</u>	<u>426,428.87</u>
	776,535.69	697,900.57
Decreased by:		
Reserve for Future Use Anticipated	<u>99,632.42</u>	<u>99,823.44</u>
Balance December 31,	<u><u>\$ 676,903.27</u></u>	<u><u>\$ 598,077.13</u></u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**TOWNSHIP OF HAINESPORT**  
**TRUST- MUNICIPAL OPEN SPACE FUND**  
**Statement of Revenues - Regulatory Basis**  
**For the Year Ended December 31, 2018**

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	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or ( <u>Deficit</u> )
Amount to be Raised by Taxation	\$ 230,367.58	\$ 230,935.77	\$ 568.19
Reserve for Future Use	<u>99,632.42</u>	<u>99,632.42</u>	
	<u><u>\$ 330,000.00</u></u>	<u><u>\$ 330,568.19</u></u>	<u><u>\$ 568.19</u></u>

Analysis of Amount to be Raised by Taxation

Current Year Levy	\$ 230,367.58
Added/Omitted Tax Levy	<u>568.19</u>
	<u><u>\$ 230,935.77</u></u>

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

**TOWNSHIP OF HAINESPORT**  
**TRUST - MUNICIPAL OPEN SPACE FUND**  
**Statement of Expenditures - Regulatory Basis**  
**For the Year Ended December 31, 2018**

	<u>Appropriations</u>		<u>Paid or</u>	<u>Unexpended</u>
	<u>Original</u>	<u>Budget After</u>	<u>Charged</u>	<u>Balance</u>
	<u>Budget</u>	<u>Modification</u>		<u>Canceled</u>
Maintenance of Lands for Recreation and Conservation:				
Other Expenses	\$ 170,000.00	\$ 170,000.00	\$ 58,239.13	\$ 111,760.87
Acquisition of Lands for Recreation and Conservation	90,000.00	90,000.00	1,370.50	88,629.50
Payment of Bond Anticipation Notes and Capital Notes	70,000.00	70,000.00	70,000.00	
	<u>\$ 330,000.00</u>	<u>\$ 330,000.00</u>	<u>\$ 129,609.63</u>	<u>\$ 200,390.37</u>

Disbursed by Open Space Fund	\$ 59,609.63
Disbursed by Current Fund on Behalf of Open Space Fund	<u>70,000.00</u>
	<u>\$ 129,609.63</u>

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

**TOWNSHIP OF HAINESPORT**  
**GENERAL CAPITAL FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
As of December 31, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Cash	SC-1	\$ 397,495.11	\$ 186,494.76
Due from Current Fund	SC-9		16,640.00
Due from Bank	C	183.63	183.63
Due from Burlington County - Open Space Grant	SC-3		16,320.00
Deferred Charges to Future Taxation - Funded	SC-5	851,734.15	1,222,950.90
Deferred Charges to Future Taxation - Unfunded	SC-6	1,811,627.89	2,114,940.89
		<u>\$ 3,061,040.78</u>	<u>\$ 3,557,530.18</u>
 <u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>			
Due to Grant Fund	A	\$ 17,924.79	\$ 17,924.79
Due to Current Fund	SC-9	47,875.00	
Due to Trust - Municipal Open Space Fund	B	65,000.00	65,000.00
Bond Anticipation Notes	SC-10	736,875.00	369,250.00
Waste Water Treatment Loans Payable	SC-11	747,139.01	1,089,785.34
Green Acres Assistance Loan Payable	SC-12	104,595.14	133,165.56
Reserve for Encumbrances	SC-7	133,233.00	63,166.00
Improvement Authorizations:			
Funded	SC-8	146,550.42	238,783.84
Unfunded	SC-8	438,855.70	1,051,443.79
Reserve for Interest	C	24,786.67	24,786.67
Reserve for Preliminary Expenses:			
Purchase of Land for Open Space	C	9,995.26	9,995.26
Capital Improvement Fund	SC-4	491,687.86	397,952.00
Fund Balance	C-1	96,522.93	96,276.93
		<u>\$ 3,061,040.78</u>	<u>\$ 3,557,530.18</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**TOWNSHIP OF HAINESPORT**  
**GENERAL CAPITAL FUND**  
Statement of Fund Balance - Regulatory Basis  
For the Year Ended December 31, 2018

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Balance December 31, 2017	\$ 96,276.93
Increased by:	
Premiums Received on Bond Anticipation Notes	<u>246.00</u>
Balance December 31, 2018	<u><u>\$ 96,522.93</u></u>

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

**TOWNSHIP OF HAINESPORT**  
**PUBLIC ASSISTANCE TRUST FUND**  
 Statements of Assets, Liabilities and Reserves - Regulatory Basis  
 As of December 31, 2018 and 2017

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<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Due from Trust Other (Recreation)	B	\$ 3,271.82	\$ 3,271.82
		<u>\$ 3,271.82</u>	<u>\$ 3,271.82</u>
 <u>RESERVES</u>			
Reserve for Public Assistance	F	\$ 3,271.82	\$ 3,271.82

The accompanying Notes to Financial Statement are an integral part of these statements.

**TOWNSHIP OF HAINESPORT**  
**GENERAL FIXED ASSET ACCOUNT GROUP**  
Statement of General Fixed Assets Group of Accounts - Regulatory Basis  
For the Year Ended December 31, 2018

	Balance <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2018</u>
General Fixed Assets:				
Land and Improvements	\$ 2,719,365.08	\$ 602,724.58		\$ 3,322,089.66
Buildings and Improvements	3,454,261.90	35,400.00		3,489,661.90
Vehicles	2,166,063.00	277,663.14	\$ 63,045.00	2,380,681.14
Machinery and Equipment	<u>336,307.99</u>	<u>25,177.99</u>	<u>43,245.00</u>	<u>318,240.98</u>
Total General Fixed Assets	<u>\$ 8,675,997.97</u>	<u>\$ 940,965.71</u>	<u>\$ 106,290.00</u>	<u>\$ 9,510,673.68</u>
Total Investments in General Fixed Assets	<u>\$ 8,675,997.97</u>	<u>\$ 940,965.71</u>	<u>\$ 106,290.00</u>	<u>\$ 9,510,673.68</u>

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

**TOWNSHIP OF HAINESPORT**  
Notes to Financial Statements  
For the Year Ended December 31, 2018

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Financial Reporting Entity** - The Township of Hainesport (hereafter referred to as the "Township") was incorporated in 1924 and is located in southwest New Jersey approximately thirty miles northeast of the City of Philadelphia. The population according to the 2010 census is 6,110.

The form of Government is known as Township pursuant to N.J.S.A. 40A:63-1et seq. The government consists of five Committee Members who are elected at large to three year staggered terms. The Mayor is elected from and by the Members of the Committee and serves a one year term. Under the statutes the Mayor is the head of the government and acts as the executive branch. The Committee acts as the legislative branch of government and has executive powers not assigned to the Mayor.

**Component Units** - The Township had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39, No. 61 and No. 80.

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

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

**Current Fund** - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

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

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

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

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

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

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

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

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

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

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

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

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

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

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

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

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

**Deferred Charges** - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally 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.

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

**Fund Balance** - Fund balance included in the current fund represents amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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

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

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

**School Taxes** - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Hainesport School District and the Rancocas Valley Regional High School District. For both school districts, operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2017 and decreased by the amount deferred at December 31, 2018.

**County Taxes** - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Burlington. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

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

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

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

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

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

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

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

**Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

For the year ended December 31, 2018, the Township adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of adopting Statement No. 75, the Township was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their postemployment benefits plan. As a result of the regulatory basis of accounting previously described in note 1, the implementation of this Statement only required financial statement disclosures. There exists no impact on the financial statements of the Township.

**Note 2: CASH AND CASH EQUIVALENTS**

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

As of December 31, 2018, the Township's bank balances of \$9,080,131.89 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 8,805,060.59
Uninsured and Uncollateralized	<u>275,071.30</u>
Total	<u>\$ 9,080,131.89</u>

**Note 3: PROPERTY TAXES**

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

	<u>Year Ended</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate	<u>\$ 2.377</u>	<u>\$ 2.351</u>	<u>\$ 2.300</u>	<u>\$ 2.250</u>	<u>\$ 2.127</u>
Apportionment of Tax Rate:					
Municipal	\$ .325	\$ .318	\$ .328	\$ .316	\$ .300
County	0.429	0.431	0.430	0.425	0.391
Local School	1.150	1.127	1.082	1.067	1.051
Regional School	.443	.445	.430	.412	.355
Municipal Open Space	.030	.030	.030	.030	.030

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2018	\$ 767,891,921.00
2017	767,255,206.00
2016	761,468,346.00
2015	761,053,271.00
2014	762,750,681.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2018	\$ 18,297,904.54	\$ 18,071,657.50	98.76%
2017	18,107,136.80	17,916,631.25	98.95%
2016	17,703,301.14	17,502,413.89	98.87%
2015	17,161,101.14	16,994,143.44	99.03%
2014	16,259,284.22	16,040,913.81	98.66%

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

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

**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	\$ 70,737.24	\$ 220,359.92	\$ 291,097.16	1.59%
2017	22,581.18	193,328.93	215,910.11	1.19%
2016	35,418.79	195,022.38	230,441.17	1.30%
2015	29,850.49	163,865.16	193,715.65	1.13%
2014	23,077.44	163,521.81	186,599.25	1.15%

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2018	8
2017	5
2016	5
2015	5
2014	4

**Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

<u>Year</u>	<u>Amount</u>
2018	\$ 445,600.00
2017	506,200.00
2016	366,200.00
2015	366,200.00
2014	366,200.00

**Note 5: FUND BALANCES APPROPRIATED**

The following schedules detail 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>
2018	\$ 3,792,013.45	\$ 850,000.00	22.42%
2017	3,801,906.81	850,000.00	22.36%
2016	3,846,653.23	867,000.00	22.54%
2015	3,559,074.80	800,000.00	22.48%
2014	2,668,712.82	800,000.00	29.98%

**Note 6: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2018:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 327,122.72	\$ 113,120.79
Federal and State Grant	131,045.58	
Trust - Assessment		270.11
Trust - Municipal Open Space	65,000.00	182,299.39
Trust - Other		99,950.04
General Capital		130,799.79
Public Assistance	3,271.82	
Totals	<u>\$ 526,440.12</u>	<u>\$ 526,440.12</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2019, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 7: PENSION PLANS**

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

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

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

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

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

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

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

The following represents the membership tiers for PERS:

**Tier Definition**

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

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

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

**Contributions**

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.34% in State fiscal year 2018. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) was 10% in State fiscal year 2018. Employers' contribution are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

**Note 7: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** - The Township's contractually required contribution rate for the year ended December 31, 2018 was 10.71% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2018, the Township's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$54,701.00, and was payable by April 1, 2019. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$62,134.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$38,721.43.

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

For the year ended December 31, 2018, employee contributions totaled \$1,829.07, and the Township's contributions were \$997.78. There were no forfeitures during the year.

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

**Public Employees' Retirement System** - At December 31, 2018, the Township's proportionate share of the PERS net pension liability was \$1,082,799.00. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2018 measurement date, the Township's proportion was .0054993736%, which was a decrease of .0012077136% from its proportion measured as of June 30, 2017.

At December 31, 2018, the Township's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is \$(34,684.00). This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the Township's contribution to PERS was \$62,134.00, and was paid on April 1, 2018.

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

**Deferred Outflows of Resources and Deferred Inflows of Resources** - At December 31, 2018, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 20,649.00	\$ 5,583.00
Changes of Assumptions	178,427.00	346,222.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	10,157.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	28,696.00	318,005.00
Township Contributions Subsequent to the Measurement Date	27,351.00	-
	<u>\$ 255,123.00</u>	<u>\$ 679,967.00</u>

\$27,351.00 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2019. This amounts was based on an estimated April 1, 2020 contractually required contribution, prorated from the pension plan's measurement date of June 30, 2018 to the Township's year end of December 31, 2018.

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

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

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
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 Township 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

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

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

<b><u>Year Ending Dec 31,</u></b>	
2019	\$ (87,521.00)
2020	(89,304.00)
2021	(114,855.00)
2022	(109,324.00)
2023	(51,191.00)
	<u>\$ (452,195.00)</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate	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%
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014

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

For PERS, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent modified 2014 projection scale thereafter. 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).

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' 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>	

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

**Discount Rate** - The discount rate used to measure the total pension liability at June 30, 2018 was 5.66%. The respective single blended discount rates were based on the long-term expected rate of return on pension Plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 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 liabilities.

**Sensitivity of Township's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Public Employees' Retirement System (PERS)** - The following presents the Township's proportionate share of the net pension liability at June 30, 2018, the Plan's measurement date, calculated using a discount rate of 5.66%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
Township's Proportionate Share of the Net Pension Liability	\$ 1,361,495.00	\$ 1,082,799.00	\$ 848,991.00

**Pension Plan Fiduciary Net Position**

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

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

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

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

	<b>Measurement Date Ended June 30,</b>		
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Township's Proportion of the Net Pension Liability	0.0054993736%	0.0067070872%	0.0065116986%
Township's Proportionate Share of the Net Pension Liability	\$ 1,082,799.00	\$ 1,561,303.00	\$ 1,928,578.00
Township's Covered Payroll (Plan Measurement Period)	\$ 387,136.00	\$ 465,776.00	\$ 453,604.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	279.69%	335.20%	425.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%
	<b>Measurement Date Ended June 30,</b>		
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Township's Proportion of the Net Pension Liability	0.0064937693%	0.0080537557%	0.0081402339%
Township's Proportionate Share of the Net Pension Liability	\$ 1,457,721.00	\$ 1,507,883.00	\$ 1,555,760.00
Township's Covered Payroll (Plan Measurement Period)	\$ 453,580.00	\$ 562,312.00	\$ 562,160.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	321.38%	268.16%	276.75%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

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

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Contractually Required Contribution	\$ 54,701.00	\$ 62,134.00	\$ 57,849.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(54,701.00)</u>	<u>(62,134.00)</u>	<u>(57,849.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 510,809.00	\$ 436,054.00	\$ 440,279.00
Township's Contributions as a Percentage of Covered Payroll	10.71%	14.25%	13.14%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 55,829.00	\$ 66,394.00	\$ 61,335.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(55,829.00)</u>	<u>(66,394.00)</u>	<u>(61,335.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 454,888.00	\$ 471,967.00	\$ 574,248.00
Township's Contributions as a Percentage of Covered Payroll	12.27%	14.07%	10.68%

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

None

Changes in Assumptions

The Discount Rate changed at June 30th over the following years, 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017 and 5.66% 2018.

The Long-term Expected Rate of Return changed at June 30<sup>th</sup> over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the Plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter.

For 2015, the social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually.

**Note 8: DEFERRED COMPENSATION SALARY ACCOUNT**

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

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

**Note 9: CAPITAL DEBT****State of New Jersey Waste Water Treatment Loan**

In 2001, the Township entered into a loan agreement with the State of New Jersey Wastewater Treatment Trust to provide \$6,876,900.00, at no interest, from the fund loan, and \$6,835,000.00 at interest rates ranging from 4.00% to 4.75% from the trust loan. Semiannual debt payments are due February 1st and August 1st through 2021.

**Note 9: CAPITAL DEBT (CONT'D)**

The following schedule represents the remaining debt service, through maturity, for the New Jersey Waste Water Treatment loan:

<u>Year</u>	<u>Principal</u>			<u>Interest</u>	<u>Grand Total</u>
	<u>Fund Loan</u>	<u>Trust Loan</u>	<u>Total</u>		
2019	\$ 273,307.39	\$ 495,000.00	\$ 768,307.39	\$ 75,100.00	\$ 843,407.39
2020		520,000.00	520,000.00	50,350.00	570,350.00
2021		540,000.00	540,000.00	25,650.00	565,650.00
	<u>\$ 273,307.39</u>	<u>\$ 1,555,000.00</u>	<u>\$ 1,828,307.39</u>	<u>\$ 151,100.00</u>	<u>\$ 1,979,407.39</u>
	\$ 111,687.06	\$ 635,451.95	\$ 747,139.01	General Capital Fund	
	<u>161,620.33</u>	<u>919,548.05</u>	<u>1,081,168.38</u>	Trust Assessment Fund	
	<u>\$ 273,307.39</u>	<u>\$ 1,555,000.00</u>	<u>\$ 1,828,307.39</u>		

**General Debt - New Jersey Green Acres Loans**

In 2003, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$500,000.00, at an interest rate of 2.0%. Semiannual debt payments are due May 22nd and November 22nd through 2022.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Green Acres loan:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 29,144.69	\$ 1,946.90	\$ 31,091.59
2020	29,730.50	1,361.09	31,091.59
2021	30,328.08	763.51	31,091.59
2022	<u>15,391.87</u>	<u>153.92</u>	<u>15,545.79</u>
Totals	<u>\$ 104,595.14</u>	<u>\$ 4,225.42</u>	<u>\$ 108,820.56</u>

**Note 9: CAPITAL DEBT (CONT'D)**

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b><u>Issued</u></b>			
Trust Assessment:			
Loans	\$ 1,081,168.38	\$ 1,577,005.66	\$ 2,057,005.32
General:			
Bonds, Loans and Notes	<u>1,588,609.15</u>	<u>1,592,200.90</u>	<u>2,024,410.18</u>
Total Issued	<u>2,669,777.53</u>	<u>3,169,206.56</u>	<u>4,081,415.50</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds, Loans and Notes	<u>1,074,752.89</u>	<u>1,745,690.89</u>	<u>1,219,628.89</u>
Total Issued and Authorized but not Issued	<u>3,744,530.42</u>	<u>4,914,897.45</u>	<u>5,301,044.39</u>
<b><u>Deductions</u></b>			
Trust Assessment:			
Trust Assessment Cash	<u>801,003.20</u>	<u>1,085,441.71</u>	<u>1,331,474.10</u>
<b>Net Debt</b>	<u>\$ 2,943,527.22</u>	<u>\$ 3,829,455.74</u>	<u>\$ 3,969,570.29</u>

**Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of .358%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 4,808,000.00	\$ 4,808,000.00	
Regional School District	2,156,961.99	2,156,961.99	
General	<u>3,744,530.42</u>	<u>801,003.20</u>	<u>\$ 2,943,527.22</u>
	<u>\$ 10,709,492.41</u>	<u>\$ 7,765,965.19</u>	<u>\$ 2,943,527.22</u>

Net debt \$2,943,527.22 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$822,289,225.33, equals .358%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 28,780,122.89
Less: Net Debt	<u>2,943,527.22</u>
Remaining Borrowing Power	<u>\$ 25,836,595.67</u>

**Note 10: SCHOOL TAXES**

Hainesport Township School District and Rancocas Valley Regional High School taxes have been raised and the liability deferred by statutes, resulting in the school taxes payable set forth in the current fund liabilities as follows:

	<b>Local School District</b>		<b>Regional School District</b>	
	<b>Balance December 31,</b>		<b>Balance December 31,</b>	
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Balance of Tax	\$ 4,412,475.17	\$ 4,325,750.67	\$ 1,702,511.94	\$ 1,709,591.96
Deferred	<u>3,875,805.50</u>	<u>3,875,805.50</u>	<u>1,230,399.76</u>	<u>1,230,399.76</u>
Taxes Payable	<u>\$ 536,669.67</u>	<u>\$ 449,945.17</u>	<u>\$ 472,112.18</u>	<u>\$ 479,192.20</u>

**Note 11: RISK MANAGEMENT**

**Joint Insurance Pool** - The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Employee health and accident insurance and public officials bonds in amounts required by New Jersey statutes are provided through commercial insurance. Unemployment compensation benefits are provided by the State of New Jersey, supported by mandatory contributions by the Township. The Township is a member of the Burlington County Municipal Joint Insurance Fund (the "JIF") and the Municipal Excess Liability Joint Fund (the "MEL"), both public entity risk pools. Covered losses not provided by either the JIF or MEL are covered by reinsurance policies in varying amounts. The following coverage is provided by the JIF and MEL:

Public Officials Bonds in excess of amounts statutorily required  
 Public Employees Dishonesty Bonds  
 Automobile Liability  
 Workers' Compensation and Employer's Liability  
 Commercial Property  
 General Liability  
 Public Officials Liability  
 Employment Practices Liability  
 Environmental Liability

Contributions to the JIF and MEL, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the each of the fund's actuaries. 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.

**Note 11: RISK MANAGEMENT (CONT'D)**

**Joint Insurance Pool (Cont'd)** - The Funds publish their own financial reports, which can be obtained from:

Burlington County Municipal Joint Insurance Fund  
P.O. Box 325  
Hammonton, New Jersey 08037

Municipal Excess Liability Joint Insurance Fund  
Park 80 West Plaza I  
Saddle Brook, New Jersey 07663

There have been no settlements that exceed the Township's coverage for year ended December 31, 2018.

**Note 12: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST**

Pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township of Hainesport authorized the establishment of the Township of Hainesport Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2001, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of referendums, the Township levies a tax not to exceed three cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a Trust Fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Hainesport Open Space, Recreation and Farmland Preservation Trust Funds.

**Note 13: CONTINGENCIES**

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

**Litigation** - Correspondence from the Township's Solicitor indicated that there is no pending or threatened litigation claims, contingent liabilities, unasserted claims or assessments or statutory violations involving the Township which might materially affect the Township's financial position or results of operations.

**Note 14: CONCENTRATIONS**

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

**Note 15: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)****General Information about the OPEB Plan**

**Plan Description and Benefits Provided** - The Township contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which 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. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. 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 benefit coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, 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.

**Contributions** - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

The Township was billed monthly by the Plan and \$19,166.16 for the year ended December 31, 2018, representing 3.75% of the Township's covered payroll. During the year ended December 31, 2018, retirees were not required to contribute to the Plan.

**Note 15: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)****General Information about the OPEB Plan (Cont'd)**

**Contributions (Cont'd) - *Special Funding Situation Component*** - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997, as disclosed below. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB plan.

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% 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 Township does not have a Special Funding Situation within the Plan.

**OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

**OPEB Liability** - At December 31, 2018 the Township's proportionate share of the net OPEB liability was \$1,966,631.00.

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018.

The Township's proportion of the net OPEB liability was 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. For the June 30, 2018 measurement date, the Township's proportion was .012553% which was a decrease of .013344% from its proportion measured as of the June 30, 2017 measurement date.

**OPEB Expense** - At December 31, 2018, the Township's proportionate share of the OPEB expense, calculated by the Plan as of the June 30, 2018 measurement date is (\$11,838.00). This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the Township made contributions to the Plan totaling \$19,166.16.

**Note 15: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources** - At December 31, 2018, the Township had deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$ -	\$ 399,296.00
Changes of Assumptions	-	498,862.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	1,039.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	-	558,047.00
Township Contributions Subsequent to the Measurement Date	-	-
	<u>\$ 1,039.00</u>	<u>\$ 1,456,205.00</u>

**Note 15: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources** - The Township will amortize the above other deferred outflow of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Changes of Assumptions		
Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04
June 30, 2018	-	8.14
Net Difference between Projected and Actual Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions		
Year of OPEB Plan Deferral:		
June 30, 2017	8.04	8.04
June 30, 2018	8.14	8.14

Other amounts included as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in future periods as follows:

<b><u>Year Ending Dec. 31,</u></b>	
2019	\$ (220,109.00)
2020	(220,109.00)
2021	(220,109.00)
2022	(220,219.00)
2023	(220,396.00)
Thereafter	(354,224.00)
	<u>\$ (1,455,166.00)</u>

**Note 15: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****Actuarial Assumptions**

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2018 used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
Through 2026	1.65% - 8.98%
Thereafter	2.65% - 9.98%

\* Salary Increases are Based on the Defined Benefit Plan that the Member is Enrolled in and his or her Age.

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

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

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

All of the Plan's investments are in the State of New Jersey Cash Management Fund ("CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. Government and Agency Obligations, Commercial Paper, Corporate Obligations and Certificates of Deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) are the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

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

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

**Note 15: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****Sensitivity of the net OPEB Liability to Changes in the Discount Rate**

The Township's proportionate share of the net OPEB liability as of June 30, 2018, the Plans measurement date, calculated using a discount rate of 3.87%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	<b>1% Decrease (2.87%)</b>	<b>Current Discount Rate (3.87%)</b>	<b>1% Increase (4.87%)</b>
Township's Proportionate Share of the Net OPEB Liability	<u>\$ 2,307,378.00</u>	<u>\$ 1,966,631.00</u>	<u>\$ 1,694,451.00</u>

**Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The Township's proportionate share of the net OPEB Liability as of June 30, 2018, the Plans measurement date, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Township's Proportionate Share of the Net OPEB Liability	<u>\$ 1,640,486.00</u>	<u>\$ 1,966,631.00</u>	<u>\$ 2,388,712.00</u>

**OPEB Plan Fiduciary Net Position**

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

**Supplementary OPEB Information**

In accordance with GASB 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**Note 15: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****Supplementary OPEB Information (Cont'd)*****Schedule of the Township's Proportionate Share of the net OPEB Liability (Last 2 Years) –***

	<u>Measurement Date Ended June 30,</u>	
	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net OPEB Liability	0.012553%	0.013344%
Township's Proportionate Share of the Net OPEB Liability	\$ 1,966,631.00	\$ 2,724,283.00
Township's Covered Payroll (Plan Measurement Period)	\$ 488,008.00	\$ 411,773.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	402.99%	661.60%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.97%	1.03%

***Schedule of the Township's Contributions (Last 2 Years) –***

	<u>Year Ended December 31,</u>	
	<u>2018</u>	<u>2017</u>
Township's Required Contributions	\$ 19,166.16	\$ 22,019.24
Township's Contributions in Relation to the Required Contribution	<u>(19,166.16)</u>	<u>(22,019.24)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 510,809.00	\$ 436,054.00
Township's Contributions as a Percentage of Covered Payroll	3.75%	5.05%

**Other Notes to Supplementary OPEB Information**

Changes in Benefit Terms – None

Changes in Assumptions – In 2017, the discount rate changed to 3.58% from 2.85%. In 2018, the discount rate changed to 3.87% from 3.58%, there were changes in the census, claims and premiums experience and a decrease in the assumed health care cost trend and excise tax assumptions.

## **SUPPLEMENTAL EXHIBITS**

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

**TOWNSHIP OF HAINESPORT**  
**CURRENT FUND**  
Statement of Current Cash - Treasurer  
For the Year Ended December 31, 2018

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	<u>Regular</u>
Balance December 31, 2017	\$ 6,302,215.28
Increased by Receipts:	
Taxes Receivable	\$ 17,499,583.30
Tax Title Liens	1,943.87
Tax Overpayments	31,233.00
Prepaid Taxes	115,424.76
Due State of New Jersey:	
Senior Citizens' and Veterans' Deductions	69,682.88
State Training Fees	6,063.00
Marriage License Fees	830.00
Revenue Accounts Receivable	718,125.64
Mortgage Accounts Receivable	1,500.00
Miscellaneous Revenue not Anticipated	267,178.68
Petty Cash	250.00
Collected by Current Fund on Behalf of Trust Other Fund:	
Tax Sale Premiums	42,500.00
Interfund Liquidated - Escrow	10,147.81
Interfund Liquidated - Sewer Assessment	184,154.25
Collected by Current Fund on Behalf of General Capital Fund:	
Bond Anticipation Notes	736,875.00
Premiums on Bond Anticipation Notes	246.00
Burlington County Open Space Grant Receivable	16,320.00
Due Mt. Holly Sewer Authority	115,021.68
Refunds of Appropriation Reserves	713.79
Refunds of Current Year Appropriations	96.04
Contra	30.00
Federal and State Grant Funds Receivable	91,211.45
Unappropriated Grants	6,636.03
	<hr/>
	<u>19,915,767.18</u>

(Continued)

**TOWNSHIP OF HAINESPORT**  
**CURRENT FUND**  
Statement of Current Cash - Treasurer  
For the Year Ended December 31, 2018

	<u>Regular</u>
	\$ 26,217,982.46
Decreased by Disbursements:	
2018 Budget Appropriations	\$ 2,839,978.98
2017 Appropriation Reserves	101,371.47
County Taxes	3,288,950.24
County Share of Added and Omitted Taxes	10,488.30
Local District School Tax	8,738,166.50
Regional High School Taxes	3,412,121.02
Due State of New Jersey:	
State Training Fees	8,989.00
Marriage License Fees	680.00
Petty Cash	250.00
Refund of Tax Overpayments	30,360.00
Refund of Prior Year Revenue	614.22
Disbursed for Municipal Open Space Fund	92,500.00
Interfund Disbursed - Municipal Open Space Fund	321,465.26
Due General Capital Fund:	
Disbursed by Current Fund on Behalf of General Capital Fund:	
Payment of Bond Anticipation Notes	138,375.00
Interfunds Liquidated	927,019.00
Due Trust Other Funds:	
Interfund Disbursements - Payroll	31,259.67
Due Mt. Holly Sewer Authority	111,309.68
Contra	30.00
Reserve for Federal and State Grant Funds - Appropriated	<u>122,363.56</u>
	<u>20,176,291.90</u>
Balance December 31, 2018	<u><u>\$ 6,041,690.56</u></u>

TOWNSHIP OF HAINESPORT  
CURRENT FUND  
Schedule of Change Funds  
As of December 31, 2018

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Analysis of Balance

<u>Office</u>	
Tax Collector	\$ 200.00
Township Clerk	<u>100.00</u>
	<u>\$ 300.00</u>

**TOWNSHIP OF HAINESPORT****CURRENT FUND****Statement of Due to State of New Jersey - Senior Citizens'  
and Veterans' Deductions (C. 129, L. 1976)  
For the Year Ended December 31, 2018**

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Balance December 31, 2017		\$	19,158.64
Increased by:			
Collected			<u>69,682.88</u>
			88,841.52
Decreased by:			
Senior Citizens' and Veterans' Deductions per Tax Billings	\$	68,500.00	
Senior Citizens' and Veterans' Deductions:			
Allowed by Tax Collector - 2018 Taxes		4,250.00	
Disallowed by Tax Collector - 2018 Taxes		<u>(7,023.29)</u>	
			<u>65,726.71</u>
Balance December 31, 2018		\$	<u><u>23,114.81</u></u>

**TOWNSHIP OF HAINESPORT**  
**CURRENT FUND**  
Statement of Taxes Receivable and Analysis of Property Tax Levy  
For the Year Ended December 31, 2018

<u>Year</u>	<u>Balance Dec. 31, 2017</u>	<u>2018 Levy</u>	<u>2017</u>	<u>Collections</u> <u>2018</u>	<u>Due from State of New Jersey</u>	<u>Canceled</u>	<u>Transfer to Tax Title Liens</u>	<u>Balance Dec. 31, 2018</u>
Arrears	\$ 52,762.75			\$ 2,010.11				\$ 50,752.64
2017	140,566.18			123,261.59			\$ 17,304.59	
	193,328.93			125,271.70			17,304.59	50,752.64
2018		\$ 18,297,904.54	\$ 631,619.19	17,374,311.60	\$ 65,726.71	\$ 26,673.51	29,966.25	169,607.28
	<u>\$ 193,328.93</u>	<u>\$ 18,297,904.54</u>	<u>\$ 631,619.19</u>	<u>\$ 17,499,583.30</u>	<u>\$ 65,726.71</u>	<u>\$ 26,673.51</u>	<u>\$ 47,270.84</u>	<u>\$ 220,359.92</u>

Analysis of 2018 Property Tax LevyTax Yield

General Purpose	\$ 18,248,328.82
Added Taxes (R.S. 54:4-63.1 et seq.)	44,987.46
Miscellaneous Added	4,588.26
	<u>\$ 18,297,904.54</u>

Tax Levy

Regional School Tax	\$ 3,405,041.00
Local District School Tax	8,824,891.00
County Taxes:	
County Tax	\$ 2,833,418.38
County Library Tax	249,921.59
County Open Space	205,610.27
Due County:	
Added and Omitted Taxes	<u>8,127.05</u>
Total County Taxes	3,297,077.29
Local Tax for Municipal Purpose	2,499,079.00
Municipal Open Space	230,367.58
Municipal Open Space - Added Taxes	568.19
Add: Additional Tax Levied	<u>40,880.48</u>
Local Tax for Municipal Purposes Levied	<u>2,770,895.25</u>

\$ 18,297,904.54

**TOWNSHIP OF HAINESPORT**  
**CURRENT FUND**  
Statement of Tax Title Liens  
For the Year Ended December 31, 2018

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Balance December 31, 2017		\$	22,581.18
Increased by:			
Transfers from Taxes Receivable	\$	47,270.84	
Interest and Costs on Tax Sale		<u>2,829.09</u>	
			<u>50,099.93</u>
			72,681.11
Decreased by:			
Receipts			<u>1,943.87</u>
Balance December 31, 2018		\$	<u><u>70,737.24</u></u>

**TOWNSHIP OF HAINESPORT**  
**CURRENT FUND**  
Statement of Revenue Accounts Receivable  
For the Year Ended December 31, 2018

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	<u>Accrued in 2018</u>	<u>Received</u>
Licenses:		
Alcoholic Beverages	\$ 15,500.00	\$ 15,500.00
Other	20,496.00	20,496.00
Fees and Permits	25,335.00	25,335.00
Interest and Costs on Assessments	6,741.31	6,741.31
Interest and Costs on Taxes	39,152.23	39,152.23
Interest on Investments and Deposits	41,690.46	41,690.46
Recreation Fees	25,426.00	25,426.00
Energy Receipts Tax	379,764.00	379,764.00
Uniform Construction Code Fees	102,721.00	102,721.00
Railroad User Fees	<u>68,112.86</u>	<u>68,112.86</u>
	<u><u>\$ 724,938.86</u></u>	<u><u>\$ 724,938.86</u></u>
Due Sewer Assessment Trust Fund - Interest and Costs on Assessments		\$ 6,741.31
Due from Escrow Trust Fund - Interest Earnings		71.91
Receipts		<u>718,125.64</u>
		<u><u>\$ 724,866.95</u></u>

**TOWNSHIP OF HAINESPORT**  
**CURRENT FUND**  
Statement of 2017 Appropriation Reserves  
For the Year Ended December 31, 2018

	Balance December 31, 2017		Balances After	Paid or	Balance
	<u>Encumbered</u>	<u>Reserved</u>	<u>Modification</u>	<u>Charged</u>	<u>Lapsed</u>
<b>OPERATIONS - WITHIN "CAPS"</b>					
<u>General Government</u>					
Administrative and Executive					
Salaries and Wages		\$ 13,222.79	\$ 13,222.79		\$ 13,222.79
Other Expenses		4,040.01	4,040.01		4,040.01
Mayor and Committee					
Salaries and Wages		512.90	512.90		512.90
Other Expenses		482.06	482.06	\$ 51.00	431.06
Municipal Clerk					
Salaries and Wages		5,338.24	5,338.24		5,338.24
Other Expenses	\$ 93.48	4,200.97	4,294.45	359.36	3,935.09
Elections		1,907.53	1,907.53		1,907.53
Financial Administration					
Salaries and Wages		4,279.97	4,279.97		4,279.97
Other Expenses	105.40	1,991.14	2,096.54	105.40	1,991.14
Computerized Data Processing					
Salaries and Wages		52.17	52.17	52.17	
Other Expenses		766.82	766.82		766.82
Assessment of Taxes					
Salaries and Wages		1,026.45	1,026.45		1,026.45
Other Expenses		4,648.80	4,648.80		4,648.80
Collection of Taxes					
Salaries and Wages		4,260.54	4,260.54		4,260.54
Other Expenses		2,049.44	2,049.44	11.50	2,037.94
Legal Services and Costs					
Other Expenses	10,479.01	13,993.30	24,472.31	18,037.60	6,434.71
Engineering Services and Costs					
Other Expenses		3,510.18	3,510.18	3,510.18	
Economic Development					
Other Expenses		1,000.00	1,000.00		1,000.00
<u>Land Use Administration</u>					
Planning Board					
Salaries and Wages		440.34	440.34		440.34
Other Expenses	385.00	35,205.03	35,590.03	405.70	35,184.33
Zoning Officer					
Salaries and Wages		688.54	688.54		688.54
Other Expenses		599.50	599.50		599.50
Code Enforcement Officer					
Salaries and Wages		72.46	72.46		72.46
Other Expenses		502.39	502.39		502.39
<u>Insurance</u>					
Liability Insurance		3,401.00	3,401.00		3,401.00
Group Insurance Plan for Employees		11,579.52	11,579.52	11,579.52	
<u>Public Safety</u>					
Police					
Salaries and Wages		1,062.63	1,062.63		1,062.63
Other Expenses		200.00	200.00		200.00
Office of Emergency Management Services					
Other Expenses		523.98	523.98		523.98
First Aid Organization-Contribution		30,000.00	30,000.00		30,000.00
Fire Marshall					
Salaries and Wages		673.00	673.00		673.00
Other Expenses	8,411.84	19,947.06	28,358.90	8,411.84	19,947.06
<u>Public Works</u>					
Road Repair and Maintenance					
Salaries and Wages		93,946.70	93,946.70		93,946.70
Other Expenses	1,208.59	34,132.84	35,341.43	13,467.82	21,873.61
Solid Waste Collection - Contractual	165.00	11,109.08	11,274.08	165.00	11,109.08
Recycling Program					
Other Expenses		16,760.50	16,760.50		16,760.50
Public Buildings and Grounds					
Other Expenses	533.23	24,541.92	25,075.15	1,401.93	23,673.22
Vehicle Maintenance					
Other Expenses		12,024.71	12,024.71	511.56	11,513.15

(Continued)

**TOWNSHIP OF HAINESPORT**  
**CURRENT FUND**  
Statement of 2017 Appropriation Reserves  
For the Year Ended December 31, 2018

	Balance December 31, 2017		Balances After	Paid or	Balance
	Encumbered	Reserved	Modification	Charged	Lapsed
<b><u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u></b>					
<b><u>Health and Welfare</u></b>					
Board of Health					
Salaries and Wages		\$ 116.14	\$ 116.14	\$ 22.83	\$ 93.31
Other Expenses		300.00	300.00		300.00
Employee Immunization					
Other Expenses		1,000.00	1,000.00		1,000.00
Environmental Commission					
Other Expenses		2,964.98	2,964.98		2,964.98
Contributions to Social Services Agencies		350.00	350.00	70.00	280.00
Recreation					
Salaries and Wages		8,947.89	8,947.89		8,947.89
Other Expenses	\$ 180.00	14,759.32	14,939.32	180.00	14,759.32
Animal Control Regulation					
Salaries and Wages		1,000.00	1,000.00		1,000.00
Other Expenses		1,000.00	1,000.00		1,000.00
<b><u>Utility Expenses and Bulk Purchases</u></b>					
Postage		391.03	391.03		391.03
Electricity		18,708.32	18,708.32	2,192.86	16,515.46
Street Lighting		38,270.52	38,270.52	8,431.89	29,838.63
Telephone		12,318.22	12,318.22	351.97	11,966.25
Water	359.14	493.69	852.83	359.14	493.69
Gas		9,112.70	9,112.70	1,404.12	7,708.58
Fuel Oil		500.00	500.00		500.00
Gasoline	2,332.84	17,598.24	19,931.08	4,996.43	14,934.65
Sewer		500.00	500.00		500.00
Sewer Connection Fees		52,000.00	52,000.00		52,000.00
Landfill/Solid Waste Disposal Costs		39,021.73	39,021.73	13,034.66	25,987.07
COAH Administration					
Salaries and Wages		16,000.00	16,000.00		16,000.00
Other Expenses		25,500.00	25,500.00		25,500.00
<b><u>Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4-17)</u></b>					
State Uniform Construction Code:					
Construction Official					
Salaries and Wages		1,301.94	1,301.94		1,301.94
Other Expenses	386.93	1,737.42	2,124.35	468.23	1,656.12
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System		0.51	0.51		0.51
Defined Contribution Retirement Program		1,249.52	1,249.52		1,249.52
Social Security System (O.A.S.I.)		19,109.87	19,109.87		19,109.87
Unemployment Compensation		4,348.34	4,348.34		4,348.34
<b><u>OPERATIONS - EXCLUDED FROM "CAPS"</u></b>					
Recycling Tax (N.J.S.A. 13:1E-96.5)		9,700.00	9,700.00		9,700.00
NJPDES Stormwater Permit (N.J.S.A. 40A:4-45.3(cc)):					
Other Expenses		12,437.55	12,437.55		12,437.55
Construction Office					
Other Expenses	6,687.12	4,381.67	11,068.79	6,717.45	4,351.34
<b><u>Public and Private Programs Off-Set by Revenues:</u></b>					
Municipal Alliance on Alcoholism and Drug Abuse - Local Share		3,000.00	3,000.00	2,200.00	800.00
<b><u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u></b>					
Acquisition of Computers and Equipment	2,329.00	5,471.00	7,800.00	2,329.00	5,471.00
Acquisition of Equipment and Vehicles		432.01	432.01		432.01
Acquisition of Traffic Calming Devices		1,507.00	1,507.00		1,507.00
Acquisition of Equipment/Air Packs	446.27		446.27	446.27	
	<u>\$ 34,102.85</u>	<u>\$ 690,224.12</u>	<u>\$ 724,326.97</u>	<u>\$ 101,275.43</u>	<u>\$ 623,051.54</u>
Disbursed				\$ 101,371.47	
Reimbursed				(96.04)	
				<u>\$ 101,275.43</u>	

**TOWNSHIP OF HAINESPORT**  
**CURRENT FUND**  
Statement of Prepaid Taxes  
For the Year Ended December 31, 2018

---

Balance December 31, 2017	\$ 631,619.19
Increased by:	
Collections - 2019 Taxes	<u>115,424.76</u>
	747,043.95
Decreased by:	
Application to 2018 Taxes Receivable	<u>631,619.19</u>
Balance December 31, 2018	<u><u>\$ 115,424.76</u></u>

## Exhibit SA-9

**CURRENT FUND**  
Statement of Tax Overpayments  
For the Year Ended December 31, 2018

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Balance December 31, 2017		\$ 4,574.54
Increased by:		
Overpayments Collected		<u>31,233.00</u>
		35,807.54
Decreased by:		
Refunds	\$ 30,360.00	
Cancellations	<u>5,447.54</u>	
		<u>35,807.54</u>
Balance December 31, 2018		<u><u>\$ -</u></u>

**TOWNSHIP OF HAINESPORT**  
CURRENT FUND  
Statement of Due to State of New Jersey  
State Training Fees  
For the Year Ended December 31, 2018

---

Balance December 31, 2017	\$ 3,646.00
Increased by:	
Receipts	<u>6,063.00</u>
Decreased by:	9,709.00
Disbursements	<u>8,989.00</u>
Balance December 31, 2018	<u><u>\$ 720.00</u></u>

**TOWNSHIP OF HAINESPORT**  
**CURRENT FUND**  
Statement of County Taxes Payable  
For the Year Ended December 31, 2018

---

Increased by:		
2018 Tax Levy:		
County Tax	\$ 2,833,418.38	
County Library Tax	249,921.59	
County Open Space	<u>205,610.27</u>	
		\$ 3,288,950.24
Decreased by:		
Disbursements		<u><u>\$ 3,288,950.24</u></u>

**TOWNSHIP OF HAINESPORT**  
**CURRENT FUND**  
Statement of Due County for Added and Omitted Taxes  
For the Year Ended December 31, 2018

---

Balance December 31, 2017		\$	10,488.30
Increase by County Share of 2018 Levy:			
2018 Added Taxes	\$	7,630.83	
2017 Added Taxes		244.52	
2017 Omitted Taxes		<u>251.70</u>	
			<u>8,127.05</u>
			18,615.35
Decreased by Payments			<u>10,488.30</u>
Balance December 31, 2018		\$	<u><u>8,127.05</u></u>

**TOWNSHIP OF HAINESPORT**  
**CURRENT FUND**  
Statement of Local District School Tax  
For the Year Ended December 31, 2018

Balance December 31, 2017		
School Tax Payable	\$	449,945.17
School Tax Deferred		<u>3,875,805.50</u>
		\$ 4,325,750.67
Increased by:		
Levy - School Year July 1, 2018 to June 30, 2019		<u>8,824,891.00</u>
		13,150,641.67
Decreased by:		
Payments		<u>8,738,166.50</u>
Balance December 31, 2018		
School Tax Payable		536,669.67
School Tax Deferred		<u>3,875,805.50</u>
		<u>\$ 4,412,475.17</u>
2018 Liability for Local School Tax:		
Tax Paid	\$	8,738,166.50
Add: Tax Payable December 31, 2018		<u>536,669.67</u>
		9,274,836.17
Less: Tax Payable December 31, 2017		<u>449,945.17</u>
Amount Charged to 2018 Operations	\$	<u><u>8,824,891.00</u></u>

**TOWNSHIP OF HAINESPORT**  
**CURRENT FUND**  
Statement of Regional High School Taxes  
For the Year Ended December 31, 2018

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Balance December 31, 2017		
School Tax Payable	\$	479,192.20
School Tax Deferred		<u>1,230,399.76</u>
	\$	1,709,591.96
Increased by:		
Levy - School Year July 1, 2018 to June 30, 2019		<u>3,405,041.00</u>
		5,114,632.96
Decreased by:		
Payments		<u>3,412,121.02</u>
Balance December 31, 2018		
School Tax Payable		472,112.18
School Tax Deferred		<u>1,230,399.76</u>
	\$	<u><u>1,702,511.94</u></u>
2018 Liability for Regional High School Tax:		
Tax Paid	\$	3,412,121.02
Add: Tax Payable December 31, 2018		<u>472,112.18</u>
		3,884,233.20
Less: Tax Payable December 31, 2017		<u>479,192.20</u>
Amount Charged to 2018 Operations	\$	<u><u>3,405,041.00</u></u>

**TOWNSHIP OF HAINESPORT**  
**CURRENT FUND**  
Statement of Due to State of New Jersey  
Marriage License Fees  
For the Year Ended December 31, 2018

---

Balance December 31, 2017	\$ 100.00
Increased by:	
Receipts	<u>830.00</u>
	930.00
Decreased by:	
Disbursements	<u>680.00</u>
Balance December 31, 2018	<u><u>\$ 250.00</u></u>

## Exhibit SA-16

**CURRENT FUND**  
Statement of Property Acquired for Taxes (Assessed Valuation)  
For the Year Ended December 31, 2018

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Balance December 31, 2017	\$ 506,200.00
Decreased by:	
Sale of Property	\$ 20,000.00
Adjustment to Assessed Value	<u>40,600.00</u>
	<u>60,600.00</u>
Balance December 31, 2018	<u><u>\$ 445,600.00</u></u>

## Exhibit SA-17

**CURRENT FUND**  
Statement of Mortgage Accounts Receivable  
For the Year Ended December 31, 2018

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Increased by:	
Contract for Sale of Property	\$ 20,000.00
Decreased by:	
Receipts	<u>1,500.00</u>
Balance December 31, 2018	<u><u>\$ 18,500.00</u></u>

**TOWNSHIP OF HAINESPORT**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Due from Current Fund  
For the Year Ended December 31, 2018

---

Balance December 31, 2017	\$ 137,636.87
Increased by:	
Funds Collected by Current Fund on Behalf of Federal and State Grant Fund	<u>97,847.48</u>
	235,484.35
Decreased by:	
Funds Disbursed by Current Fund on Behalf of Federal and State Grant Fund	<u>122,363.56</u>
Balance December 31, 2018	<u><u>\$ 113,120.79</u></u>

**TOWNSHIP OF HAINESPORT**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Federal and State Grants Receivable  
For the Year Ended December 31, 2018

<u>Program</u>	<u>Balance Dec. 31, 2017</u>	<u>Realized as Miscellaneous Revenue in 2018 Budget</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2018</u>
Federal Grants:				
Community Development Block Grant	\$ 91,140.68	\$ 78,000.00	\$ 76,834.00	\$ 92,306.68
State Grants:				
NJ DEP - Clean Communities Program		13,811.50	13,811.50	
Hazardous Discharge Site Remediation Grant	8,091.50			8,091.50
New Jersey Department of Transportation Grant		235,000.00		235,000.00
Recycling Tonnage		15,166.83	15,166.83	
Burlington County Park Grant Round 4	744.58			744.58
Burlington County Park Grant Round 7		190,350.00		190,350.00
Total State Grants	8,836.08	454,328.33	28,978.33	434,186.08
Total Federal and State Grants Receivable	\$ 99,976.76	\$ 532,328.33	\$ 105,812.33	\$ 526,492.76
Original Budget		\$ 518,516.83		
Appropriation by 40A:4-87		13,811.50		
Cash Received			\$ 91,211.45	
Transferred from Unappropriated Grants			14,600.88	
		\$ 532,328.33	\$ 105,812.33	

## Exhibit SA-20

**FEDERAL AND STATE GRANT FUND**  
Statement of Reserve for Federal and State Grants - Unappropriated  
For the Year Ended December 31, 2018

<u>Program</u>	<u>Balance Dec. 31, 2017</u>	<u>Realized as Miscellaneous Revenue in 2018 Budget</u>	<u>Received</u>	<u>Balance Dec. 31, 2018</u>
State Grants:				
Recycling Tonnage Grant	\$ 14,600.88	\$ 14,600.88	\$ 6,636.03	\$ 6,636.03

**TOWNSHIP OF HAINESPORT**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserve for Federal and State Grants - Appropriated  
For the Year Ended December 31, 2018

<u>Program</u>	<u>Balance Dec. 31, 2017</u>	<u>Transferred from 2018 Budget Appropriation</u>	<u>Prior Year Encumbrances Reclassified</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Balance Dec. 31, 2018</u>
Federal Grants:						
Municipal Aid Grant:						
Easton Way Improvements			\$ 517.00		\$ 517.00	
Easton Way Improvements Phase II			118.14		118.14	
Community Development Block Grant	\$ 109,001.85	\$ 78,000.00		\$ 76,834.00	1,166.00	\$ 109,001.85
	<u>109,001.85</u>	<u>78,000.00</u>	<u>635.14</u>	<u>76,834.00</u>	<u>1,801.14</u>	<u>109,001.85</u>
State Grants:						
Hazardous Discharge Site Remediation Grant	77,026.19			5,973.80	71,052.39	
Municipal Stormwater Regulation Program	3,672.22			3,672.22		
All Hazards Emergency Operations Planning Grant	717.14					717.14
Recycling Tonnage Grant	7,257.94	15,166.83		5,650.62	1,048.97	15,725.18
NJ DEP - Clean Communities Program	10,519.01	13,811.50	3,123.99	22,832.92		4,621.58
New Jersey Department of Transportation Grant		235,000.00				235,000.00
Burlington County Park Grant Round 2	1,545.21					1,545.21
Burlington County Park Grant Round 3	7,088.98					7,088.98
Burlington County Park Grant Round 4	744.58					744.58
Burlington County Park Grant Round 6	6,372.00				5,320.60	1,051.40
Burlington County Park Grant Round 7		190,350.00				190,350.00
Comcast Technology Grant	13,233.29			7,400.00	5,833.29	
	<u>128,176.56</u>	<u>454,328.33</u>	<u>3,123.99</u>	<u>45,529.56</u>	<u>83,255.25</u>	<u>456,844.07</u>
Total State Grants						
	<u>\$ 237,178.41</u>	<u>\$ 532,328.33</u>	<u>\$ 3,759.13</u>	<u>\$ 122,363.56</u>	<u>\$ 85,056.39</u>	<u>\$ 565,845.92</u>
Original Budget		\$ 518,516.83				
Appropriation by 40A:4-87		13,811.50				
Disbursed				\$ 122,363.56		
		<u>\$ 532,328.33</u>		<u>\$ 122,363.56</u>		

**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**

**TOWNSHIP OF HAINESPORT**  
**TRUST FUNDS**  
Statement of Trust Cash  
For the Year Ended December 31, 2018

	<u>Animal Control</u> <u>Trust Fund</u>	<u>Other Funds</u>	<u>Municipal Open Space</u> <u>Fund</u>	<u>Assessment</u> <u>Fund</u>
Balance December 31, 2017	\$ 8,776.81	\$ 809,416.31	\$ 532,347.03	\$ 1,420,468.18
Increased by Receipts:				
Assessments Receivable				\$ 211,398.77
Due to State of New Jersey	\$ 1,076.40			
Reserve for Dog Fund Expenditures	12,477.60			
Due Current Fund:				
Trust Other		\$ 31,331.58		
Trust Assessment				6,741.31
Municipal Open Space Fund			\$ 321,465.26	
Reserve for Trust Other Funds		779,307.79		
Contra		2,414.71	140,000.00	5,593.82
	<u>13,554.00</u>	<u>813,054.08</u>	<u>461,465.26</u>	<u>223,733.90</u>
	22,330.81	1,622,470.39	993,812.29	1,644,202.08
Decreased by Disbursements:				
Trust Assessment Fund - Loans Payable				495,837.28
Reserve for Dog Fund Expenditures	11,566.03			
Due to State of New Jersey-Dog License Fees	1,071.00			
Due Current Fund:				
Trust Assessment				184,154.25
Trust Other		10,147.81		
Reserve for Trust Other Funds		796,843.40		
Reserve for Open Space			59,609.63	
Contra		2,414.71	140,000.00	5,593.82
	<u>12,637.03</u>	<u>809,405.92</u>	<u>199,609.63</u>	<u>685,585.35</u>
Balance December 31, 2018	<u><u>\$ 9,693.78</u></u>	<u><u>\$ 813,064.47</u></u>	<u><u>\$ 794,202.66</u></u>	<u><u>\$ 958,616.73</u></u>

**TOWNSHIP OF HAINESPORT**  
**TRUST OTHER FUNDS**  
Statement of Current Cash - Collector  
For the Year Ended December 31, 2018

---

Balance December 31, 2017		\$ 200,585.81
Increased by Receipts:		
Reserve for Tax Title Lien Redemption		<u>188,258.62</u>
		388,844.43
Decreased by Disbursements:		
Premiums Refunded	\$ 122,100.00	
Reserve for Tax Title Lien Redemption	<u>251,476.44</u>	
		<u>373,576.44</u>
Balance December 31, 2018		<u><u>\$ 15,267.99</u></u>

**TOWNSHIP OF HAINESPORT**  
**TRUST ASSESSMENT FUND**  
 Analysis of Assessment Cash  
 For the Year Ended December 31, 2018

	Balance <u>Dec. 31, 2017</u>	<u>Receipts</u> <u>Assessments</u>	<u>Disbursements</u> <u>Miscellaneous</u>	Balance <u>Dec. 31, 2018</u>
Fund Balance	\$ 157,343.92			\$ 157,343.92
<u>Ordinance Number</u>				
2003-13-08 Construction of a Sewerage Conveyance System	1,085,441.71	\$ 211,398.77	\$ 495,837.28	801,003.20
Due Bank	(0.50)			(0.50)
Due Current Fund	<u>177,683.05</u>	<u>6,741.31</u>	<u>184,154.25</u>	<u>270.11</u>
	<u><u>\$ 1,420,468.18</u></u>	<u><u>\$ 218,140.08</u></u>	<u><u>\$ 679,991.53</u></u>	<u><u>\$ 958,616.73</u></u>

**TOWNSHIP OF HAINESPORT**  
**ANIMAL CONTROL TRUST FUND**  
Statement of Reserve for Animal Control Fund Expenditures  
For the Year Ended December 31, 2018

---

Balance December 31, 2017	\$ 8,769.61
Increased by:	
Dog License Fees Collected	<u>12,477.60</u>
	21,247.21
Decreased by:	
Expenditures Under N.J.S.A. 4:19-15.11 - Cash	<u>11,566.03</u>
Balance December 31, 2018	<u><u>\$ 9,681.18</u></u>
<u>License Fees Collected</u>	
<u>Year</u>	<u>Amount</u>
2016	\$ 12,027.60
2017	<u>13,041.00</u>
	<u><u>\$ 25,068.60</u></u>

**TOWNSHIP OF HAINESPORT**  
**ANIMAL CONTROL TRUST FUND**  
Statement of Due to State of New Jersey  
For the Year Ended December 31, 2018

---

Balance December 31, 2017	\$ 7.20
Increased by:	
State Registration Fees Collected	<u>1,076.40</u>
	1,083.60
Decreased by:	
Payments	<u>1,071.00</u>
Balance December 31, 2018	<u><u>\$ 12.60</u></u>

**TOWNSHIP OF HAINESPORT**  
**TRUST - OTHER FUNDS**  
Statement of Due to / (from) Current Fund  
For the Year Ended December 31, 2018

---

Balance December 31, 2017		\$ 117,994.45
Increased by:		
Receipts:		
Interfund Receipts	\$ 31,259.67	
Interest Earnings on Deposits - Escrow	71.91	
	<u>31,331.58</u>	<u>31,331.58</u>
		149,326.03
Decreased by:		
Disbursements	10,147.81	
Tax Premiums Collected by Current Fund for TTL Fund	42,500.00	
	<u>52,647.81</u>	<u>52,647.81</u>
Balance December 31, 2018		<u><u>\$ 96,678.22</u></u>
Analysis of Balance:		
Planning and Zoning Board Escrow		\$ 5.23
Fire Safety Trust Fund		(50.00)
Tax Title Lien Redemption Trust Fund		(48,141.51)
Payroll Trust Fund		<u>144,864.50</u>
		<u><u>\$ 96,678.22</u></u>

**TOWNSHIP OF HAINESPORT**  
**TRUST - OTHER FUNDS**  
Statement of Changes in Miscellaneous Trust Other Reserves  
For the Year Ended December 31, 2018

		<u>Increased by</u>		<u>Decreased by</u>	
	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Due</u> <u>Current Fund</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Collector:					
Reserve For:					
Premiums Received at Tax Sale	\$ 133,700.00	\$ 42,500.00		\$ 122,100.00	\$ 54,100.00
Tax Title Lien Redemption	72,527.32		\$ 188,258.62	251,476.44	9,309.50
	<u>206,227.32</u>	<u>42,500.00</u>	<u>188,258.62</u>	<u>373,576.44</u>	<u>63,409.50</u>
Treasurer:					
Reserve for:					
Planning and Zoning Board Escrow	107,140.14		80,485.11	71,991.18	115,634.07
Recreation Commission	93,547.69			2,262.50	91,285.19
Affordable Housing	470,427.84		2,912.29	25,977.38	447,362.75
Fire Safety Fund	7,362.88			3,390.00	3,972.88
Net Payroll			447,308.88	447,308.88	
Payroll Deductions Payable	4,029.98		248,601.51	245,913.46	6,718.03
	<u>682,508.53</u>	<u>-</u>	<u>779,307.79</u>	<u>796,843.40</u>	<u>664,972.92</u>
	<u>\$ 888,735.85</u>	<u>\$ 42,500.00</u>	<u>\$ 967,566.41</u>	<u>\$ 1,170,419.84</u>	<u>\$ 728,382.42</u>

**TOWNSHIP OF HAINESPORT**  
**TRUST - MUNICIPAL OPEN SPACE FUND**  
**Statement of Due from Current Fund**  
**For the Year Ended December 31, 2018**

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Balance December 31, 2017 - Due from		\$ 730.10
Increased by:		
Tax Levy	\$ 230,367.58	
Added/Omitted Tax Levy	<u>568.19</u>	
		<u>230,935.77</u>
		231,665.87
Decreased by:		
Receipts	321,465.26	
Disbursements Made by Current Fund on Behalf of Open Space Trust Fund:		
Payment of Bond Anticipation Notes and Capital Notes:		
Open Space Trust Fund Budget Appropriations	70,000.00	
Other Direct Charges to Open Space Trust Fund Reserve	<u>22,500.00</u>	
		<u>413,965.26</u>
Balance December 31, 2018 - (Due to)		<u>\$ (182,299.39)</u>

## Exhibit SB-9

**TRUST - MUNICIPAL OPEN SPACE FUND**  
**Statement of Reserve for Future Use**  
**For the Year Ended December 31, 2018**

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Balance December 31, 2017		\$ 598,077.13
Increased by:		
Tax Levy	\$ 230,367.58	
Added/Omitted Tax Levy	<u>568.19</u>	
		<u>230,935.77</u>
		829,012.90
Decreased by:		
Budget Appropriations	129,609.63	
Other Direct Charges to Open Space Trust Fund Reserve	<u>22,500.00</u>	
		<u>152,109.63</u>
Balance December 31, 2018		<u>\$ 676,903.27</u>

**TOWNSHIP OF HAINESPORT**  
**TRUST ASSESSMENT FUND**  
Statement of Assessments Receivable  
For the Year Ended December 31, 2018

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								<u>Balance Pledged to</u>	
<u>Ordinance</u> <u>Number</u>	<u>Improvement Description</u>	<u>Date of</u> <u>Confirmation</u>	<u>Annual</u> <u>Installments</u>	<u>Due</u> <u>Dates</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Assessment</u> <u>Loans</u>	<u>Reserve</u>
2003-13-8	Construction of a Sewerage Conveyance System	4-1-2002; 11-26-2002	2	7/1/02 & 7/1/03	<u>\$ 491,563.95</u>	<u>\$ 211,398.77</u>	<u>\$ 280,165.18</u>	<u>\$ 280,165.18</u>	<u>\$ -</u>

**TOWNSHIP OF HAINESPORT**  
**TRUST ASSESSMENT FUND**  
Statement of State of N.J. Wastewater Treatment Loans Payable  
For the Year Ended December 31, 2018

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Balance December 31, 2017	\$ 1,577,005.66
Decreased by:	
Payments	<u>495,837.28</u>
Balance December 31, 2018	<u><u>\$ 1,081,168.38</u></u>

Schedule of Loan Payable December 31, 2018

<u>Due Date</u>	<u>Total</u>	<u>Trust Loan</u>	<u>Amount</u> <u>Fund Loan</u>
2/1/2019	\$ 14,390.17		\$ 14,390.17
8/1/2019	147,230.16		147,230.16
8/1/2019	292,718.25	\$ 292,718.25	
8/1/2020	307,502.00	307,502.00	
8/1/2021	<u>319,327.80</u>	<u>319,327.80</u>	
	<u><u>\$ 1,081,168.38</u></u>	<u><u>\$ 919,548.05</u></u>	<u><u>\$ 161,620.33</u></u>

**TOWNSHIP OF HAINESPORT**  
**TRUST ASSESSMENT FUND**  
Statement of Due to Current Fund  
For the Year Ended December 31, 2018

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Balance December 31, 2017	\$ 177,683.05
Increased by Receipts:	
Interest on Assessments	<u>6,741.31</u>
	184,424.36
Decreased by:	
Interfunds Disbursed	<u>184,154.25</u>
Balance December 31, 2018	<u><u>\$ 270.11</u></u>

**SUPPLEMENTAL EXHIBITS**

**GENERAL CAPITAL FUND**

TOWNSHIP OF HAINESPORT  
GENERAL CAPITAL FUND  
Statement of General Capital Cash  
For the Year Ended December 31, 2018

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Balance December 31, 2017	\$ 186,494.76
Increased by Receipts:	
Due Current Fund	<u>927,019.00</u>
	1,113,513.76
Decreased by Disbursements:	
Improvement Authorizations	<u>716,018.65</u>
Balance December 31, 2018	<u>\$ 397,495.11</u>

**TOWNSHIP OF HAINESPORT**  
**GENERAL CAPITAL FUND**  
 Analysis of General Capital Cash  
 For the Year Ended December 31, 2018

	Balance (Deficit) Dec. 31, 2017	<u>Receipts</u>  Miscellaneous	<u>Disbursements</u>  Improvement Authorizations	<u>Transfers</u>		Balance (Deficit) Dec. 31, 2018
				From	To	
Fund Balance	\$ 96,276.93				\$ 246.00	\$ 96,522.93
Capital Improvement Fund	397,952.00			\$ 81,264.14	175,000.00	491,687.86
Reserve for Interest	24,786.67					24,786.67
Reserve for Preliminary Expenses:						
Purchase of Land for Open Space	9,995.26					9,995.26
Reserve for Encumbrances	63,166.00			63,166.00	133,233.00	133,233.00
Due from Burlington County Open Space Grant	(16,320.00)				16,320.00	
Due from Bank	(183.63)					(183.63)
Due Trust - Municipal Open Space Fund	65,000.00					65,000.00
Due to Grant Fund	17,924.79					17,924.79
Due Current Fund	(16,640.00)	\$ 927,019.00		862,504.00		47,875.00
Ordinance						
<u>Number</u>						
2000-13-8 Construction of a Sewerage Conveyance System	(544,928.48)				72,438.00	(472,490.48)
2000-14-10 Purchase of Public Works Equipment	2,397.05					2,397.05
2001-06-09 Purchase of Computer Equipment	2,261.12					2,261.12
2003-01-04 Road Overlay Program	15,913.88					15,913.88
2007-10-11 Equipment and the Construction and the Completion of Various Capital Improvements	13,318.32					13,318.32
2009-08-11 Various Capital Projects	(162,636.94)		\$ 14,088.09			(176,725.03)
2011-09-07 Purchase of Public Works Equipment and Recreation Project Expenses	6,056.28					6,056.28
2012-01-01 Recreation Project Expenses and Purchase of a Recreation Vehicle	12,501.93		639.98			11,861.95
2013-02-03 Refurbishment of a Fire Truck	20,047.00					20,047.00
2017-07 Various Capital Improvements	41,834.00		98,566.00		63,166.00	6,434.00
2017-9-8 Acquisition of Real Property	4,224.58		602,724.58		598,500.00	
2017-17 Purchase of a Dump Truck and Snow Plow	133,548.00			133,233.00		315.00
2018-09 Purchase of Equipment					81,264.14	81,264.14
	<u>\$ 186,494.76</u>	<u>\$ 927,019.00</u>	<u>\$ 716,018.65</u>	<u>\$ 1,140,167.14</u>	<u>\$ 1,140,167.14</u>	<u>\$ 397,495.11</u>

**TOWNSHIP OF HAINESPORT**  
**GENERAL CAPITAL FUND**  
Statement of Due from Burlington County - Open Space Grant  
For the Year Ended December 31, 2018

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Balance December 31, 2017	\$ 16,320.00
Decreased by:	
Collected by Current Fund on Behalf of General Capital Fund	<u>16,320.00</u>
Balance December 31, 2018	<u><u>\$ -</u></u>

**TOWNSHIP OF HAINESPORT**  
**GENERAL CAPITAL FUND**  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2018

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Balance December 31, 2017	\$ 397,952.00
Increased by:	
Due Current Fund - 2018 Budget Appropriation	<u>175,000.00</u>
	572,952.00
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>81,264.14</u>
Balance December 31, 2018	<u><u>\$ 491,687.86</u></u>

**TOWNSHIP OF HAINESPORT**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation - Funded  
For the Year Ended December 31, 2018

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Balance December 31, 2017		\$ 1,222,950.90
Decreased by:		
2018 Budget Appropriation - Green Acres Loan	\$ 28,570.42	
2018 Budget Appropriation - N.J. Wastewater Treatment Loans	<u>342,646.33</u>	
		<u>371,216.75</u>
Balance December 31, 2018		<u><u>\$ 851,734.15</u></u>

**TOWNSHIP OF HAINESPORT**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation - Unfunded  
For the Year Ended December 31, 2018

		<u>Increased by</u>		<u>Decreased by</u>		<u>Analysis of Balance Dec. 31, 2018</u>		
<u>Ordinance Number</u>		<u>Balance Dec. 31, 2017</u>	<u>Authorizations</u>	<u>Notes Paid by Budget Appropriation or Reserve</u>	<u>Raised by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>	<u>Bond Anticipation Notes</u>	<u>Unexpended Improvement Authorizations</u>
2000-13-08	Construction of a Sewerage Conveyance System	\$ 970,465.86			\$ 72,438.00	\$ 898,027.86		\$ 425,537.38
2007-01-04; 2007-10-11	Acquisition of Various Pieces of Capital Equipment and the Construction and Completion of Various Capital Improvements	92,500.00		\$ 92,500.00				
2009-08-11	Various Capital Projects	176,725.03				176,725.03		176,725.03
2013-02-03	Refurbishment of a Fire Truck	276,750.00		138,375.00		138,375.00	\$ 138,375.00	
2017-09	Acquisition of Real Property	598,500.00	\$ 598,500.00			598,500.00	598,500.00	
		<u>\$ 2,114,940.89</u>	<u>\$ 598,500.00</u>	<u>\$ 230,875.00</u>	<u>\$ 72,438.00</u>	<u>\$ 1,811,627.89</u>	<u>\$ 736,875.00</u>	<u>\$ 425,537.38</u>
Improvement Authorizations - Unfunded								\$ 438,855.70
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:								
Ordinance Number:								
2007-01-04; 2007-10-01								13,318.32
								<u>\$ 425,537.38</u>

**TOWNSHIP OF HAINESPORT**  
**GENERAL CAPITAL FUND**  
Statement of Reserve for Encumbrances  
For the Year Ended December 31, 2018

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Balance December 31, 2017	\$ 63,166.00
Increased by:	
2018 Encumbrances Charged to Improvement Authorizations	<u>133,233.00</u>
	196,399.00
Increased by:	
Prior Year Encumbrances Reclassified	<u>63,166.00</u>
Balance December 31, 2018	<u><u>\$ 133,233.00</u></u>

**TOWNSHIP OF HAINESPORT**  
**GENERAL CAPITAL FUND**  
Statement of Improvement Authorizations  
For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2017		2018 Authorizations	Prior Year Encumbrances Reclassified	Paid or Charged	Balance Dec. 31, 2018	
				Funded	Unfunded				Funded	Unfunded
General Improvements:										
2000-13-08	Construction of Sewerage Conveyance System	09/26/00	\$ 14,000,000.00		\$ 425,537.38					\$ 425,537.38
2000-14-10	Purchase of Public Works Equipment	11/28/00	20,000.00	\$ 2,397.05					\$ 2,397.05	
2001-06-09	Purchase of Computer Equipment	10/23/01	25,000.00	2,261.12					2,261.12	
2003-01-04	Road Overlay Program	05/13/03	150,000.00	15,913.88					15,913.88	
2007-10-11	Equipment and the Construction and the Completion of Various Capital Improvements	12/15/07	1,500,000.00		13,318.32					13,318.32
2009-08-11	Various Capital Projects	12/08/09	950,000.00		14,088.09			\$ 14,088.09		
2011-09-07	Purchase of Public Works Equipment and Recreation Project Expenses	09/13/11	242,000.00	6,056.28					6,056.28	
2012-01-01	Recreation Project Expenses and Purchase of a Recreation Vehicle	03/03/12	158,500.00	12,501.93				639.98	11,861.95	
2013-02-03	Refurbishment of a Fire Truck	04/09/13	450,000.00	20,047.00					20,047.00	
2017-07	Various Capital Improvements	08/08/17	105,000.00	41,834.00			\$ 63,166.00	98,566.00	6,434.00	
2017-09	Acquisition of Real Property	09/12/17	630,000.00	4,224.58	598,500.00			602,724.58		
2017-17	Purchase of a Dump Truck and Snow Plow	12/21/17	133,548.00	133,548.00				133,233.00	315.00	
2018-09	Purchase of Equipment	08/14/18	81,264.14			\$ 81,264.14			81,264.14	
				<u>\$ 238,783.84</u>	<u>\$ 1,051,443.79</u>	<u>\$ 81,264.14</u>	<u>\$ 63,166.00</u>	<u>\$ 849,251.65</u>	<u>\$ 146,550.42</u>	<u>\$ 438,855.70</u>
Capital Improvement Fund						\$ 81,264.14				
Reserve for Encumbrances								\$ 133,233.00		
Disbursements								716,018.65		
						<u>\$ 81,264.14</u>		<u>\$ 849,251.65</u>		

**TOWNSHIP OF HAINESPORT**  
**GENERAL CAPITAL FUND**  
Statement of Due From (To) Current Fund  
For the Year Ended December 31, 2018

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Balance December 31, 2017 - Due From		\$ 16,640.00
Increased by:		
Collected by Current Fund on Behalf of General Capital Fund:		
Due from Burlington County - Open Space Grant	\$ 16,320.00	
Bond Anticipation Notes	598,500.00	
Premium on Bond Anticipation Notes	246.00	
Budget Appropriations:		
Capital Improvement Fund	175,000.00	
Deferred Charges Unfunded	<u>72,438.00</u>	
		<u>862,504.00</u>
		879,144.00
Decreased by:		
Receipts - Interfund Liquidated		<u>927,019.00</u>
Balance December 31, 2018 - (Due To)		<u><u>\$ (47,875.00)</u></u>

**TOWNSHIP OF HAINESPORT**  
**GENERAL CAPITAL FUND**  
Statement of Bond Anticipation Note  
For the Year Ended December 31, 201

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Coupon Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2018</u>
Acquisition of Various Pieces of Capital Equipment and the Construction and Completion of Various Capital Improvement	2007-01-04 2007-10-11	11/29/07	04/12/17	04/11/18	1.30%	\$ 92,500.00		\$ 92,500.00	
Refurbishment of a Fire Truck	2013-02-03	04/17/14	04/10/18	04/09/19	2.75%		\$ 138,375.00		\$ 138,375.00
		04/17/14	04/12/17	04/11/18	1.30%	276,750.00		276,750.00	
Acquisition of Real Property	2017-09	04/10/18	04/10/18	04/09/19	2.75%		598,500.00		598,500.00
						<u>\$ 369,250.00</u>	<u>\$ 736,875.00</u>	<u>\$ 369,250.00</u>	<u>\$ 736,875.00</u>
								\$ 138,375.00	
								70,000.00	
								22,500.00	
							\$ 598,500.00		
							138,375.00	138,375.00	
							<u>\$ 736,875.00</u>	<u>\$ 369,250.00</u>	

**TOWNSHIP OF HAINESPORT**  
**GENERAL CAPITAL FUND**  
Statement of State of N.J. Wastewater Treatment Loans Payable  
For the Year Ended December 31, 2018

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Balance December 31, 2017	\$ 1,089,785.34
Decreased by:	
2018 Budget Appropriation to Pay Loans	<u>342,646.33</u>
Balance December 31, 2018	<u><u>\$ 747,139.01</u></u>

Schedule of 2001 Loan Payable December 31, 2018

<u>Due Date</u>	<u>Total</u>	<u>Trust Loan</u>	<u>Amount</u> <u>Fund Loan</u>
February 1, 2019	\$ 9,944.26		\$ 9,944.26
August 1, 2019	101,742.80		101,742.80
August 1, 2019	202,281.75	\$ 202,281.75	
August 1, 2020	212,498.00	212,498.00	
August 1, 2021	<u>220,672.20</u>	<u>220,672.20</u>	
	<u><u>\$ 747,139.01</u></u>	<u><u>\$ 635,451.95</u></u>	<u><u>\$ 111,687.06</u></u>

See Exhibit SB-12 for Trust Assessment Fund Portion.

**TOWNSHIP OF HAINESPORT**  
**GENERAL CAPITAL FUND**  
Statement of State of Green Acres Assistance Loan Payable  
For the Year Ended December 31, 2018

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Balance December 31, 2017	\$ 133,165.56
Decreased by:	
2018 Budget Appropriation to Pay Loans	<u>28,570.42</u>
Balance December 31, 2018	<u><u>\$ 104,595.14</u></u>

Schedule of Loan Payable December 31, 2018

<u>Due Date</u>	<u>Principal Amount</u>
May 22, 2019	\$ 14,499.85
November 22, 2019	14,644.84
May 22, 2020	14,791.29
November 22, 2020	14,939.21
May 22, 2021	15,088.60
November 22, 2021	15,239.48
May 22, 2022	<u>15,391.87</u>
	<u><u>\$ 104,595.14</u></u>

**TOWNSHIP OF HAINESPORT**  
**GENERAL CAPITAL FUND**  
Statement of Bonds and Notes Authorized But Not Issued  
For the Year Ended December 31, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2017</u>	<u>Decreased by</u>		<u>Balance Dec. 31, 2018</u>
			<u>Raised by Budget Appropriation</u>	<u>Bond Anticipation Note Issue</u>	
2000-13-08	Construction of a Sewerage Conveyance System	\$ 970,465.86	\$ 72,438.00		\$ 898,027.86
2009-08-11	Various Capital Projects	176,725.03			176,725.03
2017-09	Acquisition of Real Property	598,500.00		\$ 598,500.00	
		<u>\$ 1,745,690.89</u>	<u>\$ 72,438.00</u>	<u>\$ 598,500.00</u>	<u>\$ 1,074,752.89</u>

**PART II**

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

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

**TOWNSHIP OF HAINESPORT**  
Schedule of Findings and Recommendations  
For the Year Ended December 31, 2018

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***Schedule of Financial Statement Findings***

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

There are no current year findings.

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

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

**FINANCIAL STATEMENT FINDINGS**

There were no prior year findings.

**TOWNSHIP OF HAINESPORT**  
 Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Frank Masciocchi	Mayor	(B)
Leila Gilmore	Deputy Mayor	(B)
Ted Costa	Committeeman	(B)
Michael Fitzpatrick	Committeeman	(B)
Lee Schneider	Committeewoman	(B)
Paula Kosko	Township Administrator; Township Clerk	(B)
Dawn Emmons	Chief Financial Officer	(B)
Sharon Deviney	Tax Collector, Tax Search Officer, and Deputy Registrar	(A)
Paula Tiver	Recreation Director, Registrar, Tax Office Assistant, and Administrative Assistant	(B)
Kathy Newcomb	Construction Permit Clerk, and Zoning Official	(B)
Gene Blair	Construction Official and Building Sub-code Official	(B)
James Mancini	Tax Assessor	(B)
Richard Alaimo	Engineer	
John C. Gillespie	Solicitor	

(A) Statutory Position Bond - Burlington County Joint Insurance Pool \$50,000.00. Amounts in excess of \$50,000.00 covered by Municipal Excess Liability Joint Insurance Fund to \$950,000.00

(B) Public Officials Bond - Burlington County Joint Insurance Pool \$50,000.00. Amounts in excess of \$50,000.00 covered by Municipal Excess Liability Joint Insurance Fund to \$950,000.00

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**APPRECIATION**

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

Respectfully submitted,

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

A handwritten signature in black ink, appearing to read "R.P. Z", is positioned above the printed name of the signatory.

Robert P. Nehila, Jr.  
Certified Public Accountant  
Registered Municipal Accountant