



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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

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

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

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INDEPENDENT AUDITORS' REPORT
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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying basic financial statements-regulatory basis of the Township of Marlboro ("Township"), County of Monmouth, State of New Jersey, which comprise the comparative balance sheets – regulatory basis of the various funds and account group, as of December 31, 2017 and 2016, and the related comparative statements of operations and changes in fund balances – regulatory basis and the related notes to the financial statements for the years then ended, and the statements of fund balance – regulatory basis, statements of revenues – regulatory basis and statements of expenditures – regulatory basis for the year ended December 31, 2017, which collectively comprise the Township's basic financial statements, as listed in the regulatory basis financial statements section of the accompanying 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 ("Division") as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the requirements prescribed by the Division. Those standards and the requirements prescribed by the Division 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 were based on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

WISS & COMPANY, LLP

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

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

As described in Note 1, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division (regulatory basis), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Disclaimer of Opinion on Length of Service Award Program Fund (“LOSAP”)

As described in Note 16, the financial statements of the Length of Service Award Program Fund (“LOSAP”) have not been audited and were not required by the Division to be audited nor were we engaged to audit the LOSAP financial statements as part of our audit of the Township’s financial statements. The LOSAP financial activities are included in the Township’s Trust Fund, and represent 6.91% and 6.44% of the assets and liabilities, respectively, of the Township’s Trust Funds as of December 31, 2017 and 2016, respectively.

Disclaimer of Opinion on Length of Service Award Program Fund (“LOSAP”)

Due to the fact that we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Township’s financial statements, we do not express an opinion on the LOSAP financial statements.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP financial statements been audited, the financial statements referred to above present fairly, in all material respects the comparative balance sheets-regulatory basis of the various funds and account group of the Township as of December 31, 2017 and 2016, and the results of its operations and changes in fund balances of such funds – regulatory basis for the years then ended, and the revenues - regulatory basis, expenditures – regulatory basis and fund balance of the various funds for the year ended December 31, 2017, in accordance with the financial reporting provisions of by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Report on Supplementary Information as Required by the Division in Accordance with the Regulatory-Basis

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township's basic financial statements. The accompanying supplementary information, as identified in the table of contents as Schedules 1-A through 1-G and the comments section, are presented for purposes of additional analysis as required by the Division and the schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

Schedules 1-A through 20-F are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information referred to above is fairly stated, in all material respects, in relation to the regulatory basis financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2018 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



David A. Kaplan
Registered Municipal Accountant
No. 433



WISS & COMPANY, LLP

Livingston, New Jersey
June 22, 2018

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

INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"); and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the regulatory-basis financial statements of the Township of Marlboro ("Township"), County of Monmouth, New Jersey as of and for the year ended December 31, 2017, and the related notes to the regulatory-basis financial statements, and have issued our report thereon dated June 22, 2018, in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the financial reporting provisions of the Division and a disclaimer opinion since we did not audit and the Division does not require the Length of Services Award Program ("LOSAP") to be audited.

Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory basis financial statements, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township'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.

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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. Material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



David A. Kaplan
Registered Municipal Accountant
No. 433



WISS & COMPANY, LLP

Livingston, New Jersey
June 22, 2018

FINANCIAL STATEMENTS

CURRENT AND GRANT FUND
EXHIBITS

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT AND GRANT FUND

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

December 31, 2017 and 2016

<u>Assets</u>	<u>Reference</u>	<u>2017</u>	<u>2016</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2017</u>	<u>2016</u>
Current Fund:				Current Fund:			
Cash and Cash Equivalents	1-A	\$ 34,198,319.92	\$ 21,243,188.45	Appropriation Reserves	A-3, 10-A	\$ 1,916,529.47	\$ 2,816,966.91
Investments	1-A	5,300,000.00		Accounts Payable	11-A	485,055.05	627,011.19
Cash - Petty Cash and Change Funds		<u>1,500.00</u>	<u>1,300.00</u>	Encumbrances Payable	12-A	1,902,599.35	2,346,939.21
		39,499,819.92	21,244,488.45	Prepaid Taxes	13-A	18,184,156.99	844,362.06
				Tax Overpayments	14-A	37,264.44	72,160.79
				County Taxes Payable	15-A	64,317.97	58,419.66
				Due to Monmouth County - 5% PILOT	5-A		54,859.05
				Local District School Tax Payable	16-A	4,927,855.50	4,566,124.50
				Due To Federal and State Grant Fund	21-A	500,112.09	346,313.02
				Due To State of New Jersey -			
Receivables and Other Assets With				Marriage License Fees	20-A	400.00	450.00
Full Reserves:				Senior Citizens' and Veterans' Deductions	2-A	6,368.79	6,771.52
Delinquent Property Taxes Receivable	3-A	865,044.89	706,973.82	Various Reserves	9-A	<u>1,445,121.80</u>	<u>1,065,723.61</u>
Tax Title Liens Receivable	4-A	600,362.97	599,320.53			<u>29,469,781.45</u>	<u>12,806,101.52</u>
Property Acquired for Taxes -							
Assessed Valuation	6-A	802,400.00	802,400.00				
Revenue Accounts Receivable	7-A	38,661.58	46,160.51				
Due From Regional High School	17-A	<u>1,076,390.11</u>	<u>1,560,274.11</u>				
		<u>3,382,859.55</u>	<u>3,715,128.97</u>	Reserve for Receivables	A	<u>3,382,859.55</u>	<u>3,715,128.97</u>
Deferred Charges:							
Special Emergency Authorizations							
(N.J.S.A. 40A:4-53)	8-A		<u>212,000.00</u>	Fund Balance	A-1	<u>10,030,038.47</u>	<u>8,650,386.93</u>
Total Current Fund		<u>42,882,679.47</u>	<u>25,171,617.42</u>	Total Current Fund		<u>42,882,679.47</u>	<u>25,171,617.42</u>
Grant Fund:				Grant Fund:			
Due From				Reserve for:			
Current Fund	21-A	500,112.09	346,313.02	Grants Appropriated	23-A	398,245.97	503,254.98
Grants Receivable	22-A	<u>114,361.84</u>	<u>312,717.66</u>	Grants Unappropriated	24-A	38,199.31	
				Encumbrances Payable	25-A	<u>178,028.65</u>	<u>155,775.70</u>
Total Grant Fund		<u>614,473.93</u>	<u>659,030.68</u>	Total Grant Fund		<u>614,473.93</u>	<u>659,030.68</u>
Total Assets		<u>\$ 43,497,153.40</u>	<u>\$ 25,830,648.10</u>	Total Liabilities and Reserves		<u>\$ 43,497,153.40</u>	<u>\$ 25,830,648.10</u>

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCES - REGULATORY BASIS

Years ended December 31, 2017 and 2016

<u>Revenue and Other Income Realized</u>	<u>Reference</u>	<u>Year 2017</u>	<u>Year 2016</u>
Fund Balance Utilized	A-2	\$ 4,200,000.00	\$ 4,200,000.00
Miscellaneous Revenue Anticipated	A-2	6,212,388.95	6,057,295.43
Receipts From Delinquent Taxes	A-2	721,530.80	1,059,184.73
Receipts From Current Taxes	A-2	159,104,226.53	158,314,970.83
Non-Budget Revenue	A-2	537,938.43	613,342.47
Other Credits To Income:			
Due From Regional School District	17-A	483,884.00	
Unexpended Balance of Appropriation Reserves	10-A	2,414,576.80	1,608,783.68
Cancellation of Accounts Payable			42,291.24
Prior Year's Interfund Liquidated			3,664.17
Grant Appropriated Reserves Canceled	21-A	127,192.47	17,352.47
		<u>173,801,737.98</u>	<u>171,916,885.02</u>
<u>Expenditures</u>			
Budget Appropriations Within CAPS:			
Operations:			
Salaries and Wages	A-3	14,568,066.79	14,259,989.81
Other Expenses	A-3	10,467,690.82	10,687,178.90
Deferred Charges and Statutory Expenditures	A-3	4,108,529.48	4,026,125.59
Budget Appropriations Excluded From CAPS:			
Operations:			
Salaries and Wages	A-3	789,386.38	799,403.61
Other Expenses	A-3	555,374.81	574,320.51
Capital Improvements	A-3	200,000.00	175,000.00
Municipal Debt Service	A-3	3,672,113.65	3,652,829.99
Deferred Charges	A-3	212,000.00	212,000.00
County Taxes	15-A	21,905,648.62	22,146,494.89
Amount Due For Added and Omitted Taxes	15-A	64,317.97	58,419.66
Local District School Taxes	16-A	74,946,312.00	75,124,406.00
Regional High School Taxes	17-A	32,727,300.00	31,517,589.00
Special District Taxes	18-A	2,936,203.00	2,905,350.00
Municipal Open Space Taxes	19-A	718,066.81	713,241.41
Prior Year Senior Citizens Deduction Disallowed, Net	2-A	5,728.09	3,021.23
Grants Receivable Cancelled	22-A	144,477.02	
Refund of Prior Year Revenue - Tax Appeals	1-A	200,871.00	166,021.73
Refund of Prior Year Revenue - FEMA			83,305.20
Refund of Prior Year Revenue - 5% PILOT			26,068.18
Due from Regional School District			11,562.00
		<u>168,222,086.44</u>	<u>167,142,327.71</u>
Excess in Revenues/Statutory Excess To Fund Balance		5,579,651.54	4,774,557.31
Fund Balance, January 1	A	<u>8,650,386.93</u>	<u>8,075,829.62</u>
		14,230,038.47	12,850,386.93
Decreased By:			
Utilized as Anticipated Revenue	A-1,A-2	<u>4,200,000.00</u>	<u>4,200,000.00</u>
Fund Balance, December 31	A	<u>\$ 10,030,038.47</u>	<u>\$ 8,650,386.93</u>

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-2
Page 1 of 3

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2017

	<u>Reference</u>	<u>Anticipated Budget</u>	<u>Added by NJS 40A:4-87</u>	<u>Amount Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	<u>\$ 4,200,000.00</u>		<u>\$ 4,200,000.00</u>	
Miscellaneous Revenues:					
Licenses:					
Other	7-A	61,630.00		70,238.00	\$ 8,608.00
Fees and Permits	7-A	720,000.00		839,286.75	119,286.75
Fines and Costs:					
Municipal Court	7-A	543,100.00		483,521.40	(59,578.60)
Interest and Costs on Taxes	7-A	200,000.00		197,368.95	(2,631.05)
Interest on Investments and Deposits	7-A	70,000.00		339,881.99	269,881.99
Cable Franchise Fees	7-A	216,000.00		216,143.86	143.86
Cell Tower Rental	7-A	284,000.00		337,017.95	53,017.95
Energy Receipts Tax	7-A	2,268,949.00		2,268,949.00	
Uniform Fire Safety Act	7-A	60,402.19		71,942.52	11,540.33
Sale of Liquor Licenses	9-A	300,000.00		300,000.00	
Reserve for Debt Service	7-A	100,000.00		100,000.00	
Payments in Lieu of Taxes	7-A	500,000.00		531,747.95	31,747.95
Reserve for FEMA	9-A	212,000.00		212,000.00	
Highway Safety/Safe Corridors Grant	22-A	21,457.68		21,457.68	
Recycling Tonnage Grant	22-A	34,807.62		34,807.62	
Bulletproof Vest Partnership	22-A		\$ 7,986.36	7,986.36	
Drive Sober or Get Pulled Over	22-A	5,000.00		5,000.00	
Drive Sober or Get Pulled Over (LD)	22-A		5,500.00	5,500.00	
Drive Sober or Get Pulled Over (EOY)	22-A		5,500.00	5,500.00	
Statewide Distracted Driving Grant	22-A		5,500.00	5,500.00	
NJDEP Green Communities Grant	22-A		3,000.00	3,000.00	
NJ Body Armor Grant	22-A		6,204.50	6,204.50	
Click It or Ticket Grant	22-A		5,500.00	5,500.00	
Clean Communities Program	22-A		90,256.42	90,256.42	
Municipal Alliance on Alcoholism and Drug Abuse	22-A		53,578.00	53,578.00	
Total Miscellaneous Revenues	A-1	<u>5,597,346.49</u>	<u>183,025.28</u>	<u>6,212,388.95</u>	<u>432,017.18</u>
Receipts From Delinquent Taxes	A-1, A-2	<u>800,000.00</u>		<u>721,530.80</u>	<u>(78,469.20)</u>
Amount To Be Raised By Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2,3-A	<u>26,270,008.61</u>		<u>28,266,197.72</u>	<u>1,996,189.11</u>
Budget Revenues		<u>36,867,355.10</u>		<u>39,400,117.47</u>	<u>2,349,737.09</u>
Non-Budget Revenues	A-1,1-A	<u></u>	<u></u>	<u>537,938.43</u>	<u>537,938.43</u>
	A-3	<u>\$ 36,867,355.10</u>	<u>\$ 183,025.28</u>	<u>\$ 39,938,055.90</u>	<u>\$ 2,887,675.52</u>

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-2

Page 2 of 3

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year Ended December 31, 2017

	<u>Reference</u>	
<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections:		
Revenue From Collections	A-1, 3-A	\$ 159,104,226.53
Allocated To:		
School, County, Special and Open Space Taxes		
Taxes Levied	3-A	<u>133,297,848.40</u>
		25,806,378.13
Add: Appropriation "Reserve for		
Uncollected Taxes"	A-3	<u>2,459,819.59</u>
Amount for Support of Municipal Budget		
Appropriations	A-2	<u><u>\$ 28,266,197.72</u></u>
Receipts From Delinquent Taxes:		
Delinquent Tax Collections	A-1, 3-A	<u><u>\$ 721,530.80</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2017

Analysis of Non-Budget Revenues

Reference

Miscellaneous Revenue Not Anticipated:

Reimbursements	\$ 14,239.90
Mobile Home Rent	30,000.00
Veterans' and Senior Citizens' Deduction Administrative Fee	4,156.75
Copies	2,679.57
Scrap Metal	16,657.40
LOSAP Funds Surrendered	2,476.29
Fire Code Status	2,730.00
Tax Sale Premiums Forfeited	39,500.00
Police Extra Duty Administrative Fees	54,384.22
Miscellaneous Receipts	21,825.60
Escrow Inspection Reimbursements	25,183.35
UCC Indirect Cost Reimbursement	317,894.86
Auction Proceeds	<u>6,210.49</u>

A-1,1-A \$ 537,938.43

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-3
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CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2017

	Appropriated		Expended			Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserve for Encumbrances	Reserved	
General Appropriations Operations - Within "CAPS"						
GENERAL GOVERNMENT						
General Administration:						
Salaries and Wages	\$ 236,978.15	\$ 236,978.15	\$ 217,298.79		\$ 19,679.36	
Other Expenses	75,077.52	75,077.52	41,465.08	\$ 29,521.69	4,090.75	
Office of the Mayor:						
Salaries and Wages	72,926.00	72,926.00	71,873.12		1,052.88	
Other Expenses	3,414.98	3,414.98	1,835.22	564.14	1,015.62	
Ethics Commission:						
Other Expenses	5,160.00	7,660.00	5,941.50	1,672.75	45.75	
Open Space Committee:						
Other Expenses	1,271.00	1,271.00		48.00	1,223.00	
Township Council:						
Salaries and Wages	18,000.00	18,000.00	17,883.24		116.76	
Other Expenses	525.00	525.00	220.00		305.00	
Municipal Clerk:						
Salaries and Wages	232,816.37	232,816.37	227,706.13		5,110.24	
Other Expenses	46,241.60	46,241.60	24,568.54	15,051.20	6,621.86	
Financial Administration (Treasury):						
Salaries and Wages	184,836.77	184,836.77	173,882.27		10,954.50	
Other Expenses	10,307.88	10,307.88	8,064.40	880.58	1,362.90	
Audit Services:						
Other Expenses	35,534.36	35,534.36	33,334.36		2,200.00	
Central Computer Services:						
Salaries and Wages	119,210.14	119,210.14	109,029.78		10,180.36	
Other Expenses	82,795.36	82,795.36	50,062.69	28,605.88	4,126.79	
Revenue Administration (Tax Collection):						
Salaries and Wages	168,845.23	168,845.23	145,698.94		23,146.29	
Other Expenses	43,303.50	43,303.50	22,714.42	8,767.10	11,821.98	
Tax Assessment Administration:						
Salaries and Wages	134,675.38	134,675.38	114,888.80		19,786.58	
Other Expenses	71,394.00	71,394.00	14,358.39	34,810.61	22,225.00	
Legal Services (Legal Department):						
Other Expenses	335,425.26	332,925.26	91,696.03	230,838.73	10,390.50	
Engineering Services:						
Salaries and Wages	208,948.38	208,948.38	199,459.13		9,489.25	
Other Expenses	104,683.56	104,683.56	92,885.57	8,965.00	2,832.99	
Economic Development:						
Other Expenses	15,926.00	15,926.00	7,359.87	138.00	8,428.13	
Inter-Governmental Relations:						
Other Expenses	7,216.00	7,216.00	5,257.30	500.00	1,458.70	
Historic Sites Commission:						
Other Expenses	9,025.00	9,025.00			9,025.00	
Cable Studio:						
Other Expenses	58,780.96	58,780.96	43,689.47	8,167.53	6,923.96	

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-3
Page 2 of 6

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2017

	Appropriated		Expended			Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserve for Encumbrances	Reserved	
General Appropriations Operations - Within "CAPS"						
LAND USE ADMINISTRATION						
Planning Board:						
Salaries and Wages	\$ 77,012.30	\$ 77,012.30	\$ 71,870.85		\$ 5,141.45	
Other Expenses	30,528.00	30,528.00	5,675.21	\$ 4,219.45	20,633.34	
Planning Board Contractual:						
Other Expenses	86,400.00	86,400.00	61,397.00	25,003.00		
Zoning Board:						
Salaries and Wages	187,927.78	181,927.78	158,125.30		23,802.48	
Other Expenses	46,071.06	46,071.06	29,405.78	11,667.65	4,997.63	
INSURANCE						
Unemployment	5,000.00	5,000.00	5,000.00			
General Liability	500,006.89	500,006.89	438,545.23	60,000.00	1,461.66	
Workers Compensation	460,227.62	460,227.62	460,043.44		184.18	
Employee Group Health	3,105,775.45	2,995,775.45	2,672,886.06	39,564.75	283,324.64	
Health Insurance Waivers	75,000.00	85,000.00	75,755.26		9,244.74	
PUBLIC SAFETY						
Police Department:						
Salaries and Wages	8,681,214.41	8,681,214.41	8,365,472.09		315,742.32	
Other Expenses	440,482.38	440,482.38	250,880.96	140,126.57	49,474.85	
Office of Emergency Management:						
Salaries and Wages	23,000.00	23,000.00	19,000.08		3,999.92	
Other Expenses	14,285.00	14,285.00	4,720.96	570.00	8,994.04	
Aid To Volunteer Ambulance:						
Other Expenses	60,000.00	60,000.00	60,000.00			
Uniform Fire Safety Act (P.L. 1983, Ch. 383):						
Salaries and Wages	198,737.34	204,737.34	203,393.10		1,344.24	
Other Expenses	22,801.19	22,801.19	10,722.43	3,283.35	8,795.41	
Municipal Prosecutor:						
Salaries and Wages	31,212.00	31,212.00	30,000.00		1,212.00	
Other Expenses	3500	3,500.00		3,500.00		
PUBLIC WORKS						
Streets and Road Maintenance:						
Salaries and Wages	1,545,025.22	1,545,025.22	1,545,025.22			
Other Expenses	178,468.62	168,468.62	101,032.19	5,081.15	62,355.28	
Snow Removal:						
Salaries and Wages	211,000.00	291,000.00	133,124.16		157,875.84	
Other Expenses	1,276,620.00	1,276,620.00	872,546.59	403,913.90	159.51	
Other Public Works Functions:						
Salaries and Wages	175,747.09	175,747.09	169,579.16		6,167.93	
Other Expenses	4,956.00	4,956.00	2,365.22	574.28	2,016.50	

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-3
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CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2017

	Appropriated		Expended			Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserve for Encumbrances	Reserved	
General Appropriations Operations - Within "CAPS"						
PUBLIC WORKS (continued)						
Shade Tree Commission:						
Other Expenses	\$ 3,000.76	\$ 3,000.76	\$ 2,558.89	\$ 325.73	\$ 116.14	
Solid Waste Collection:						
Salaries and Wages	21,600.00	21,600.00	17,192.49		4,407.51	
Other Expenses	696,237.00	696,237.00	600,275.92	80,701.05	15,260.03	
Buildings and Grounds:						
Salaries and Wages	241,936.01	241,936.01	208,803.86		33,132.15	
Other Expenses	183,167.08	188,167.08	142,004.55	38,926.26	7,236.27	
Vehicle Maintenance:						
Salaries and Wages	406,011.06	406,011.06	406,011.06			
Other Expenses	254,297.00	264,297.00	231,398.28	32,754.96	143.76	
Condominium Services Act:						
Other Expenses	98,677.09	98,677.09			98,677.09	
HEALTH AND HUMAN SERVICES						
Public Health Services (Board of Health):						
Salaries and Wages	21,500.00	21,500.00	21,500.00			
Other Expenses	726.00	726.00	318.07		407.93	
Drug Abuse Control:						
Salaries and Wages	45,548.26	45,548.26	33,067.80		12,480.46	
Other Expenses	5,196.00	5,196.00	1,428.34	2,099.87	1,667.79	
Environmental Health Services:						
Salaries and Wages	2,000.00	2,000.00			2,000.00	
Other Expenses	971.00	971.00			971.00	
Animal Control Services:						
Other Expenses	40,705.64	40,705.64	40,705.64			
PARKS AND RECREATION						
Recreation Services and Programs:						
Salaries and Wages	390,376.99	367,376.99	363,778.48		3,598.51	
Other Expenses	150,140.25	183,140.25	118,651.39	27,415.91	37,072.95	
Teen Program:						
Other Expenses	3,000.00	3,000.00	1,940.44	170.73	888.83	
Maintenance of Parks:						
Salaries and Wages	435,385.62	435,385.62	435,385.62			
Other Expenses	86,923.00	91,923.00	65,501.32	20,887.90	5,533.78	
Municipal Library:						
Other Expenses	10,000.00	10,000.00	9,828.72		171.28	
Affordable Housing:						
Salaries and Wages	4,000.00	4,000.00	4,000.00			
Municipal Court:						
Salaries and Wages	425,232.69	425,232.69	369,422.12		55,810.57	
Other Expenses	63,249.62	63,249.62	46,864.50	16,005.80	379.32	
Public Defender:						
Salaries and Wages	9,363.60	9,363.60	9,000.00		363.60	
Other Expenses	9,000.00	9,000.00	6,750.00		2,250.00	

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-3
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CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2017

	Appropriated		Expended			Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserve for Encumbrances	Reserved	
General Appropriations Operations - Within "CAPS"						
UNCLASSIFIED						
Accumulated Leave Compensation	\$ 1,000.00	\$ 1,000.00			\$ 1,000.00	
Postage	31,225.00	31,225.00	\$ 26,100.40		5,124.60	
UTILITY EXPENSES AND BULK PURCHASES						
Electricity	283,485.85	283,485.85	167,397.23	\$ 30,194.91	85,893.71	
Street Lighting	677,800.00	677,800.00	491,017.62	160,023.03	26,759.35	
Telephone (excluding equipment acquisition)	145,032.04	145,032.04	108,007.66	18,415.04	18,609.34	
Water	28,900.00	28,900.00	19,640.78	6,567.55	2,691.67	
Gas (natural or propane)	52,250.00	52,250.00	40,787.19	11,462.81		
Sewerage Processing and Disposal	11,500.00	11,500.00	10,948.00	284.92	267.08	
Gasoline	288,447.30	288,447.30	164,560.96	63,044.42	60,841.92	
Landfill/Solid Waste Disposal Costs	173,556.00	173,556.00	119,955.14	21,843.25	31,757.61	
Total Operations - Within "CAPS"	25,025,757.61	25,025,757.61	21,752,541.80	1,597,159.45	1,676,056.36	
Contingent	10,000.00	10,000.00			10,000.00	
Total Operations Including Contingent - Within "CAPS"	25,035,757.61	25,035,757.61	21,752,541.80	1,597,159.45	1,686,056.36	
Detail:						
Salaries and Wages	14,511,066.79	14,568,066.79	13,683,346.29		884,720.50	
Other Expenses	10,524,690.82	10,467,690.82	8,069,195.51	1,597,159.45	801,335.86	
DEFERRED CHARGES						
Prior Years Bills	2,500.00	2,500.00	447.84			\$ 2,052.16
STATUTORY EXPENDITURES						
Contribution To:						
Social Security System (O.A.S.I.)	1,122,081.64	1,122,081.64	1,073,997.06		48,084.58	
Police and Firemen's Retirement System of NJ	2,020,000.00	2,020,000.00	1,969,691.24		50,308.76	
Public Employees Retirement System	965,000.00	965,000.00	962,159.00		2,841.00	
Defined Contribution Retirement Program	1,000.00	1,000.00	342.68		657.32	
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	4,110,581.64	4,110,581.64	4,006,637.82		101,891.66	2,052.16
Total General Appropriations for Municipal Purposes - Within "CAPS"	29,146,339.25	29,146,339.25	25,759,179.62	1,597,159.45	1,787,948.02	2,052.16
General Appropriations Operations - Excluded from "CAPS"						
Length of Services Awards Program (LOSAP): Other Expenses	100,000.00	100,000.00	30,874.80	48,885.10	20,240.10	

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-3
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CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2017

	Appropriated		Expended			Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserve for Encumbrances	Reserved	
General Appropriations Operations - Excluded from "CAPS"						
Police Dispatch/911:						
Salaries and Wages	\$ 789,386.38	\$ 789,386.38	\$ 749,577.42		\$ 39,808.96	
Other Expenses	200,231.23	200,231.23	93,911.35	\$ 38,057.49	68,262.39	
SFSP Fire District Payments:						
Other Expenses	10,853.00	10,853.00	10,583.00		270.00	
Total Other Operations Excluded From "CAPS"	1,100,470.61	1,100,470.61	884,946.57	86,942.59	128,581.45	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
Click It or Ticket		5,500.00	5,500.00			
2011 NJ Sustainable Grant		5,500.00	5,500.00			
Drive Sober or Get Pulled Over (LD)		5,500.00	5,500.00			
Drive Sober or Get Pulled Over (EOY)	5,000.00	10,500.00	10,500.00			
Municipal Drug Alliance		53,578.00	53,578.00			
Green Team Grant		3,000.00	3,000.00			
Highway Safety Fund	21,457.68	21,457.68	21,457.68			
Recycling Tonnage Grant	34,807.62	34,807.62	34,807.62			
Body Armor Grant		6,204.50	6,204.50			
Bulletproof Vest Partnership Grant		7,986.36	7,986.36			
Clean Communities Grant		90,256.42	90,256.42			
Total Public and Private Programs Offset by Revenues	61,265.30	244,290.58	244,290.58			
Total Operations - Excluded From "CAPS"	1,161,735.91	1,344,761.19	1,129,237.15	86,942.59	128,581.45	
Detail:						
Salaries and Wages	789,386.38	789,386.38	749,577.42		39,808.96	
Other Expenses	372,349.53	555,374.81	379,659.73	86,942.59	88,772.49	
Capital Improvements - Excluded From "CAPS"						
Capital Improvement Fund	200,000.00	200,000.00	200,000.00			
Total Capital Improvements - Excluded From "CAPS"	200,000.00	200,000.00	200,000.00			

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-3
Page 6 of 6

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2017

	Appropriated		Expended			
	Original Budget	Budget After Modification	Paid or Charged	Reserve for Encumbrances	Reserved	Cancelled
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	\$ 2,459,800.00	\$ 2,459,800.00	\$ 2,459,800.00			
Payment of Note Principal						
Interest on Bonds	988,074.50	988,074.50	988,072.13			\$ 2.37
Interest on Notes	34,000.00	34,000.00	31,966.11			2,033.89
Green Acres Trust Loan:						
Loan Repayments for Principal and Interest	28,864.50	28,864.50	28,864.50			
Capital Lease Program:						
Principal	170,629.30	170,629.30	157,318.86			13,310.44
Interest	6,092.05	6,092.05	6,092.05			
Total Municipal Debt Service - Excluded From "CAPS"	3,687,460.35	3,687,460.35	3,672,113.65			15,346.70
DEFERRED CHARGES						
Deferred Charges To Future Taxation - Special Emergency	212,000.00	212,000.00	212,000.00			
Total Deferred Charges - Municipal - Excluded from "CAPS"	212,000.00	212,000.00	212,000.00			
Total General Appropriations - Excluded From "CAPS"	5,261,196.26	5,444,221.54	5,213,350.80	\$ 86,942.59	\$ 128,581.45	15,346.70
Subtotal General Appropriations	34,407,535.51	34,590,560.79	30,972,530.42	1,684,102.04	1,916,529.47	17,398.86
Reserve for Uncollected Taxes	2,459,819.59	2,459,819.59	2,459,819.59			
Total General Appropriations	\$ 36,867,355.10	\$ 37,050,380.38	\$ 33,432,350.01	\$ 1,684,102.04	\$ 1,916,529.47	\$ 17,398.86
	Reference	Below	Below	12-A	A	A-1
<u>Analysis of Budget After Modification</u>						
Original Budget	Above, A-2	\$ 36,867,355.10				
Added by N.J.S. 40A:4-87	A-2, 23-A	183,025.28				
	Above	\$ 37,050,380.38				
<u>Analysis of Paid or Charged</u>						
Cash Disbursements	1-A		\$ 30,516,239.84			
Deferred Charges	8-A		212,000.00			
Reserve for:						
State Grants - Appropriated	23-A		244,290.58			
Uncollected Taxes	A-2		2,459,819.59			
	Above		\$ 33,432,350.01			

TRUST FUND

EXHIBIT

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

December 31, 2017 and 2016

<u>Assets</u>	<u>Reference</u>	<u>2017</u>	<u>2016</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2017</u>	<u>2016</u>
Animal Control Trust Fund:				Animal Control Trust Fund:			
Cash and Cash Equivalents	1-B	\$ 75,535.12	\$ 60,320.49	Due To State of New Jersey	3-B	\$ 4.80	\$ 11.40
				Reserve for Animal Control Expenditures	6-B	59,869.88	44,353.72
				Reserve for Encumbrances Payable	11-B	15,660.44	15,955.37
Total Animal Control Trust Fund		75,535.12	60,320.49	Total Animal Control Trust Fund		75,535.12	60,320.49
Escrow Deposit Trust Fund:				Escrow Deposit Trust Fund:			
Cash and Cash Equivalents	1-B	2,596,141.22	2,262,160.00	Reserve for Deposits	7-B	2,336,556.41	2,241,849.21
				Reserve for Encumbrances Payable	13-B	259,584.81	20,310.79
Total Escrow Deposit Trust Fund		2,596,141.22	2,262,160.00	Total Escrow Deposit Trust Fund		2,596,141.22	2,262,160.00
Open Space Trust Fund:				Open Space Trust Fund:			
Cash and Cash Equivalents	1-B	164,212.80	4,109,382.29	Reserve for Open Space	5-B	4,250,833.19	4,017,928.51
Investments	1-B	4,100,000.00		Reserve for Encumbrances Payable	12-B	13,379.61	91,453.78
Total Open Space Trust Fund		4,264,212.80	4,109,382.29	Total Open Space Trust Fund		4,264,212.80	4,109,382.29
Trust - Other Fund:				Trust - Other Fund:			
Cash and Cash Equivalents	1-B	8,780,540.43	12,054,326.97	Due To State of New Jersey -			
Investments	1-B	4,200,000.00		DCA Fees	2-B	2,070.00	17,793.00
Total Trust - Other Fund		12,980,540.43	12,054,326.97	Various Reserves	4-B	10,309,204.19	9,110,312.05
Length of Service Award Program				Reserve for Encumbrances Payable	10-B	2,669,266.24	2,926,221.92
Trust Fund ("LOSAP") - Unaudited:				Total Trust - Other Fund		12,980,540.43	12,054,326.97
Investments	8-B	1,478,250.26	1,273,390.61	Length of Service Award Program			
Total Assets		\$ 21,394,679.83	\$ 19,759,580.36	Trust Fund ("LOSAP") - Unaudited:			
				Miscellaneous Reserves	9-B	1,478,250.26	1,273,390.61
				Total Liabilities and Reserves		\$ 21,394,679.83	\$ 19,759,580.36

See accompanying notes to the financial statements.

GENERAL CAPITAL FUND

EXHIBITS

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

December 31, 2017 and 2016

<u>Assets</u>	<u>Reference</u>	<u>2017</u>	<u>2016</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2017</u>	<u>2016</u>
Cash and Cash Equivalents	1-C,2-C	\$ 10,310,192.52	\$ 23,788,002.79	General Serial Bonds Payable	7-C	\$ 31,358,000.00	\$ 34,399,000.00
Due From NJ DOT	3-C	460,000.00	460,000.00	Green Trust Loan Payable	8-C	136,692.20	162,436.06
Other Accounts Receivable	13-C	170,000.00	160,000.00	Bond Anticipation Notes Payable	14-C	13,600,000.00	11,546,000.00
Due From FEMA	4-C		250,000.00	Improvement Authorizations:			
Due From Monmouth County	12-C	145,000.00	270,485.00	Funded	9-C	9,968,804.50	15,152,146.99
Due From NJ Department of Agriculture	16-C	1,000,000.00	1,514,485.00	Unfunded	9-C	2,216,462.06	10,465,157.05
Due From NJ DEP - Green Acres	17-C	730,685.53	825,000.00	Reserve for Encumbrances Payable	15-C	1,804,231.72	1,606,610.15
Deferred Charges To Future Taxation:				Capital Improvement Fund	10-C	43,877.00	13,588.00
Funded	5-C	31,494,692.20	34,561,436.06	Various Reserves	11-C	430,910.60	495,922.50
Unfunded	6-C	<u>15,861,755.10</u>	<u>12,637,304.10</u>	Fund Balance	C-1	<u>613,347.27</u>	<u>625,852.20</u>
 Total Assets		 <u>\$ 60,172,325.35</u>	 <u>\$ 74,466,712.95</u>	 Total Liabilities, Reserves and Fund Balance		 <u>\$ 60,172,325.35</u>	 <u>\$ 74,466,712.95</u>

There were bonds and notes authorized but not issued at December 31, 2017 and 2016 in the amount of \$2,261,755.10 and \$1,091,304.10, respectively. (See schedule 18-C)

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	C	\$ 625,852.20
Increased By:		
Bond Issue Costs Returned	1-C	<u>11,245.07</u>
		637,097.27
Decreased By:		
Appropriated to Finance Improvement Authorizations	9-C	<u>23,750.00</u>
Balance, December 31, 2017	C	<u><u>\$ 613,347.27</u></u>

See accompanying notes to the financial statements.

RECREATION AND SWIM UTILITY FUNDS

EXHIBITS

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY FUND

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

December 31, 2017 and 2016

<u>Assets</u>	<u>Reference</u>	<u>2017</u>	<u>2016</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2017</u>	<u>2016</u>
Operating Fund:				Operating Fund:			
Cash and Cash Equivalents	1-D	\$ 515,624.78	\$ 571,429.80	Appropriation Reserves	D-3, 5-D	\$ 12,491.18	\$ 53,318.52
Petty Cash and Change Fund	D	1,600.00	100.00	Reserve for Encumbrances Payable	6-D	230,958.28	265,243.25
Due from Recr. and Swim Pool Capital Fund	17-D		115,000.00	Accounts Payable	7-D	20,202.00	9,502.71
				Prepaid Membership Fees	11-D	18,754.63	34,061.47
				Prepaid Participation Fees	12-D	27,022.00	20,936.54
				Accrued Interest Payable	16-D	6,702.08	7,233.33
						316,130.17	390,295.82
Total Operating Fund		<u>517,224.78</u>	<u>686,529.80</u>	Fund Balance	D-1	<u>201,094.61</u>	<u>296,233.98</u>
				Total Operating Fund		<u>517,224.78</u>	<u>686,529.80</u>
Capital Fund:				Capital Fund:			
Cash and Cash Equivalents	1-D, 2-D	88,415.47	661.54	Improvement Authorizations:			
Due from Monmouth County Open Space Trust	10-D		250,000.00	Funded	15-D	78,642.56	95,732.02
Fixed Capital	3-D	3,188,235.21	3,188,235.21	Unfunded	15-D	68,381.61	90,290.42
Fixed Capital Authorized and Uncompleted	4-D	<u>1,260,585.32</u>	<u>1,260,585.32</u>	Serial Bonds Payable	9-D	1,104,000.00	1,189,000.00
				Reserve for:			
				Capital Outlay	13-D	8,974.07	30,920.62
				Amortization	14-D	3,242,992.45	2,907,992.45
				Encumbrances	8-D	15,936.65	2,237.90
				Receivable	10-D		250,000.00
				Due to Recr. and Swim Pool Utility Oper. Fund	17-D		115,000.00
				Fund Balance	D	<u>18,308.66</u>	<u>18,308.66</u>
				Total Capital Fund		<u>4,537,236.00</u>	<u>4,699,482.07</u>
Total Assets		<u>\$ 5,054,460.78</u>	<u>\$ 5,386,011.87</u>	Total Liabilities, Reserves and Fund Balance		<u>\$ 5,054,460.78</u>	<u>\$ 5,386,011.87</u>

There were bonds and notes authorized but not issued at December 31, 2017 and 2016 in the amount of \$101,828.08. (See Schedule 18-D)

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCES - REGULATORY BASIS

Years ended December 31, 2017 and 2016

	<u>Reference</u>	<u>Year 2017</u>	<u>Year 2016</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-2	\$ 285,000.00	\$ 267,453.84
Membership Fees	D-2	323,585.85	383,147.03
Program Revenue	D-2	2,045,722.98	1,902,824.68
Interest on Investments	D-2	6,613.43	3,389.86
Miscellaneous	D-2	32,248.00	49,453.91
Other Credits To Income:			
Unexpended Balance of Appropriation Reserves	5-D	102,560.35	64,397.90
Cancellation of Encumbrances Payable	6-D	3,330.71	
		<u>2,799,061.32</u>	<u>2,670,667.22</u>
Expenditures:			
Operating	D-3	2,413,413.70	2,301,046.31
Capital Outlay	D-3	1.00	1.00
Statutory Expenditures	D-3	76,597.24	79,798.26
Debt Service	D-3	119,188.75	106,608.27
		<u>2,609,200.69</u>	<u>2,487,453.84</u>
Excess in Revenue		189,860.63	183,213.38
Fund Balance, January 1	D	<u>296,233.98</u>	<u>380,474.44</u>
		486,094.61	563,687.82
Decreased By:			
Utilized as Anticipated Revenue	D-1	<u>285,000.00</u>	<u>267,453.84</u>
Fund Balance, December 31	D	<u>\$ 201,094.61</u>	<u>\$ 296,233.98</u>

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2017

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	(Deficit) <u>Excess</u>
Fund Balance Utilized	D-1	\$ 285,000.00	\$ 285,000.00	
Program Revenue	D-1	2,324,200.69	2,045,722.98	\$ (278,477.71)
Membership Fees	D-1		323,585.85	323,585.85
Miscellaneous	D-1		32,248.00	32,248.00
Interest on Investments	D-1		6,613.43	6,613.43
Total		<u>\$ 2,609,200.69</u>	<u>\$ 2,693,170.26</u>	<u>\$ 83,969.57</u>

	<u>Reference</u>	D-3	Below
<u>Analysis of Revenue:</u>			
Fund Balance Utilized	Above		\$ 285,000.00
Cash Receipts	1-D		2,353,172.25
Prepaid Applied:			
Participation Fees	12-D		20,936.54
Membership Fees	11-D		34,061.47
	Above		<u>\$ 2,693,170.26</u>
<u>Analysis of Membership Fees:</u>			
Cash Receipts	1-D		\$ 289,524.38
Prepaid Applied	11-D		34,061.47
	Above		<u>\$ 323,585.85</u>
<u>Analysis of Interest on Investments:</u>			
Cash Receipts	1-D		<u>\$ 6,613.43</u>
<u>Analysis of Miscellaneous Revenue:</u>			
Cash Receipts	1-D		<u>\$ 32,248.00</u>
<u>Analysis of Program Revenue:</u>			
Cash Receipts	1-D		\$ 2,026,896.94
Prepaid Applied	12-D		20,936.54
Less: Refunds Due Participants	6-D		(2,110.50)
	Above		<u>\$ 2,045,722.98</u>

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2017

	Original Budget	Budget Modified	Expended		
			Paid or Charged	Encumbrances	Reserved
Operating:					
Salaries and Wages	\$ 1,101,912.49	\$ 1,087,912.52	\$ 1,087,594.64		\$ 317.88
Other Expenses	<u>1,301,801.18</u>	<u>1,325,501.18</u>	<u>1,084,482.99</u>	<u>\$ 228,847.78</u>	<u>12,170.41</u>
Total Operating	<u>2,403,713.67</u>	<u>2,413,413.70</u>	<u>2,172,077.63</u>	<u>228,847.78</u>	<u>12,488.29</u>
Capital Improvements:					
Capital Outlay	<u>1.00</u>	<u>1.00</u>			<u>1.00</u>
Total Capital Improvements	<u>1.00</u>	<u>1.00</u>			<u>1.00</u>
Statutory Expenditures:					
Contribution To:					
Public Employee's Retirement System	1.00	0.97			0.97
Social Security (O.A.S.I.)	84,296.27	74,596.27	74,595.35		0.92
Unemployment Compensation Insurance - (N.J.S.A. 43-21-3)	<u>2,000.00</u>	<u>2,000.00</u>	<u>2,000.00</u>		
Total Statutory Expenditures	<u>86,297.27</u>	<u>76,597.24</u>	<u>76,595.35</u>		<u>1.89</u>
Debt Service:					
Payment of Bond Principal	85,000.00	85,000.00	85,000.00		
Interest on Bonds and Notes	<u>34,188.75</u>	<u>34,188.75</u>	<u>34,188.75</u>		
Total Debt Service	<u>119,188.75</u>	<u>119,188.75</u>	<u>119,188.75</u>		
	<u>\$ 2,609,200.69</u>	<u>\$ 2,609,200.69</u>	<u>\$ 2,367,861.73</u>	<u>\$ 228,847.78</u>	<u>\$ 12,491.18</u>
Reference	D-2	D-2	Below	6-D	D
Cash Disbursements	1-D		\$ 2,333,672.98		
Accrued Interest on Bonds and Notes	16-D		<u>34,188.75</u>		
	Above		<u>\$ 2,367,861.73</u>		

See accompanying notes to the financial statements.

PAYROLL FUND

EXHIBIT

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

PAYROLL FUND

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

December 31, 2017 and 2016

<u>Assets</u>	<u>Reference</u>	<u>2017</u>	<u>2016</u>	<u>Liabilities</u>	<u>Reference</u>	<u>2017</u>	<u>2016</u>
Cash and Cash Equivalents	E	<u>\$ 15,632.42</u>	<u>\$ 22,073.97</u>	Due to Various Agencies	E	<u>\$ 15,632.42</u>	<u>\$ 22,073.97</u>
Total Assets		<u><u>\$ 15,632.42</u></u>	<u><u>\$ 22,073.97</u></u>	Total Liabilities		<u><u>\$ 15,632.42</u></u>	<u><u>\$ 22,073.97</u></u>

See accompanying notes to financial statements.

WATER UTILITY FUNDS

EXHIBITS

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY FUNDS

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

December 31, 2017 and 2016

<u>Assets</u>	<u>Reference</u>	<u>2017</u>	<u>2016</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2017</u>	<u>2016</u>
Operating Fund:				Operating Fund:			
Cash and Cash Equivalents	1-F	\$ 5,504,833.19	\$ 5,903,497.90	Appropriation Reserves	F-3, 16-F	\$ 1,032,102.45	\$ 221,822.26
Consumer Accounts Receivable	3-F(a)	<u>136,619.65</u>	<u>159,406.89</u>	Reserve for Encumbrances Payable	18-F	824,781.44	854,564.32
				Accrued Interest on Bonds and Loans	6-F	122,544.70	130,495.35
Total Operating Fund		<u>5,641,452.84</u>	<u>6,062,904.79</u>	Water Rent Overpayments	5-F	25,047.78	19,619.32
				Various Reserves	4-F	442,309.67	441,747.28
				Accounts Payable	19-F	<u>45,000.00</u>	<u>46,622.83</u>
						2,491,786.04	1,714,871.36
				Reserve for Receivable	F	136,619.65	159,406.89
				Fund Balance	F-1	<u>3,013,047.15</u>	<u>4,188,626.54</u>
				Total Operating Fund		<u>5,641,452.84</u>	<u>6,062,904.79</u>
Capital Fund:				Capital Fund:			
Cash and Cash Equivalents	1-F, 2-F	143,749.31	1,058,900.23	Serial Bonds	10-F	11,650,000.00	13,473,000.00
Fixed Capital	7-F	33,942,183.31	33,327,933.31	NJEIT Loans Payable	13-F	16,736,098.68	17,503,769.52
Fixed Capital Authorized and Uncompleted	8-F	25,215,311.66	24,186,196.66	Encumbrances Payable	14-F	3,889,441.32	9,995,720.51
NJEIT Loan Receivable	3-F(b)	<u>3,717,286.00</u>	<u>11,252,297.00</u>	Improvement Authorizations:			
				Funded	9-F	227,111.19	547,039.69
Total Capital Fund		<u>63,018,530.28</u>	<u>69,825,327.20</u>	Unfunded	9-F	2,378,598.95	2,459,780.03
				Capital Improvement Fund	11-F	50,000.00	50,000.00
				Reserve for Amortization	12-F	27,051,804.29	24,461,133.45
				Reserve for Deferred Amortization	15-F	300,000.00	300,000.00
				Reserve for Debt Service	17-F	71,564.00	71,564.00
				Fund Balance	F-4	<u>663,911.85</u>	<u>963,320.00</u>
				Total Capital Fund		<u>63,018,530.28</u>	<u>69,825,327.20</u>
Total Assets		<u>\$ 68,659,983.12</u>	<u>\$ 75,888,231.99</u>	Total Liabilities, Reserves and Fund Balance		<u>\$ 68,659,983.12</u>	<u>\$ 75,888,231.99</u>

The balance of water utility bonds and notes authorized but not issued at December 31, 2017 and 2016 is \$3,341,051.25 and \$1,775,427.00, respectively (Schedule 20-F).

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

Years ended December 31, 2017 and 2016

	<u>Reference</u>	<u>Year 2017</u>	<u>Year 2016</u>
Revenue and Other Income:			
Water Utility Fund Balance Utilized	F-2	\$ 2,366,737.74	\$ 2,027,636.18
Service Charges (net)	F-2	8,621,918.54	9,169,158.94
Connection Fees	F-2	281,966.47	203,545.00
Other Operating Revenues	F-2	40,823.36	70,510.42
Interest on Investments	F-2	52,789.82	19,863.62
Water Utility Capital Surplus	F-2	300,000.00	
Solar Renewable Energy Credits	F-2	198,971.00	195,186.00
Other Credits to Income:			
Cancellations of Accounts Payable	19-F	46,597.83	39,730.74
Unexpended Balance of Appropriation Reserves	16-F	285,845.76	850,135.87
		<hr/>	<hr/>
Total Revenue and Other Income		12,195,650.52	12,575,766.77
		<hr/>	<hr/>
Expenditures:			
Operating	F-3	7,666,725.78	7,156,374.97
Capital Improvements	F-3	50,000.00	50,000.00
Debt Service	F-3	3,211,154.43	3,112,832.97
Statutory Expenditures and Deferred Charges	F-3	76,611.96	71,745.21
		<hr/>	<hr/>
Total Expenditures		11,004,492.17	10,390,953.15
		<hr/>	<hr/>
Excess in Revenue		1,191,158.35	2,184,813.62
Fund Balance, January 1	F	4,188,626.54	4,031,449.10
Decreased By:			
Utilized as Revenue	F-1	2,366,737.74	2,027,636.18
		<hr/>	<hr/>
Fund Balance, December 31	F	\$ 3,013,047.15	\$ 4,188,626.54
		<hr/>	<hr/>

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2017

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess</u>
Water Utility Operating Fund Balance	F-1	\$ 2,366,737.74	\$ 2,366,737.74	
Service Charges	F-1, 3-F(a)	8,120,000.00	8,621,918.54	\$ 501,918.54
Connection Fees	F-1, 1-F	100,000.00	281,966.47	181,966.47
Other Operating Revenues	F-1,1-F	25,000.00	40,823.36	15,823.36
Interest on Investments	F-1,1-F	10,000.00	52,789.82	42,789.82
Water Utility Capital Surplus	F-1,1-F	300,000.00	300,000.00	
Solar Renewable Energy Credits	F-1, 1-F	100,000.00	198,971.00	98,971.00
Total	F-3	<u>\$ 11,021,737.74</u>	<u>\$ 11,863,206.93</u>	<u>\$ 841,469.19</u>

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2017

	Original <u>Budget</u>	Budget <u>Modified</u>	<u>Expended</u>			
			<u>Paid or Charged</u>	<u>Encumbrances</u>	<u>Reserved</u>	<u>Cancelled</u>
Operating:						
Salaries and Wages	\$ 953,387.32	\$ 953,387.32	\$ 913,442.69		\$ 39,944.63	
Other Expenses	<u>6,713,338.46</u>	<u>6,713,338.46</u>	<u>4,968,401.45</u>	<u>\$ 824,781.44</u>	<u>920,155.57</u>	
Total Operating	<u>7,666,725.78</u>	<u>7,666,725.78</u>	<u>5,881,844.14</u>	<u>824,781.44</u>	<u>960,100.20</u>	
Capital Improvements:						
Capital Outlay	<u>50,000.00</u>	<u>50,000.00</u>			<u>50,000.00</u>	
Total Capital Improvements	<u>50,000.00</u>	<u>50,000.00</u>			<u>50,000.00</u>	
Debt Service:						
Payment of Bond Principal	1,810,000.00	1,810,000.00	1,810,000.00			
Interest on Bonds	537,400.00	537,400.00	529,520.83			\$ 7,879.17
NJEIT Loan Principal	695,000.00	695,000.00	689,930.09			5,069.91
NJEIT Loan Interest	<u>186,000.00</u>	<u>186,000.00</u>	<u>181,703.51</u>			<u>4,296.49</u>
Total Debt Service	<u>3,228,400.00</u>	<u>3,228,400.00</u>	<u>3,211,154.43</u>			<u>17,245.57</u>
Statutory Expenditures and Deferred Charges:						
Emergency Authorizations						
Contribution To:						
Public Employees' Retirement System	1.30	1.30			1.30	
Social Security (O.A.S.I.)	71,610.66	71,610.66	49,609.71		22,000.95	
Unemployment Compensation Insurance - (N.J.S.A. 43-21-3)	<u>5,000.00</u>	<u>5,000.00</u>	<u>5,000.00</u>			
Total Statutory Expenditures and Deferred Charges	<u>76,611.96</u>	<u>76,611.96</u>	<u>54,609.71</u>		<u>22,002.25</u>	
	<u>\$ 11,021,737.74</u>	<u>\$ 11,021,737.74</u>	<u>\$ 9,147,608.28</u>	<u>\$ 824,781.44</u>	<u>\$ 1,032,102.45</u>	<u>\$ 17,245.57</u>
Reference	F-2	F-2	Below	18-F	F	F-1
Analysis of Paid or Charged:						
Cash Disbursements	1-F		\$ 8,436,383.94			
Accrued Interest on Bonds and Loans	6-F		<u>711,224.34</u>			
Above			<u>\$ 9,147,608.28</u>			

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	F	\$ 963,320.00
Increased by:		
Bond Issue Costs Returned	1-F	<u>591.85</u>
		963,911.85
Decreased by:		
Transferred to Water Utility Operating Fund	F-1, F-2	<u>300,000.00</u>
Balance, December 31, 2017	F	<u><u>\$ 663,911.85</u></u>

See accompanying notes to the financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

EXHIBIT

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

December 31, 2017 and 2016

		<u>2017</u>	<u>2016</u>
	<u>Reference</u>		
Land, Buildings and Improvements	1-G	\$ 84,921,517.00	\$ 72,761,260.00
Machinery, Equipment and Vehicles	1-G	<u>18,155,148.00</u>	<u>17,171,774.00</u>
Total General Fixed Assets		<u>\$ 103,076,665.00</u>	<u>\$ 89,933,034.00</u>
Investment in General Fixed Assets	1-G	<u>\$ 103,076,665.00</u>	<u>\$ 89,933,034.00</u>

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. GASB's Codification of Governmental Accounting and Financial Reporting Standards recognizes three fund categories as appropriate for the accounting and reporting of the financial position and results of operations in accordance with generally accepted accounting principles (GAAP) to provide detailed information about the governmental unit. This structure of funds differs from the organization of funds prescribed under the regulatory basis of accounting utilized by the Township. The resultant presentation of financial position and results of operations in the form of financial statements is not intended to present the basic financial statements required by GAAP.

The Governmental Accounting Standards Board (GASB) established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division") requires the financial statements of the Township of Marlboro ("Township") to be reported separately.

The Township is an instrumentality of the State of New Jersey, established to function as a municipality. The Township Council consists of elected officials and is responsible for the fiscal control of the Township.

The financial statements of the Township of Marlboro, County of Monmouth, New Jersey ("Township") include every board, body officer or commission maintained wholly or in part by funds appropriated by the Township, as required by the provision of N.J.S. 40A:5-5. The financial statements, however, do not include the operation of School Boards, Volunteer Fire Departments/Fire Districts and First Aid Squads which are subject to separate audits and would be considered component units under GAAP. Included within the financial statements are taxes levied, collected and turned over to School Boards and Fire Districts and appropriations for contributions to Volunteer Fire Departments and First Aid Squads. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization, or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt or the levying of taxes.

B. Description of Funds

The accounting policies of the Township of Marlboro conform to the accounting principles applicable to municipalities, which have been prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Marlboro accounts for its financial transactions through the following separate funds and an account group:

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current Fund – records resources and expenditures for governmental operations of a general nature, including Federal and State grant funds, except as otherwise noted.

Trust Fund – records receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created. In addition, the financial transactions of the following funds and accounts are also reported within the Trust Fund:

- Animal Control Trust Fund
- Trust Other Fund
- Escrow Deposit Trust Fund
- Open Space Trust Fund
- LOSAP Trust Fund - Unaudited

General Capital Fund – records resources and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund and Utility Funds, including the status of bonds, loans, and notes authorized for said purposes. General bonds, notes and loans payable are recorded in this fund offset by deferred charges to future taxation.

Recreation/Swim Pool Utility Fund – records resources and expenditures for the recreation and swim programs and records resources and expenditures for the acquisition of capital facilities of the municipally owned Recreation/Swim Pool Utility.

Payroll Fund – records resources, deposits of gross salaries of municipal and utility operations into bank accounts of the payroll fund, Social Security and other payroll contributions are also deposited therein. Net salaries and remittances to all federal, state and other agencies are paid from this fund.

Water Utility Fund – records resources and expenditures for the operations and acquisition of capital facilities of the municipally owned Water Utility.

General Fixed Assets Account Group - The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available or any other reasonable basis, provided such basis is adequately disclosed in the financial statements. Donated fixed assets are valued at their estimated fair value at the date of donation. No depreciation is recorded on general fixed assets.

C. Regulatory-Basis Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the basic financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting

Basis of Accounting and Measurement Focus - The basis of accounting, as prescribed by the Division for its operating funds is generally a modified cash basis for revenue recognition and a modified accrual basis for expenditures. The operating funds utilize a "current financial resources" measurement focus. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The most significant is the reporting of entity-wide financial statements, which are not presented in the accounting principles prescribed by the Division. The other more significant differences are as follows:

Revenues - Revenues are recorded as received in cash except for statutory reimbursements and grant funds, which are due from other governmental units. State and Federal grants, entitlements and shared revenues received for operating purposes are realized as revenues when anticipated in the Township budget. Receivables for property taxes and consumer charges are recorded with offsetting reserves within the Current Fund and Utility Funds. Other amounts that are due to the Township which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable, with the exception of utility consumer charges, which should be recognized in the period they are earned and become measurable.

Expenditures - For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves." Paid or charged refers to the Township's "budgetary" basis of accounting. Generally, these expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Reserves for unliquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP. Appropriation reserves refer to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, except for amounts which may be cancelled 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 and not recorded in the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Generally, unexpended balances of budget appropriations are not recorded as income under GAAP.

For the purposes of calculating the results of Current Fund operations, the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories of overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the various balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based upon the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or the revaluation of assessable real property, would represent the designation of fund balance.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Local Budget Law (N.J.S.A. 40A:4-1 et seq.) requires that certain transfers between funds, such as transfers from the Current Fund or Utility Operating Funds to a Self-insurance Trust Fund, transfers of anticipated operating surpluses among the Current Fund, transfers from utility operating funds to capital funds (i.e., finance capital projects) and transfers from the Current Fund to the Trust Funds or General Capital Fund are required to be included in the Township's annual budgets as budget appropriations. Expenditures are recorded upon the adoption of the budget for legally required transfers, and upon the determination of availability of funds for any discretionary transfers. Under GAAP, transfers are not recognized as expenditures.

New Jersey statutes require municipalities to provide annual funding to Free Public Libraries through the Current Fund Budget. Amounts paid on behalf of the Free Public Library or transferred to the custody of the Library's management are recorded as budgetary expenditures of the Township, notwithstanding the fact that the Library is recognized as a separate entity for financial reporting purposes. Under GAAP, the Library would be recognized, as a "component unit" of the Township, and discrete reporting of the Library's financial position and operating results would be incorporated in the Township's financial statements.

Property Acquired for Taxes - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the governmental capital assets at the lower of cost or fair value.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the accounting period the receivables are liquidated. Interfunds in all other funds are not offset by a reserve. GAAP does not require the establishment of an offsetting reserve.

Compensated Absences - The Township has adopted written policies via employee contracts and municipal ordinances which set forth the terms under which an employee may accumulate earned, but unused, vacation and sick leave, establishes the limits on such accumulations and specifies the conditions under which the right to receive payment for such accumulations vests with the employee. The Township records expenditures for payments of earned and unused vacation and sick leave in the accounting period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available financial resources, and that expenditures be recorded in the enterprise (Utility Funds) funds on a full accrual basis.

Grants Received - Federal and State Grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's Budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Long-term debt - The Township's long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Township's long-term debt is provided in Note 3 to the financial statements.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fixed Assets - Property and equipment acquired by the Current, Recreation/Swim Pool Utility and Water Utility Funds are recorded in their respective capital accounts at cost and are adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization represents charges to operations for the costs of acquisitions of property, equipment and improvements plus any costs funded from sources other than bonded debt of the utility. The utility does not record depreciation on fixed assets. GAAP does not require the establishment of a reserve for amortization for utility fixed assets, but does require the recognition of depreciation of these assets as an operating expense of the utility. The Township has developed a general fixed asset accounting and reporting system that utilizes multiple dollar thresholds for the inclusion of certain assets and also utilizes estimated insurable values, which are updated annually to reflect current appraisal values, for inventoried structures. Accordingly, a statement of general fixed assets, developed using recognized valuation methods and uniform capitalization rules, which is required pursuant to generally accepted accounting principles and accounting practices prescribed for municipalities by the Division, is included in the financial statements.

Deferred School Taxes – A portion of school taxes collected at December 31, recalculating to the period January 1 to June 30 of the subsequent year have been incurred in fund balance. GAAP requires such taxes to be recorded as a liability until paid to the school district.

Net Pension Liability and Pension Related Deferred Outflows of Resources and Deferred Inflows of Resources and Pension Expense - the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68* require governmental entities to record their distributive share of net pension liability, deferred outflows of resources, deferred inflows of resources and total pension related expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of these amounts. Refer to Note 9 - Pensions and Retirement Plans for these disclosures.

Comparative data – Comparative data for the prior year has been presented in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Recent Pronouncements:

The GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in June 2015. This Statement replaces the requirements of Statement No. 45 and the primary objective of this Statement is to improve accounting and reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local government employers about financial support for OPEB that is provided by other entities. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 30, 2017. Management will implement this standard as of its effective date.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB Statement No. 77, *Tax Abatement Disclosures* did not result in a change in the Township's assets, revenues or fund balances. The Township's abatement program does not reduce the Township's tax revenue.

Subsequent Events - Management has reviewed and evaluated all events and transactions that occurred from December 31, 2017 through June 22, 2018, the date that the financial statements were issued, and the effects of those that provided additional pertinent information about conditions that existed at the balance sheet date, have been recognized in the accompanying financial statements.

NOTE 2: DEFERRED COMPENSATION PLAN

The Township has instituted a Deferred Compensation Plan ("Plan") pursuant to Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the Statutes of New Jersey.

The Plan is an arrangement whereby a public employer may establish a Plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations.

The Township has engaged a private contractor to administer the Plan. The plan's assets are not the property of the Township and therefore are not presented in the financial statements.

As of December 31, 2017 and 2016, the amount held by third party administrators amounted to \$7,819,155.81 and \$6,892,966.00, respectively.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION

The Local Bond Law, N.J.S.A. 40A:2 et seq, governs the issuance of bonds, notes and loans to finance municipal capital expenditures. The Township's municipal debt is summarized as follows:

A. Summary of Municipal Debt for Capital Projects

	<u>Year 2017</u>	<u>Year 2016</u>
Issued:		
General:		
Bonds	\$ 31,358,000.00	\$ 34,399,000.00
Bond Anticipation Notes	13,600,000.00	11,546,000.00
Green Acres Trust Loan	136,692.20	162,436.06
Recreation and Swim Pool Utility:		
Bonds	1,104,000.00	1,189,000.00
Water Utility:		
NJEIT Loans	16,736,098.68	17,503,769.52
Bonds	<u>11,650,000.00</u>	<u>13,473,000.00</u>
Total debt issued	74,584,790.88	78,273,205.58
Less:		
Funds temporarily held to pay		
Bonds and notes	<u>213,695.11</u>	<u>899,320.11</u>
	74,371,095.77	77,373,885.47
Authorized but not issued:		
General:		
Bonds and notes	2,261,755.10	1,091,304.10
Recreation and Swim Pool Utility:		
Bonds and notes	101,828.08	101,828.08
Water Utility:		
Bonds and notes	<u>3,341,051.25</u>	<u>1,775,427.00</u>
Total authorized but not issued	<u>5,704,634.43</u>	<u>2,968,559.18</u>
Net bonds, notes and loans issued and authorized but not issued	<u>\$ 80,075,730.20</u>	<u>\$ 80,342,444.65</u>

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTINUED)

B. Summary of Statutory Debt Condition - Annual Debt Statement – 2017

The summarized statement of debt condition which follows is reported in accordance with the required method for preparation of the Annual Debt Statement and indicates a statutory net debt of 0.631%.

	Gross Debt	Deductions	Net Debt
Local school district debt	\$ 7,395,000.00	\$ 7,395,000.00	
Regional school district debt	3,495,217.25	3,495,217.25	
Self-Liquidating debt (utility funds)	32,932,978.01	32,932,978.01	
General debt	47,356,447.30	142,131.11	\$ 47,214,316.19
	<u>\$ 91,179,642.56</u>	<u>\$ 43,965,326.37</u>	<u>\$ 47,214,316.19</u>

Net Debt of \$47,214,316.09 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$7,484,298,786.00 equals 0.631%.

EQUALIZED VALUATION BASIS

2015 Equalized Valuation Basis of Real Property	\$ 7,354,851,699.00
2016 Equalized Valuation Basis of Real Property	7,460,307,716.00
2017 Equalized Valuation Basis of Real Property	<u>7,637,736,943.00</u>
Average Equalized Valuation	<u>\$ 7,484,298,786.00</u>

BORROWING POWER UNDER N.J.S.A 40A:2-6 AS AMENDED

3 1/2% of Equalized Valuation Basis Municipal	\$ 261,950,457.51
Net Debt	<u>47,214,316.19</u>
Remaining Borrowing Power	<u>\$ 214,736,141.32</u>

The Township of Marlboro Board of Education and Freehold Regional School District are Type II School Districts. As such, the members of the Boards of Education are elected by the citizens and school appropriations are set by the Board of Education. Bonds and notes authorized by voter referendum to finance capital expenditures are general obligations of the Boards of Education and, as such, are reported on the statement of net position of the Boards of Education. The foregoing debt information is in agreement with the annual debt statement filed by the chief financial officer.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTINUED)

C. Green Trust Program Loans

Date of Loan Agreement	December 13, 2002
Loan Amount	\$464,185.00
Interest Rate	2.00%
Semi-Annual Payment (Prin. & Int.) to Amortize Loan Principal	\$14,432.25
Due Dates	March 13 & September 13
Number of Payments	39
Final Payment	September 13, 2022

D. Aggregate long-term debt service requirements are as follows:

General Capital				
<u>Year</u>	<u>Principal</u>		<u>Interest</u>	<u>Total</u>
2018	\$	2,795,000.00	\$	922,245.60
2019		2,765,000.00		834,108.60
2020		2,840,000.00		741,960.10
2021		2,895,000.00		642,523.10
2022		2,960,000.00		550,633.10
2023-2027		12,308,000.00		1,435,424.50
2028-2030		4,795,000.00		230,869.80
	\$	<u>31,358,000.00</u>	\$	<u>5,357,764.80</u>
			\$	<u>36,715,764.80</u>

Water Utility Capital				
<u>Year</u>	<u>Principal</u>		<u>Interest</u>	<u>Total</u>
2018	\$	1,890,000.00	\$	458,937.50
2019		1,140,000.00		376,820.00
2020		905,000.00		328,070.00
2021		945,000.00		290,707.50
2022		970,000.00		252,170.00
2023-2027		2,902,000.00		820,785.00
2028-2032		1,943,000.00		417,657.50
2033-2035		955,000.00		84,656.25
	\$	<u>11,650,000.00</u>	\$	<u>3,029,803.75</u>
			\$	<u>14,679,803.75</u>

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTINUED)

Recreation & Swim Utility Capital			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 75,000.00	\$ 32,170.00	\$ 107,170.00
2019	85,000.00	29,170.00	114,170.00
2020	75,000.00	25,770.00	100,770.00
2021	75,000.00	22,770.00	97,770.00
2022	80,000.00	19,770.00	99,770.00
2023-2027	410,000.00	69,850.00	479,850.00
2028-2030	304,000.00	16,860.00	320,860.00
	<u>\$ 1,104,000.00</u>	<u>\$ 216,360.00</u>	<u>\$ 1,320,360.00</u>

Green Trust Loan Payable - General Capital			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 26,261.31	\$ 2,603.19	\$ 28,864.50
2019	26,789.16	2,075.34	28,864.50
2020	27,327.62	1,536.88	28,864.50
2021	27,876.91	987.59	28,864.50
2022	28,437.20	427.22	28,864.42
	<u>\$ 136,692.20</u>	<u>\$ 7,630.22</u>	<u>\$ 144,322.42</u>

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTINUED)

NJEIT Loans Payable - Water Utility Fund				
<u>Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$	699,930.09	\$ 158,007.09	\$ 857,937.18
2019		704,930.09	155,402.09	860,332.18
2020		709,930.09	150,609.26	860,539.35
2021		719,930.09	139,582.09	859,512.18
2022		719,930.09	132,882.09	852,812.18
2023-2027		3,724,650.45	557,002.11	4,281,652.56
2028-2032		3,786,909.70	408,581.81	4,195,491.51
2033-2037		2,088,033.65	273,112.50	2,361,146.15
2038-2042		2,198,033.65	175,950.00	2,373,983.65
2043-2045		<u>1,383,820.78</u>	<u>13,633.33</u>	<u>1,397,454.11</u>
	\$	<u>16,736,098.68</u>	<u>2,164,762.37</u>	<u>\$ 18,900,861.05</u>

E. Notes

As of December 31, 2017, the Township had bond anticipation notes outstanding in the amount of \$13,600,000.00 in the general capital fund. The notes mature on May 14, 2018 with an interest rate of 0.00%.

F. Capital Leases

The Township has entered into lease purchase agreements for the acquisition of police vehicles and other equipment. Future lease payments and the present value of net minimum lease payments at December 31, 2017 are as follows:

<u>Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$	163,756.05	\$ 7,354.70	\$ 171,110.75
2019		112,384.78	3,860.81	116,245.59
2020		<u>56,662.76</u>	<u>1,416.56</u>	<u>58,079.32</u>
	\$	<u>332,803.59</u>	<u>12,632.07</u>	<u>\$ 345,435.66</u>

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTINUED)

G. 2017 Refunding Bonds

On October 5, 2017, the Township issued \$9,680,000.00 in General Obligation Refunding Bonds, Series 2017 consisting of \$8,207,000.00 General Improvement Refunding Bonds, \$467,000.00 Water Utility Refunding Bonds and \$1,006,000.00 Open Space Refunding Bonds (collectively, the "Refunding Bonds"). The Refunding Bonds were issued to advance refund \$8,474,000.00 of General Improvement Bonds, Series 2010, \$1,041,000.00 of Open Space Bonds, Series 2010 and \$480,000.00 Water Utility Bonds, Series 2010 (collectively, the Refunded Bonds"). All of the Refunded Bonds remained outstanding at December 31, 2017. The present value of the debt service savings realized from this transaction was \$538,986.94, which will be realized by the Township annually through 2025.

The \$8,207,000.00 General Improvement Refunding Bonds mature annually beginning October 1, 2021 through October 1, 2025 in amounts ranging from \$1,432,000.00 to \$1,706,000.00 at interest rates ranging from 3% to 4%.

The \$467,000.00 Water Utility Refunding Bonds mature annually beginning October 1, 2021 through October 1, 2025 in amounts ranging from \$90,000.00 to \$96,000.00 at interest rates ranging from 3% to 4%.

The \$1,006,000.00 Open Space Refunding Bonds mature annually beginning October 1, 2021 through October 1, 2025 in amounts ranging from \$196,000.00 to \$204,000.00 at interest rates ranging from 3% to 4%. The Open Space Refunding Bonds have been recorded in the Township's General Capital Fund.

NOTE 4: LOCAL DISTRICT SCHOOL AND REGIONAL HIGH SCHOOL TAXES

Regulations provide for deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Township has elected to defer school taxes as follows:

	Local District School Tax		Regional High School Tax	
	2017	2016	2017	2016
Balance of tax	\$ 37,923,476.00	\$ 37,561,745.00	\$ 12,837,788.89	\$ 12,353,904.89
Deferred	<u>32,995,620.50</u>	<u>32,995,620.50</u>	<u>13,914,179.00</u>	<u>13,914,179.00</u>
Tax Payable (Receivable)	<u>\$ 4,927,855.50</u>	<u>\$ 4,566,124.50</u>	<u>\$ (1,076,390.11)</u>	<u>\$ (1,560,274.11)</u>

TOWNSHIP OF MARLBORO
 MONMOUTH COUNTY, NEW JERSEY
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2017 and 2016 were appropriated and included as anticipated revenue in their own respective funds for the "Fiscal Year" ended December 31, 2018 and 2017 as follows:

	<u>2018</u>	<u>2017</u>
Current fund	\$ 4,600,000.00	\$ 4,200,000.00
Recreation/swim utility fund	180,000.00	285,000.00
Water utility fund	2,789,955.54	2,366,737.74

NOTE 6: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2017 and 2016, the following Deferred Charges were on the Township's Current Fund Balance Sheets:

<u>Current Fund</u>	<u>2017</u>	<u>2016</u>
Special Emergency Authorizations	<u>\$ None</u>	<u>\$212,000.00</u>

The current fund special emergency as of December 31, 2016 was fully funded in 2017 from a reserve for FEMA in the amount of \$212,000.00. See Schedule 8-A for additional information.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 7: DEPOSITS AND INVESTMENTS

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

Cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000.00 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:941, et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums.

Based on GASB criteria, the Township considers cash and cash equivalents to include petty cash, change funds, demand deposits, money market accounts, short-term investments and cash management money market mutual funds, and are either any direct and general obligation of the United States of America and its agencies or certificates of deposit issued by any bank, savings and loan association or national banking association if qualified to serve as a depository for public funds under the provisions of the GUDPA. Cash and cash equivalents have original maturities of three months or less. Investments are stated at fair value.

At December 31, 2017 and 2016, the book value of the cash and cash equivalents of the Township consisted of the following:

	Book Balance	
	2017	2016
Cash (Demand Accts.)	\$ 62,397,715.16	\$ 71,077,613.15
Change/Petty Cash Funds	4,100.00	1,600.00
Total	<u>\$ 62,401,815.16</u>	<u>\$ 71,079,213.15</u>

The Township had the following depository accounts with bank balances at December 31, 2017 and 2016 as follows:

	Bank Balance	
	2017	2016
Insured-FDIC	\$ 500,000.00	\$ 500,000.00
Insured-NJGUDPA (N.J.S.A. 17:941)	61,238,573.00	75,730,224.26
Total	<u>\$ 61,738,573.00</u>	<u>\$ 76,230,224.26</u>

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 7: DEPOSITS AND INVESTMENTS (CONTINUED)

GASB Statement No. 40 requires that the Township disclose whether its deposits are exposed to custodial credit risk (risk that in the event of failure of the counterparty, the Township would not be able to recover the value of its deposit or investment). Deposits are considered to be exposed to custodial credit risk if they are: uncollateralized (securities are not pledged to the depositor), collateralized with the securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the Township.

The Township does have a policy for the management of custodial credit risk which requires all investments be registered in the Township's name. At least five percent of the Township's deposits were fully collateralized by funds held by the financial institution, but not in the name of the Township. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Investments

New Jersey Statutes establish the following securities as eligible for the investment of Township funds:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;
2. Government money market mutual funds;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided such obligation bear a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Township or bonds or other obligations of school districts of which the Township is a part and within which the school district is located.
5. Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the Division of Investment of the Department of Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section I of P.L. 1997, c. 281 (C.52:IXA-90G4);
8. Deposits with the New Jersey Asset and Rebate Management Fund ("NJ ARM"); or
9. Agreements for the repurchase of fully collateralized securities, if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3);
 - b. the custody collateralized is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days; and
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.199-41) and for which a master repurchase agreement providing for the custody and security of the collateral is executed.

Custodial Credit Risk: All of the Township's investments are insured or registered in the Township's name or held by an entity as its agent in the Township's name. The Township does have a policy for custodial credit risk for its investments.

Concentration of Credit Risk: The Township places no limit on the amount the Township may invest in any one issuer.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 7: DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk: The Township does not have an investment policy regarding the management of credit risk. GASB 40 requires disclosures be made to the credit rating of all debt security investments except for obligations for the U.S. Government or investments guaranteed by the U.S. government.

Interest Rate Risk: The Township does have a policy to limit interest rate risk which requires structuring investment portfolio maturities to meet cash flow requirements.

The Township generates Solar Renewable Energy Certificates ("SRECs") and sells a portion of those credits annually both on the open market and pursuant to an Agreement for the purchase and sale of SRECs entered into with NRG Power Marketing LLC. The Township sold 400 SRECs during 2016 and 2017 under this Agreement. At December 31, 2017, the Township had minted 459 SRECs available for sale. The fair value of an SREC at December 31, 2017, as per the unit price published in the Flett Exchange was \$200 per SREC. Since the Township does not follow GAAP, the provisions of GASB 72 were not followed and accordingly the fair value of the Township's unsold SRECs at December 31, 2017 have not been recorded in these financial statements. The Township recorded \$198,971.00 in revenue from 2017 sales of SRECs in its Water Utility Operating Fund. The investments in SRECs have not been rated by a nationally recognized rating agency.

The Township invested \$13,600,000.00 in General Capital Fund bond anticipation notes issued by the Township to provide temporary financing for various capital projects. These investments are held in the following funds and amounts at December 31, 2017: Current Fund, \$5,300,000.00, Other Trust Fund, \$4,200,000.00 and Open Space Trust Fund, \$4,100,000. The investments were made on November 14, 2017 and mature on May 14, 2018. The investments were issued at 0% interest. The fair value of these investments at December 31, 2017 is equal to cost. These investments do not trade in the open market and have not been rated by a nationally recognized rating agency.

NOTE 8: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

A taxable valuation of real property is prepared by the Tax Assessor as of October 1 in each year and filed with the County Board of Taxation by November 1 of the same year. The County Board of Taxation establishes tax rates to reflect the levy necessary for municipal, local school district, regional school district, special district, and county taxes.

Tax bills are prepared and mailed by the Collector of Taxes of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the previous year's tax. The preliminary payments are due and payable on February 1st and May 1st. NJ Statutes allows a grace period of 10 days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amounts delinquent, and if a delinquency (including interest) is in excess of \$10,000.00 and remains in arrears after December 31, an additional flat penalty of 6% shall be charged against the delinquency. If taxes are delinquent on or after November 11th of the current year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 9: PENSION AND RETIREMENT PLANS

Substantially, all Township employees participate in the Public Employees' Retirement System or the Police and Firemen's Retirement System. The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds and charges municipalities annually for their respective contributions. The plans provide retirement and disability benefits to plan members and beneficiaries. The Division of Pensions issues publicly available reports for each of the plans. The reports may be obtained by writing the State of New Jersey, Division of Pensions.

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. In addition, the PERS and PFRS bills the Township annually at an actuarially determined rate for its required contribution. The current rate of required employee contribution of annual covered payroll is 10.00% for PFRS and for PERS, the current rate of required employee contribution of annual covered payroll is 7.34%.

Public Employee's Retirement System (PERS)

At December 31, 2017 and 2016, the Township's liability for its proportionate share of the net pension liability was \$23,829,629.00 and \$30,530,840.00 respectively. The net pension liability was measured as of June 30, 2017 and 2016, respectively and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the Township's proportion was 0.1023679793 percent, which was a decrease of 0.0007170864 from its proportion measured as of June 30, 2016.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 4,800,849	\$ 4,783,248
Net differences between projected and actual earnings on pension plan investments	162,264	
Changes in proportion	451,546	445,876
Differences between expected and actual experience	561,106	
Township contributions subsequent to the measurement date	474,165	
	<u>\$ 6,449,930</u>	<u>\$ 5,229,124</u>

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 9: PENSION AND RETIREMENT PLANS (Continued)

At December 31, 2016, the Township's deferred outflows of resources and deferred inflows of resources related to PERS were from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 7,488,528	
Net differences between projected and actual earnings on pension plan investments	567,781	
Changes in proportion	578,030	
Differences between expected and actual experience		\$ 437,005
Township contributions subsequent to the measurement date	457,897	
	<u>\$ 9,092,236</u>	<u>\$ 437,005</u>

\$474,165.00 and \$457,897.00 as of December 31, 2017 and 2016, respectively, are reflected above as deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows, if the financial statements were prepared in accordance with generally accepted accounting principles:

Year ended December 31:	
2018	\$ 538,378.00
2019	824,276.00
2020	519,997.00
2021	(638,388.00)
2022	(497,622.00)
	<u>\$ 746,641.00</u>

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation rate	2.25%
Salary increase through 2026	1.65 - 4.15%
	based on age
Thereafter	2.65 - 5.15%
	based on age
Investment rate of return	7.00%

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 9: PENSION AND RETIREMENT PLANS (Continued)

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.08%
Salary increase through 2026	1.65 - 4.15%
Thereafter	based on age 2.65 - 5.15%
Investment rate of return	based on age 7.65%

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2016. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions the emerging liability may be higher or lower than anticipated. The more the expectation deviates, the larger the impact on future financial statements.

Mortality Rates

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

Long-Term Rate of Return

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

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 9: PENSION AND RETIREMENT PLANS (Continued)

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

Discount rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.69%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 9: PENSION AND RETIREMENT PLANS (Continued)

be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the net pension liability to changes in the discount rate

The following presents the Township's proportionate share of the net pension liability as of December 31, 2017 calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00 percent) or 1-percentage-point higher (6.00 percent) than the current rate:

	At 1% Decrease (4.00%)	At Current Discount Rate (5.00%)	At 1% Increase (6.00%)
Township's proportionate share of the net pension liability	\$ 29,562,272	\$ 23,829,629	\$ 19,053,627

The following presents the Township's proportionate share of the net pension liability as of December 31, 2016 calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98 percent) or 1-percentage-point higher (4.98 percent) than the current rate:

	At 1% Decrease (2.98%)	At Current Discount Rate (3.98%)	At 1% Increase (4.98%)
Township's proportionate share of the net pension liability	\$ 37,411,981	\$ 30,530,840	\$ 24,849,862

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information

Collective balances at June 30, 2017 are as follows:

Collective deferred outflows of resources	\$ 6,424,455,842
Collective deferred inflows of resources	\$ 5,700,625,981
Collective net pension liability - Local Group	\$ 23,278,401,588
 Township's Proportion	 0.1023679793%

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 9: PENSION AND RETIREMENT PLANS (Continued)

Collective balances at June 30, 2016 are as follows:

Collective deferred outflows of resources	\$ 6,135,087,729
Collective deferred inflows of resources	\$ 870,133,595
Collective net pension liability - Local Group	\$ 29,617,131,759
 Township's Proportion	 0.1030850657%

Collective pension expense for the Local Group for the measurement period ended June 30, 2017 and June 30, 2016 were \$1,694,315,613 and \$2,827,610,195, respectively.

The average of the expected remaining service lives of all plan members is 5.48 and 5.57 years for 2017 and 2016, respectively.

Police and Firemen's Retirement System (PFRS)

At December 31, 2017 and 2016, the Township's liability for its proportionate share of the net pension liability was \$32,779,007 and \$42,989,691, respectively. The net pension liability was measured as of June 30, 2017 and 2016, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the Township's proportion was 0.2123258541 percent, which was a decrease of 0.0127209565 from its proportion measured as of June 30, 2016.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 4,042,017	\$ 5,368,243
Differences between expected and actual experience	212,651	192,386
Net differences between projected and actual earnings on pension plan investments	625,500	
Changes in proportion	492,231	2,701,677
Township contributions subsequent to the measurement date	939,561	
	<u>\$ 6,311,960</u>	<u>\$ 8,262,306</u>

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 9: PENSION AND RETIREMENT PLANS (Continued)

At December 31, 2016, the Township's deferred outflows of resources and deferred inflows of resources related to PFRS were from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 5,954,426	
Differences between expected and actual experience		\$ 281,804
Net differences between projected and actual earnings		
on pension plan investments	3,012,202	
Changes in proportion		1,504,078
Changes in proportion and differences between		
Township contributions and proportionate share of		
contributions	686,789	
Township contributions subsequent to the measurement date	917,449	
	<u>\$ 10,570,866</u>	<u>\$ 1,785,882</u>

\$939,561 and \$917,449 are reported as deferred outflows of resources as of December 31, 2017 and 2016, respectively, related to pensions resulting from Township contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows, if the financial statements were prepared in accordance with generally accepted accounting principles:

Year ended December 31:	
2018	\$ (23,031)
2019	696,326
2020	(375,411)
2021	(1,967,437)
2022	(1,220,354)
	<u>\$ (2,889,907)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation rate	2.25%
Salary increase through 2026	2.10 - 8.98%
	based on age
Thereafter	3.10 - 9.98%
	based on age
Investment rate of return	7.00%

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 9: PENSION AND RETIREMENT PLANS (Continued)

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

Mortality Rates

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Allocation	Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real 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%
	100.00%	

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 9: PENSION AND RETIREMENT PLANS (Continued)

Discount rate

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

The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended 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 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the net pension liability to changes in the discount rate

The following presents the Township's proportionate share of the net pension liability as of December 31, 2017 calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.14 percent) or 1-percentage-point higher (7.14 percent) than the current rate:

	At 1% Decrease (5.14%)	At Current Discount Rate (6.14%)	At 1% Increase (7.14%)
Township's proportionate share of the net pension liability	\$ 43,189,041	\$ 32,779,007	\$ 24,225,980

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 9: PENSION AND RETIREMENT PLANS (Continued)

The following presents the Township's proportionate share of the net pension liability as of December 31, 2016 calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.55 percent) or 1-percentage-point higher (6.55 percent) than the current rate:

	At 1% Decrease (4.55%)	At Current Discount Rate (5.55%)	At 1% Increase (6.55%)
Township's proportionate share of the net pension liability	\$ 55,432,062	\$ 42,989,697	\$ 32,843,697

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Police and Firemen's Retirement System.

Additional Information

Collective balances at June 30, 2017 are as follows:

Collective deferred outflows of resources	\$ 2,941,952,753
Collective deferred inflows of resources	\$ 3,262,432,093
Collective net pension liability - Local Group	\$ 17,167,260,198
 Township's Proportion	 0.2123258541%

Collective pension expense for the Local Group for the measurement period ended June 30, 2017 is \$1,624,455,957.

Collective balances at June 30, 2016 are as follows:

Collective deferred outflows of resources	\$ 4,547,316,543
Collective deferred inflows of resources	\$ 688,197,590
Collective net pension liability - Local Group	\$ 20,706,699,056
 Township's Proportion	 0.2250468106%

Collective pension expense for the Local Group for the measurement period ended June 30, 2016 is \$2,248,798,664

The average of the expected remaining service lives of all plan members is 5.59 and 5.58 years for 2017 and 2016, respectively.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 9: PENSION AND RETIREMENT PLANS (Continued)

Special Funding Situation

Under N.J.S.A 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation and the State is treated as a non-employer contributing entity. The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township as of June 30, 2017 and 2016 is 0.2123258541% and 0.2250468106%, respectively, and the non-employer contributing entities' contribution for the years ended June 30, 2017 and 2016 were \$183,592 and \$68,693, respectively. The State's proportionate share of the net pension liability attributable to the Township for the years ended December 31, 2017 and 2016 was \$3,671,525 and \$1,792,740, respectively.

NOTE 10: POST RETIREMENT HEALTH BENEFITS

State Health Benefits Program (SHBP)

Plan Description:

The Township contributes to the State Health Benefits Program (SHBP) a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pension and Benefits for a very limited number of employees. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents. Participation by the Township in this plan is limited to 4 retirees and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

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

Plan Coverage:

There are only four retirees and their dependents of the Township and the former Marlboro Township Municipal Utility Authority that are covered under this plan.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 10: POST RETIREMENT HEALTH BENEFITS (CONTINUED)

Funding Policy:

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

Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Township on a monthly basis. Eligible employees and retirees have the option of choosing from several medical and prescription benefit plans.

Other:

In addition to the above, the Township offers a very limited post-employment benefit plan to individuals employed by the Township prior to April 3, 2014. Effective January 1, 2002, the Township pays annually to each qualified retiree, a sum of \$4,000 per year from the time of retirement until the retiree reaches age sixty-five. Currently, only eleven retirees received payments as part of this plan during 2017.

NOTE 11: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error or omission, injuries to employees; and natural disasters. The Township is a member of the Monmouth County Municipal Joint Insurance Fund ("JIF"). The JIF is a public entity risk pool currently operating as a common risk management and insurance program for municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workers' compensation. While additional assessments on premiums can be levied by the JIF to assure payment of the JIF's obligations, no such additional premiums have been necessary as of December 31, 2017. The JIF is expected to be self-sustaining through member premiums of which the Township portion is reported as expenditure in the Township's financial statements and liabilities of the JIF are based on the estimated ultimate cost of settling the claims. The JIF participates in the Municipal Excess Liability Program, which has a contract for excess liability insurance.

The Township is not aware of any claims pending that have a demand in excess of coverages provided under the JIF. In addition, there were no significant reductions in insurance coverage from prior year coverage and there were no amounts settled which exceeded insurance coverage for each of the past three years.

NOTE 12: ACCRUED SICK AND VACATION BENEFITS

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused sick pay. The Township permits its employees to accumulate unused sick and vacation pay. The Township estimates the current cost of such unpaid compensation to be \$2,795,497.44 and \$2,638,791.14 at December 31, 2017 and 2016, respectively. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 12: ACCRUED SICK AND VACATION BENEFITS (CONTINUED)

The Township has established a Reserve for Accumulated Absences of \$587,764.32 and \$202,000.00 at December 31, 2017 and 2016, respectively.

NOTE 13: TAX APPEALS

At December 31, 2017, there are several tax appeals pending before the New Jersey Tax Court requesting a reduction of assessed valuation for 2017 and prior years. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from the Township's tax levy or through the issuance of refunding bonds per N.J.S. 40A:2-51. In accordance with the National Council on Governmental Accounting Statement 4, "Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences," the Township charges current fund operations for all State Board Judgments rendered during the year which will be paid from expendable available financial resources. The Township's share of the County taxes paid on any successful tax appeal would result in appropriate reductions applied against the County tax levy of the following year.

NOTE 14: CONTINGENT LIABILITIES

The Township is involved in certain legal proceedings, the resolution and impact on the financial statements of which, individually or in the aggregate, in the opinion of management as advised by legal counsel, would not be significant to the accompanying financial statements.

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2017, the Township does not believe that any material liabilities will result from such audits.

On May 1, 2013, the Council on Affordable Housing ("COAH"), State of New Jersey passed a resolution authorizing the COAH to begin the process of seizing "uncommitted" municipal affordable housing trust funds. The COAH issued letters to all municipalities in the State of New Jersey requesting them to certify the amount of funds held in trust that are committed and uncommitted and submit the information to COAH. On May 13, 2013, the Appellate Court of the State of New Jersey issued an injunction regarding the resolution passed by the COAH on May 1, 2013 no longer requiring local municipalities to certify the amount of committed and uncommitted funds held in trust. On May 28, 2013, the New Jersey Supreme Court kept in place the portion of the stay ordered by the Appellate Division, thereby enjoining the State from seeking the transfer of any affordable housing trust funds. However, the Court lifted the portion of the stay which prohibited the State from its administrative process of gathering and evaluating municipal submissions. On June 25, 2013, municipalities with affordable housing trust funds were issued a letter from the COAH giving all municipalities to August 2, 2013 to confirm or challenge the figures of funds that the COAH records indicate are being held by local municipalities for affordable housing. On September 26, 2013, the New Jersey Supreme Court again affirmed, in part, the Appellate Division Court decision passed on May 1, 2013 and also gave the COAH five months until February 26, 2014 to promulgate new regulations which would comply with the Fair Housing Act. On February 26, 2014, COAH filed an extension requesting to extend that time frame until May 1, 2014 which was granted by the New Jersey Supreme Court on March 14, 2014, subject to certain provisions, including the COAH to propose new regulations by May 1, 2014 and adopt such regulations on or before October 22, 2014. In October 2014, the COAH failed to meet the deadline established by the New Jersey

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 14: CONTINGENT LIABILITIES (CONTINUED)

Supreme Court. In March 2015, the New Jersey Supreme Court made a determination that affordable housing obligations would be administered by the Court. As of December 31, 2017 and 2016, the Township held \$4,891,727.68 and \$4,502,348.56, respectively, of funds in a reserve for the Council on Affordable Housing as reported in the Township's Trust-Other Fund.

NOTE 15: INTERFUND RECEIVABLES AND PAYABLES

The Current Fund has an interfund payable of \$500,112.09 due to the Federal and State Grant Fund at December 31, 2017. The Federal and State Grant Fund has an offsetting interfund receivable of \$500,112.09 due from the Current Fund. These interfunds arose from the routine interactions between these two funds and are expected to be liquidated within one year.

NOTE 16: LENGTH OF SERVICE AWARD PROGRAM ("LOSAP") - UNAUDITED

The Township has established a Volunteer Length of Service Award Plan ("LOSAP") to ensure retention of the Township's volunteer First Aid squads. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a length of service award plan under Section 457(e)11 of the Internal Revenue Code.

Annual Contributions – The Annual contribution to be made by the Township for each active volunteer member shall be \$1,150.00 per year of active emergency service, commencing with the year 2003.

Appropriations – Appropriations for the purpose of funding the Township's LOSAP shall be included as a separate line item in the Township's budget, commencing with the year 2004.

Criteria for Eligibility; Contributions; Points – Any active volunteer member shall be eligible to participate in the LOSAP Plan immediately upon commencement of the member's performance of active volunteer service in the emergency service organization. Annual contributions shall only be made by the Township, however, for those active volunteer members who have earned the minimum number of points for performing certain volunteer services on a yearly basis.

Determination as to Eligibility – Each emergency service organization shall provide to the Township Administrator, acting as the Plan Administrator of LOSAP plan, a certified list as to the active volunteer members who are initially eligible to participate in the Plan and those who are eligible to participate as of each January 1 thereafter. The Plan Administrator shall forward said certified list to the Township Council for approval, in accordance with the provision of N.J.A.C. 5:30-14.10. The decision of the Township Council as to such active member's eligibility shall be binding upon the Plan Administrator, participants, beneficiaries and any and all other persons having an interest hereunder, subject to appropriate judicial review.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 16: LENGTH OF SERVICE AWARD PROGRAM (“LOSAP”) – UNAUDITED (CONTINUED)

Terms of Participation – The Plan Administrator shall have the right to require any active volunteer member at the time of his or her becoming a participant to agree, in writing, to be bound by the terms, covenants and conditions of the LOSAP and accompanying trust. Each participant shall furnish to the Plan Administrator all pertinent information required for the administration of the LOSAP. The Plan Administrator shall rely upon all such information furnished.

Vesting – The Active volunteer member shall not be permitted to receive a distribution for the fund in his or her LOSAP account until the completion of a five-year period.

Termination of Services – Any participant who terminates service as an active volunteer member shall cease to participate hereunder. A former participant may resume participation immediately upon returning to the service of the emergency service organization as an active volunteer member. Any active volunteer member who terminates service with the emergency service organization, subsequently returns to service and again becomes a participant shall be treated as a new participant for purposes of eligibility unless said participant was fully vested prior to his or her termination from service.

Reporting Requirements – N.J.A.C. 5:30-14.49 requires that the Township perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accountants Statements for Accounting and Auditing Review Services.

The Township has authorized The Variable Annuity Life Insurance Company, as the plan provider. As of December 31, 2017 and 2016, the cumulative balance of the Length of Service Award Program was and \$1,478,250.26 and \$1,273,390.61, respectively and is recorded in the Trust fund of the Township as part of the investments and miscellaneous reserves.

In accordance with N.J.A.C. 5:30-14, the funds held in the LOSAP remain the assets of the Township until they are distributed and as such are subject to the claims of the Township’s general creditors.

**PART II – SUPPLEMENTARY SCHEDULES –
SUPPLEMENTARY INFORMATION –
AS REQUIRED BY THE DIVISION OF LOCAL GOVERNMENT SERVICES**

**CURRENT AND GRANT FUND
SCHEDULES**

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Year ended December 31, 2017

	<u>Reference</u>		
Balance, December 31, 2016	A	\$	21,243,188.45
Increased By Receipts:			
Non-Budget Revenues	A-2	\$	537,938.43
Due From State of New Jersey:			
Senior Citizens' and Veterans' Deductions	2-A		207,837.67
Taxes Receivable	3-A		158,770,992.53
Revenue Accounts Receivable	7-A		5,456,098.37
2017 Prepaid Taxes	13-A		18,184,156.99
Due to Monmouth County - 5% Pilot	5-A		27,986.74
Due To State of New Jersey - Marriage			
License Fees	20-A		2,675.00
Various Reserves	9-A		1,677,067.63
Federal and State Grants Receivable	22-A		298,169.38
Unappropriated Grant Received	24-A		38,199.31
Tax Overpayments	14-A		37,264.44
			<u>185,238,386.49</u>
			206,481,574.94
Decreased By Disbursements:			
2017 Budget Appropriations	A-3		30,516,239.84
2016 Appropriations Reserves	10-A		2,274,609.18
Accounts Payable	11-A		316,103.11
County Taxes Payable	15-A		21,964,068.28
Local District School Tax	16-A		74,584,581.00
Regional High School Tax	17-A		32,243,416.00
Special District Taxes	18-A		2,936,203.00
Municipal Open Space Tax Payable	19-A		718,066.81
Due to Monmouth County - 5% Pilot	5-A		82,845.79
Due To State of New Jersey - Marriage			
License Fees	20-A		2,725.00
Due to State - Senior Citizens and Veteran's Deductions	2-A		3,565.75
Various Reserves	9-A		873,692.63
Federal/State Grant Appropriations	21-A, 23-A		97,865.50
Federal/State Reserve for Encumbrances	21-A, 25-A		101,988.67
Tax Appeals - Refund of Prior Year Revenue	A-1		194,923.67
Change and Petty Cash Funds	A		200.00
Tax Overpayments	14-A		72,160.79
			<u>166,983,255.02</u>
Balance, December 31, 2017	Below	\$	<u>39,498,319.92</u>
Detail:			
Cash	A	\$	34,198,319.92
Investments	A		<u>5,300,000.00</u>
	Above	\$	<u>39,498,319.92</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY -
SENIOR CITIZENS AND VETERANS DEDUCTIONS

Year ended December 31, 2017

	<u>Reference</u>		
Balance, December 31, 2016	A	\$	(6,771.52)
Increased By:			
Senior Citizens' Deductions Per Tax Billing	Below	\$	30,000.00
Veterans' Deductions Per Tax Billing	Below		177,500.00
State Audit Assessment Payment	1-A		3,565.75
Prior Year Senior Citizens' Deductions, Veterans' and Disabled Deductions Allowed	A-1, 3-A		750.00
2017 Senior Citizens' Deductions, Veterans' and Disabled Deductions Allowed	Below		4,313.69
			<u>216,129.44</u>
			209,357.92
Decreased By:			
Cash Receipts	1-A	207,837.67	
Prior Year Senior Citizens' Deductions Disallowed	A-1, 13-A	6,478.09	
2017 Senior Citizens' Deductions Disallowed	Below	1,410.95	
			<u>215,726.71</u>
Balance, December 31, 2017	A	\$	<u>(6,368.79)</u>

Analysis of Senior Citizens, Veterans
and Disability Deductions Realized
as Revenues in FY 2017

Deductions Allowed Per Tax Billings	Above	\$	207,500.00
Plus:			
2017 Deductions Allowed by Collector	Above		4,313.69
Less:			
2017 Deductions Disallowed by Collector	Above		<u>(1,410.95)</u>
Amount Realized as Revenue - 2017	3-A	\$	<u>210,402.74</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year ended December 31, 2017

Year	Balance December 31, 2016	Levy	Collections		Senior Citizens' and Veterans' Deductions Allowed/ (Disallowed)	Remitted, Abated or Canceled	Transferred To Tax Title Liens	State / County Appeals	Balance December 31, 2017
			2016	2017					
2014	\$ 3,512.33					\$ 3,512.33			
2015	1,109.40			\$ 2,815.76	\$ (2,815.76)	1,109.40			
2016	<u>702,352.09</u>	<u>\$ 26,163.74</u>		<u>718,715.04</u>	<u>(2,912.33)</u>	<u>6,985.03</u>	<u>\$ 1,042.44</u>	<u>\$ 4,685.65</u>	
	706,973.82	26,163.74		721,530.80	(5,728.09)	11,606.76	1,042.44	4,685.65	
2017	<u></u>	<u>160,021,996.22</u>	<u>\$ 844,362.06</u>	<u>158,049,461.73</u>	<u>\$ 210,402.74</u>	<u>52,724.80</u>	<u></u>	<u></u>	<u>\$ 865,044.89</u>
	<u>\$ 706,973.82</u>	<u>\$ 160,048,159.96</u>	<u>\$ 844,362.06</u>	<u>\$ 158,770,992.53</u>	<u>\$ 204,674.65</u>	<u>\$ 64,331.56</u>	<u>\$ 1,042.44</u>	<u>\$ 4,685.65</u>	<u>\$ 865,044.89</u>
Reference	A	Below	13-A	1-A, A-2	2-A	3-A	4-A	3-A	A

Analysis of Property Tax Levy

Tax Yield:

General Purpose Tax	3-A	\$ 156,573,332.25	
Special District Tax	3-A	2,985,480.49	
Added and Omitted Tax	3-A	<u>463,183.48</u>	
Above			<u>\$ 160,021,996.22</u>

Tax Levy:

Local School Tax	16-A	\$ 74,946,312.00	
Regional High School Tax	17-A	32,727,300.00	
County Taxes:			
County Tax	15-A	19,065,070.02	
County Health Tax	15-A	384,613.87	
County Library Tax	15-A	1,335,933.74	
County Open Space Tax	15-A	1,120,030.99	
Due County for Added and Omitted Taxes	15-A	64,317.97	
Special District Taxes:			
Fire District #3	18-A	2,936,203.00	
Municipal Open Space Tax	19-A	<u>718,066.81</u>	
	A-2		\$ 133,297,848.40
Tax for Municipal Purposes	A-2	26,270,008.61	
Additional Taxes Added		<u>454,139.21</u>	
			<u>26,724,147.82</u>
Above			<u>\$ 160,021,996.22</u>

Analysis of Current Year Tax Collections

2016 Cash Collections of 2017 Taxes	\$ 844,362.06
Cash Collections of 2017 Taxes	158,049,461.73
Veterans' and Senior Citizens' Deductions	<u>210,402.74</u>
	<u>\$ 159,104,226.53</u>

Reference A-1,A-2

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	A	\$ 599,320.53
Increased By:		
Transfers From Taxes Receivable	3-A	<u>1,042.44</u>
Balance, December 31, 2017	A	<u><u>\$ 600,362.97</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO MONMOUTH COUNTY - 5% PILOT

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	A	\$ 54,859.05
Increased By:		
Cash Received	1-A	<u>27,986.74</u>
		82,845.79
Decreased By:		
Cash Disbursed	1-A	<u>82,845.79</u>
Balance, December 31, 2017	A	<u>\$ -</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES AT ASSESSED VALUATION

Year ended December 31, 2017

Reference

Balance, December 31, 2017 and 2016	A	<u>\$ 802,400.00</u>
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TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Year ended December 31, 2017

	<u>Reference</u>	Balance December 31, <u>2016</u>	Accrued in <u>2017</u>	Realized in <u>2017</u>	Balance December 31, <u>2017</u>
Licenses:					
Other	A-2		\$ 70,238.00	\$ 70,238.00	
Fees and Permits	A-2		839,286.75	839,286.75	
Fines and Costs:					
Municipal Court	A-2	\$ 46,160.51	476,022.47	483,521.40	\$ 38,661.58
Interest and Costs on Taxes	A-2		197,368.95	197,368.95	
Interest on Investments and Deposits	A-2		339,881.99	339,881.99	
Cable Franchise Fees	A-2		216,143.86	216,143.86	
Cell Tower Rental	A-2		337,017.95	337,017.95	
Energy Receipts Tax	A-2		2,268,949.00	2,268,949.00	
Payments in Lieu of Taxes	A-2		531,747.95	531,747.95	
Reserve for Debt Service	A-2		100,000.00	100,000.00	
Uniform Fire Safety Act	A-2		71,942.52	71,942.52	
		<u>\$ 46,160.51</u>	<u>\$ 5,448,599.44</u>	<u>\$ 5,456,098.37</u>	<u>\$ 38,661.58</u>
	<u>Reference</u>	A	7-A	1-A	A

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES - N.J.S.A. 40A:4-53
SPECIAL EMERGENCY AUTHORIZATIONS

Year ended December 31, 2017

	Balance December 31, <u>2016</u>	<u>Decreased</u>	Balance December 31, <u>2017</u>
Special Emergency Authorization (N.J.S.A. 40A:4-53)	\$ 212,000.00	\$ 212,000.00	\$ -
<u>Reference</u>	A	A-3	A

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2017

<u>Description</u>	Balance December 31, <u>2016</u>	Increased <u>By</u>	Decreased <u>By</u>	Balance December 31, <u>2017</u>
Traffic Lights	\$ 4,785.00	\$ 4,190.00	\$ 4,250.00	\$ 4,725.00
Insurance	5,938.61	318,745.95	280,704.66	43,979.90
Third Party Liens		799,362.83	799,362.83	
Reserve for Liquor License	843,000.00		300,000.00	543,000.00
Reserve for FEMA	212,000.00	853,416.90	212,000.00	853,416.90
	<u>\$ 1,065,723.61</u>	<u>\$ 1,975,715.68</u>	<u>\$ 1,596,317.49</u>	<u>\$ 1,445,121.80</u>
	<u>A</u>	<u>Below</u>	<u>Below</u>	<u>A</u>
Detail:				
General Cash Receipts	1-A	\$ 1,023,650.73		
FEMA Cash Receipts	1-A	653,416.90		
Transfer from Encumbrances	12-A	298,648.05		
	Above	<u>\$ 1,975,715.68</u>		
Cash Disbursed	1-A		\$ 873,692.63	
Encumbrances Payable	12-A		210,624.86	
Realized as Revenue	A-2		512,000.00	
	Above		<u>\$ 1,596,317.49</u>	

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2016 APPROPRIATION RESERVES

Year ended December 31, 2017

	Balance December 31, 2016		Balance After	Paid or	Balance
	<u>Reserved</u>	<u>Encumbered</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ 16,742.57		\$ 16,742.57	\$ 5,757.75	\$ 10,984.82
Other Expenses	6,890.84	\$ 65,787.20	72,678.04	17,754.98	54,923.06
Office of the Mayor:					
Salaries and Wages	1,955.72		1,955.72	1,040.00	915.72
Other Expenses	211.29	229.48	440.77	-259.20	699.97
Ethics Commission:					
Other Expenses	11,650.00	5,843.00	17,493.00	173.25	17,319.75
Open Space Committee:					
Other Expenses	723.00	48.00	771.00		771.00
Township Council:					
Salaries and Wages	116.76		116.76		116.76
Other Expenses	291.56		291.56		291.56
Municipal Clerk:					
Salaries and Wages	6,513.24		6,513.24	5,127.25	1,385.99
Other Expenses	11,045.74	7,729.55	18,775.29	6,105.66	12,669.63
Financial Administration (Treasury):					
Salaries and Wages	14,168.39		14,168.39	4,515.69	9,652.70
Other Expenses	1,322.82	1,213.64	2,536.46	1,106.84	1,429.62
Audit Services:					
Other Expenses	3,200.00	2,500.00	5,700.00	2,500.00	3,200.00
Central Computer Services:					
Salaries and Wages	7,340.58		7,340.58	2,341.01	4,999.57
Other Expenses	5,251.61	20,442.26	25,693.87	19,727.82	5,966.05
Revenue Administration (Tax Collection):					
Salaries and Wages	12,401.16		12,401.16	749.25	11,651.91
Other Expenses	16,885.58	372.78	17,258.36	129.67	17,128.69
Tax Assessment Administration:					
Salaries and Wages	19,105.21		19,105.21	1,905.46	17,199.75
Other Expenses	16,340.25	47,020.25	63,360.50	16,021.42	47,339.08
Legal Services (Legal Department):					
Other Expenses	77,945.00	95,487.13	173,432.13	49,488.40	123,943.73
Engineering Services:					
Salaries and Wages	15,745.97		15,745.97	6,998.68	8,747.29
Other Expenses	50.88	19,966.62	20,017.50	19,188.12	829.38
Economic Development:					
Other Expenses	10,314.11	2,103.34	12,417.45		12,417.45
Cable Studio:					
Other Expenses	281.36	5,491.70	5,773.06	5,435.88	337.18
Intergovernmental Relations:					
Other Expenses	2,961.71	337.50	3,299.21	337.50	2,961.71
Historic Sites Commission:					
Other Expenses	871.53		871.53		871.53
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	6,140.20		6,140.20	4,396.28	1,743.92
Other Expenses	0.34	12,519.92	12,520.26	531.50	11,988.76
Planning Board Contractual:					
Other Expenses		65,228.25	65,228.25	15,228.25	50,000.00
Zoning Board:					
Salaries and Wages	19,550.56		19,550.56	6,902.26	12,648.30
Other Expenses	537.49	16,731.58	17,269.07	5,603.25	11,665.82
INSURANCE					
General Liability	592.97	12,885.00	63,477.97	60,755.39	2,722.58
Workers Compensation	0.02		0.02		0.02
Employee Group Health	380,194.81	29,403.08	358,597.89	438.60	358,159.29
Health Insurance Waivers			1,000.00	883.30	116.70
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	648,505.08		446,505.08	18,939.60	427,565.48
Other Expenses	48,984.16	209,212.21	258,196.37	143,121.65	115,074.72
Office of Emergency Management:					
Salaries and Wages	3,999.92		3,999.92		3,999.92
Other Expenses	7,259.00	340.00	7,599.00	90.00	7,509.00
Uniform Fire Safety Act (P.L. 1983, Ch. 383):					
Salaries and Wages	5,769.66		7,269.66	4,216.65	3,053.01
Other Expenses	2,794.90	5,359.55	6,654.45	3,646.75	3,007.70
Municipal Prosecutor:					
Salaries and Wages	600.00		600.00		600.00
Other Expenses		927.00	927.00		927.00

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

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CURRENT FUND

SCHEDULE OF 2016 APPROPRIATION RESERVES

Year ended December 31, 2017

	Balance December 31, 2016		Balance After	Paid or	Balance
	<u>Reserved</u>	<u>Encumbered</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
PUBLIC WORKS					
Streets and Road Maintenance:					
Salaries and Wages	\$ 88,118.16		\$ 88,118.16	\$ 24,797.59	\$ 63,320.57
Other Expenses	55,196.57	\$ 59,291.94	114,488.51	35,815.70	78,672.81
Snow Removal:					
Salaries and Wages	105,370.21		105,370.21	100,000.00	5,370.21
Other Expenses	320,538.72	516,221.14	636,759.86	574,117.86	62,642.00
Other Public Works Functions:					
Salaries and Wages	5,933.92		8,933.92	4,133.41	4,800.51
Other Expenses	1,595.05	430.19	525.24	309.31	215.93
Shade Tree Commission:					
Other Expenses	504.80	954.63	1,459.43	1,002.78	456.65
Solid Waste Collection:					
Salaries and Wages	1,865.39		1,865.39		1,865.39
Other Expenses	42,094.87	82,209.80	124,304.67	108,324.48	15,980.19
Buildings and Grounds:					
Salaries and Wages	9,333.38		25,833.38	4,363.76	21,469.62
Other Expenses	18,260.28	91,435.57	91,695.85	53,324.75	38,371.10
Vehicle Maintenance:					
Salaries and Wages	14,937.62		14,937.62	10,431.05	4,506.57
Other Expenses	9,329.08	68,000.04	77,329.12	45,704.50	31,624.62
Condominium Services Act:					
Other Expenses	123,766.03		123,766.03	100,546.08	23,219.95
HEALTH AND HUMAN SERVICES					
Public Health Services (Board of Health):					
Other Expenses	125.50	144.00	269.50		269.50
Environmental Health Services:					
Salaries and Wages	2,000.00		2,000.00		2,000.00
Other Expenses	665.00		665.00		665.00
PARK AND RECREATION					
Recreation Services and Programs:					
Salaries and Wages	27,772.57		27,772.57	12,315.52	15,457.05
Other Expenses	7,532.11	19,907.84	27,439.95	7,915.00	19,524.95
TEEN PROGRAM					
Other Expenses	306.16	823.09	1,129.25	198.75	930.50
Maintenance of Parks:					
Salaries and Wages	64,233.69		64,233.69	8,130.33	56,103.36
Other Expenses	12,464.32	29,011.81	41,476.13	9,419.98	32,056.15
Municipal Library:					
Other Expenses	430.17	731.32	1,161.49		1,161.49
Municipal Court:					
Salaries and Wages	16,549.51		16,549.51	5,553.18	10,996.33
Other Expenses	22,338.41	6,403.00	28,741.41	6,403.00	22,338.41
Public Defender:					
Salaries and Wages	280.00		280.00		280.00
Other Expenses		750.00	750.00	750.00	
UNCLASSIFIED					
Accumulated Leave Compensation	1,000.00		403,000.00	403,000.00	
Postage	27,535.99	5,150.00	32,685.99		32,685.99
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	42,432.35	96,511.75	138,944.10	127,497.41	11,446.69
Street Lighting	44,777.24	146,706.61	191,483.85	166,508.45	24,975.40
Telephone (excluding equipment acquisition)	606.62	39,679.09	40,285.71	15,831.91	24,453.80
Water	3,354.59	6,035.37	9,389.96	3,164.09	6,225.87
Gas (natural or propane)	5,412.38	19,350.03	24,762.41	14,026.30	10,736.11
Sewerage Processing and Disposal	1,136.76	2,530.00	3,666.76	1,666.00	2,000.76
Gasoline	58,249.50	81,472.99	139,722.49	52,804.19	86,918.30
Landfill/Solid Waste Disposal Costs	21,904.01	42,251.60	64,155.61	6,028.31	58,127.30
Contingent	10,000.00		10,000.00		10,000.00

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

Schedule 10-A
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CURRENT FUND

SCHEDULE OF 2016 APPROPRIATION RESERVES

Year ended December 31, 2017

	Balance December 31, 2016		Balance After	Paid or	Balance
	<u>Reserved</u>	<u>Encumbered</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
Length of Services Awards Program (LOSAP):					
Other Expenses	\$ 16,183.96	\$ 50,797.60	\$ 66,981.56	\$ 50,797.60	\$ 16,183.96
STATUTORY EXPENDITURES					
Contribution To:					
Social Security System (O.A.S.I.)	82,072.19		82,072.19	7,098.00	74,974.19
Public Employees Retirement System	9,583.55		9,583.55		9,583.55
Police and Firemen Retirement System	5,167.00		5,167.00		5,167.00
Defined Contribution Retirement Program	668.66		668.66		668.66
Police Dispatch/911:					
Salaries and Wages	78,054.63		78,054.63	9,598.03	68,456.60
Other Expenses	71,759.97	52,387.59	124,147.56	46,279.92	77,867.64
SFSP Fire District Payments:					
Other Expenses	270.00		270.00		270.00
	<u>\$ 2,816,966.91</u>	<u>\$ 2,046,366.04</u>	<u>\$ 4,863,332.95</u>	<u>\$ 2,448,756.15</u>	<u>\$ 2,414,576.80</u>
Reference	A	12-A		Below	A-1
Cash Disbursed	1-A			\$ 2,274,609.18	
Transferred to Accounts Payable	11-A			174,146.97	
	Above			<u>\$ 2,448,756.15</u>	

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	A	\$ 627,011.19
Increased By:		
Transfer From Appropriation Reserves	10-A	<u>174,146.97</u>
		801,158.16
Decreased By:		
Cash Disbursements	1-A	<u>316,103.11</u>
Balance, December 31, 2017	A	<u><u>\$ 485,055.05</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2017

	<u>Reference</u>		
Balance, December 31, 2016	A	\$	2,346,939.21
Increased By:			
2017 Budget Appropriations	A-3	\$	1,684,102.04
Transfer from Various Reserves	9-A		210,624.86
Refunds of Prior Years Revenue	A-1		5,947.33
			<u>1,900,674.23</u>
			4,247,613.44
Decreased By:			
Transfer to Appropriation Reserves	10-A		2,046,366.04
Cash Disbursed	1-A		0.00
Transfer to Various Reserves	9-A		298,648.05
			<u>2,345,014.09</u>
Balance, December 31, 2017	A	\$	<u><u>1,902,599.35</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF PREPAID TAXES

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	A	\$ 844,362.06
Increased By:		
Cash Receipts:		
Collection of 2018 Taxes	1-A	<u>18,184,156.99</u>
		19,028,519.05
Decreased By:		
Amount Applied to 2017 Taxes		
Receivable	3-A	<u>844,362.06</u>
Balance, December 31, 2017	A	<u><u>\$ 18,184,156.99</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	A	\$ 72,160.79
Increased By:		
Cash Receipts	1-A	<u>37,264.44</u>
		109,425.23
Decreased By:		
Cash Disbursements	1-A	<u>72,160.79</u>
Balance, December 31, 2017	A	<u><u>\$ 37,264.44</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

Year ended December 31, 2017

	<u>Reference</u>		
Balance, December 31, 2016	A	\$	58,419.66
Increased By:			
2017 Tax Levy:			
County Tax	3-A	\$	19,065,070.02
County Library Tax	3-A		1,335,933.74
County Health Tax	3-A		384,613.87
County Open Space Fund Tax	3-A		1,120,030.99
Due To County for Added and Omitted Taxes	3-A		<u>64,317.97</u>
	A-1		<u>21,969,966.59</u>
			22,028,386.25
Decreased By:			
Cash Disbursements	1-A		<u>21,964,068.28</u>
Balance, December 31, 2017	A	\$	<u><u>64,317.97</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Year ended December 31, 2017

	<u>Reference</u>		
Balance, December 31, 2016			
School Tax Payable	A	\$ 4,566,124.50	
School Tax Deferred	16-A	<u>32,995,620.50</u>	
			\$ 37,561,745.00
Increased By:			
Levy (School Year July 1, 2017 to June 30, 2018)	3-A		<u>74,946,312.00</u>
			112,508,057.00
Decreased By:			
Cash Disbursements	1-A		<u>74,584,581.00</u>
Balance, December 31, 2017			
School Tax Payable	A	\$ 4,927,855.50	
School Tax Deferred	16-A	<u>32,995,620.50</u>	
			<u>\$ 37,923,476.00</u>
<u>2017 Liability for Local District School Tax</u>			
Tax Payable, December 31, 2017	A	\$ 4,927,855.50	
Tax Paid	Above	<u>74,584,581.00</u>	
Less:			79,512,436.50
Tax Payable, December 31, 2016			<u>4,566,124.50</u>
Amount Charged To 2017 Operations	A-1		<u>\$ 74,946,312.00</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REGIONAL HIGH SCHOOL TAX (RECEIVABLE)

Year ended December 31, 2017

	<u>Reference</u>		
Balance, December 31, 2016			
Due from Regional High School	A	\$ (1,560,274.11)	
School Tax Deferred	17-A	<u>13,914,179.00</u>	
			\$ 12,353,904.89
Increased By:			
Levy (School Year July 1, 2017 to June 30, 2018)	3-A		<u>32,727,300.00</u>
			45,081,204.89
Decreased By:			
Cash Disbursements	1-A		<u>32,243,416.00</u>
Balance, December 31, 2017			
Due from Regional High School	A	(1,076,390.11)	
School Tax Deferred	17-A	<u>13,914,179.00</u>	
			<u>\$ 12,837,788.89</u>
<u>2017 Liability for Regional High School Tax</u>			
Tax Payable/(Receivable), December 31, 2017	A	\$ (1,076,390.11)	
Tax Paid	1-A	<u>32,243,416.00</u>	
			31,167,025.89
Less:			
Tax Payable/(Receivable), December 31, 2016	A	<u>(1,560,274.11)</u>	
Amount Charged To 2017 Operations	A-1	<u>\$ 32,727,300.00</u>	
Changes in Regional High School Taxes Receivable:			
Tax Payable/(Receivable), December 31, 2017	A	\$ (1,076,390.11)	
Tax Payable/(Receivable), December 31, 2016	A	<u>(1,560,274.11)</u>	
Decrease in Tax Receivable - Credit to Operations	A-1	<u>\$ 483,884.00</u>	

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF SPECIAL DISTRICT TAX

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	A	\$ -
Increased By:		
Fire Districts Levy	A-1 , 3-A	<u>2,936,203.00</u>
		2,936,203.00
Decreased By:		
Cash Disbursed	1-A	<u>2,936,203.00</u>
Balance, December 31, 2017	A	<u><u>\$ -</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF MUNICIPAL OPEN SPACE TAX

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	A	\$ -
Increased By:		
Municipal Open Space Levy	A-1 , 3-A	<u>718,066.81</u>
		718,066.81
Decreased By:		
Cash Disbursed	1-A	<u>718,066.81</u>
Balance, December 31, 2017	A	<u><u>\$ -</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY - MARRIAGE LICENSE FEES

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	A	\$ 450.00
Increased By:		
Cash Receipts	1-A	<u>2,675.00</u>
		3,125.00
Decreased By:		
Cash Disbursements	1-A	<u>2,725.00</u>
Balance, December 31, 2017	A	<u><u>\$ 400.00</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO FEDERAL AND STATE GRANT FUND

Year ended December 31, 2017

	<u>Reference</u>		
Balance, December 31, 2016	A	\$	346,313.02
Increased By:			
Deposited in Current Fund:			
Grants Receivable	22-A	\$	298,169.38
Unappropriated Grant Reserves	24-A		38,199.31
Grant Receivable Cancelled	22-A		144,477.02
2017 Budget Appropriations	A-3,23-A		<u>244,290.58</u>
			<u>725,136.29</u>
			1,071,449.31
Decreased By:			
Disbursed By Current Fund:			
Appropriated Grant Reserves	1-A, 23-A		97,865.50
Reserve for Encumbrances	1-A,25-A		101,988.67
Reserve for Grants Appropriated Cancelled	A-1, 23-A		127,192.47
2017 Anticipated Revenue	A-2, 22-A		<u>244,290.58</u>
			<u>571,337.22</u>
Balance, December 31, 2017	A	\$	<u><u>500,112.09</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

Year ended December 31, 2017

	Balance December 31, <u>2016</u>	Increased By Revenue Realized <u>2017</u>	Decreased by <u>Cash Receipts</u>	<u>Cancelled</u>	Balance December 31, <u>2017</u>
State Assistance:					
2016 Clean Communities Program		\$ 90,256.42	\$ 90,256.42		
Green Acres Park Improvement Grant	\$ 144,477.02			\$ 144,477.02	
HDSRF - DiMeo Property	11,068.00				\$ 11,068.00
2017 NJDEP Green Communities Grant		3,000.00			3,000.00
2016 Municipal Drug Alliance	45,743.06		45,743.06		
2017 Municipal Drug Alliance		53,578.00	8,359.00		45,219.00
2017 Recycling Tonnage Grant		34,807.62	34,807.62		
2017 NJ Body Armor Grant		6,204.50	6,204.50		
2017 NJ Highway Safety/ Safe Corridors Grant		21,457.68			21,457.68
Statewide Distracted Driver Grant		5,500.00	5,500.00		
Federal Assistance:					
2014 Highway Safety Grant	55,748.78		55,748.78		
2015 Highway Safety Grant	29,744.26		27,750.00		1,994.26
2017 Click It or Ticket		5,500.00	5,500.00		
2016 Drive Sober or Get Pulled Over		5,000.00	5,000.00		
2017 Drive Sober or Get Pulled Over (LD)		5,500.00	5,500.00		
2017 Drive Sober or Get Pulled Over (EOY)		5,500.00			5,500.00
Drunk Driving Prevention Incentive Grant	16,930.97				16,930.97
2014 Federal Body Armor Grant	1,030.72				1,030.72
2015 Federal body Armor Grant	7,974.85		7,800.00		174.85
2017 Federal Body Armor Grant		7,986.36			7,986.36
	<u>\$ 312,717.66</u>	<u>\$ 244,290.58</u>	<u>\$ 298,169.38</u>	<u>\$ 144,477.02</u>	<u>\$ 114,361.84</u>
<u>Reference</u>	A	A-2,21-A	1-A,21-A	A-1, 21-A	A

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

Year ended December 31, 2017

Grant	Balance December 31, 2016	Transferred From 2017 Appropriations	Appropriated By 40A:4-87	Expended	Cancelled	Balance December 31, 2017
State Assistance:						
2012 Alcohol Rehabilitation Grant	\$ 1,780.78					\$ 1,780.78
2014 Alcohol Rehabilitation Grant	3,689.28					3,689.28
2014 Clean Communities Program	916.35			\$ 916.35		
2015 Clean Communities Program	59,474.69			59,474.69		
2016 Clean Communities Program	106,238.66			58,342.00		47,896.66
2017 Clean Communities Program		\$ 90,256.42				90,256.42
2017 Green Communities Program		3,000.00				3,000.00
2013 Drunk Driving Enforcement Fund				(1,018.88)		1,018.88
2014 Drunk Driving Enforcement Fund	12,472.91			2,228.44		10,244.47
Green Acres Park Improvements	127,192.47				\$ 127,192.47	
HDSRF - DiMeo Property	11,068.00					11,068.00
2014 Municipal Drug Alliance; Cash Match	1,500.00					1,500.00
2015 Municipal Drug Alliance:						
2016 Municipal Drug Alliance:	32,607.26			32,607.26		
2017 Municipal Drug Alliance:			53,578.00	24,877.00		28,701.00
2016 Municipal Drug Alliance; Cash Match	11,543.96			(5,169.63)		16,713.59
2014 Hazardous Discharge Site Remediation	54,979.16			34,738.00		20,241.16
2013 Recycling Tonnage Grant	3,868.60			(131.40)		4,000.00
2015 Recycling Tonnage Grant	17,876.05			(36,956.95)		54,833.00
2016 Recycling Tonnage Grant	43,370.91			55.00		43,315.91
2017 Recycling Tonnage Grant		\$ 34,807.62				34,807.62
2017 Bulletproof Vest Partnership			7,986.36			7,986.36
Federal Assistance:						
2014 Highway Safety Grant	1,994.26			1,994.26		
2017 Highway Safety Grant		21,457.68		21,457.68		
2017 Click It or Ticket			5,500.00	5,500.00		
Green Team Grant	1,289.59					1,289.59
2017 Drive Sober or Get Pulled Over (LD)			5,500.00	5,500.00		
2017 Drive Sober or Get Pulled Over (EOY)			5,500.00	1,320.00		4,180.00
2016 Drive Sober or Get Pulled Over		5,000.00		5,000.00		
2017 Distracted Driving			5,500.00	5,500.00		
2017 Federal Body Armor Grant			6,204.50			6,204.50
2016 Federal Body Armor Grant	5,873.31			5,873.30		0.01
Drunk Driving Prevention Incentive Grant	5,518.74					5,518.74
	<u>\$ 503,254.98</u>	<u>\$ 61,265.30</u>	<u>\$ 183,025.28</u>	<u>\$ 222,107.12</u>	<u>\$ 127,192.47</u>	<u>\$ 398,245.97</u>
Reference	A	A-3, 22-A	A-3, 22-A	Below	A-1, 21-A	A
Cash Disbursed	1-A,21-A			\$ 97,865.50		
Encumbrances	25-A			<u>124,241.62</u>		
	Above			<u>\$ 222,107.12</u>		

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	A	\$ -
Increased By:		
Recycling Tonnage Grant Received	1-A, 21-A	<u>38,199.31</u>
Balance, December 31, 2017	A	<u><u>\$ 38,199.31</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	A	\$ 155,775.70
Increased By:		
Appropriated Reserves Charged	23-A	<u>124,241.62</u>
		280,017.32
Decreased By:		
Disbursed by Current Fund	1-A,21-A	<u>101,988.67</u>
Balance, December 31, 2017	A	<u><u>\$ 178,028.65</u></u>

TRUST FUND

SCHEDULES

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF TRUST FUND CASH AND INVESTMENTS

Year ended December 31, 2017

	<u>Reference</u>	<u>Animal Control Trust Fund</u>	<u>Escrow Deposit Trust Fund</u>	<u>Trust - Other Fund</u>	<u>Open Space Trust Fund</u>
Balance, December 31, 2016	B	\$ 60,320.49	\$ 2,262,160.00	\$ 12,054,326.97	\$ 4,109,382.29
Increased By Receipts:					
Due To:					
State of New Jersey	3-B	4,411.20			
Open Space Tax Levy	5-B				718,066.81
Interest Earned	5-B				29,435.46
License Fees Collected	6-B	99,680.68			
Deposits	7-B		1,198,131.71		
DCA Training Fees	2-B			75,299.00	
Various Reserves	4-B, 5-B			4,468,329.25	3,560.00
		<u>104,091.88</u>	<u>1,198,131.71</u>	<u>4,543,628.25</u>	<u>751,062.27</u>
		<u>164,412.37</u>	<u>3,460,291.71</u>	<u>16,597,955.22</u>	<u>4,860,444.56</u>
Decreased By Disbursements:					
Due To:					
State of New Jersey	3-B	4,417.80			
Animal Control Trust Fund					
Expenditures	6-B	76,156.44			
Reserve for:	10-B, 11-B, 12-B,				
Encumbrances	13-B	8,303.01	20,310.79	881,550.65	91,453.74
Open Space	5-B				504,778.02
Deposits	7-B		843,839.70		
DCA Training Fees	2-B			74,711.00	
Various Reserves	4-B			2,661,153.14	
		<u>88,877.25</u>	<u>864,150.49</u>	<u>3,617,414.79</u>	<u>596,231.76</u>
Balance, December 31, 2017	Below	<u>\$ 75,535.12</u>	<u>\$ 2,596,141.22</u>	<u>\$ 12,980,540.43</u>	<u>\$ 4,264,212.80</u>
Detail:					
Cash and Cash Equivalents	B	\$ 75,535.12	\$ 2,596,141.22	\$ 8,780,540.43	\$ 164,212.80
Investments	B			4,200,000.00	4,100,000.00
	Above	<u>\$ 75,535.12</u>	<u>\$ 2,596,141.22</u>	<u>\$ 12,980,540.43</u>	<u>\$ 4,264,212.80</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY - DCA TRAINING FEES

Year ended December 31, 2017

	<u>Reference</u>		
Balance, December 31, 2016	B	\$	17,793.00
Increased By:			
Cash Receipts	1-B		<u>75,299.00</u>
			93,092.00
Decreased By:			
Cash Disbursements	1-B	\$	74,711.00
Reserve for Encumbrances	10-B		<u>16,311.00</u>
			<u>91,022.00</u>
Balance, December 31, 2017	B	\$	<u><u>2,070.00</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	B	\$ 11.40
Increased By:		
Cash Receipts	1-B	<u>4,411.20</u>
		4,422.60
Decreased By:		
Cash Disbursements	1-B	<u>4,417.80</u>
Balance, December 31, 2017	B	<u><u>\$ 4.80</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2017

	Balance December 31, 2016	<u>Increased</u>	<u>Decreased</u>	Balance December 31, 2017
Performance Bonds	\$ 31,364.64			\$ 31,364.64
Road Opening Deposits	504,722.85	\$ 4,500.00	\$ 1,000.00	508,222.85
Stormwater Management	231,582.26	78,918.40	39,666.87	270,833.79
Public Defender	3,350.10	1,450.00	2,250.00	2,550.10
Parking Offenses Adjudication Act	5,076.00	124.00		5,200.00
Fire Safety - Dedicated Penalties		75.00		75.00
Fire Safety	51,762.05	3,825.00	8,492.56	47,094.49
Law Enforcement	21,216.67	5,392.38	7,164.36	19,444.69
Mount Laurel - Affordable Housing	4,502,348.56	403,215.41	13,836.29	4,891,727.68
Police Evidence	77.90			77.90
Uniform Construction Code	490,640.26	1,749,782.00	1,556,261.66	684,160.60
Marlboro Knolls	2,575.24			2,575.24
Tax Sale Premiums	1,567,078.45	434,500.00	749,300.00	1,252,278.45
Snow Removal	399,996.64	600,000.00	186,839.90	813,156.74
Unclaimed Monies	4,788.41	878.28	0.50	5,666.19
Tree Bank	248,575.90	13,288.00	16,805.00	245,058.90
Bid Deposits	2,561.70	31,913.01	31,913.01	2,561.70
Court Bail Refund	2,737.00			2,737.00
Insurance Reimbursement		75,633.40		75,633.40
Unemployment	103,643.06	35,568.39	27,929.38	111,282.07
Off-Duty Police	67,556.09	581,279.53	540,426.11	108,409.51
911 Memorial	5,000.00			5,000.00
Water Escrow	151,360.13			151,360.13
Transportation Escrow	67,939.56			67,939.56
Law Enforcement Trust II	408,059.38	6,880.66	25,397.82	389,542.22
Recreation Donations	2,088.06	2,827.00	2,138.90	2,776.16
Accumulated Absences	202,000.00	403,000.00	17,235.68	587,764.32
COAH Special Master	9,750.00		7,075.00	2,675.00
Third Party Liens	22,461.14	35,278.79	35,704.07	22,035.86
	<u>\$ 9,110,312.05</u>	<u>\$ 4,468,329.25</u>	<u>\$ 3,269,437.11</u>	<u>\$ 10,309,204.19</u>
<u>Reference</u>	<u>B</u>	<u>1-B</u>	<u>Below</u>	<u>B</u>
Cash Disbursed	1-B		\$ 2,661,153.14	
Reserve for Encumbrances Payable	10-B		<u>608,283.97</u>	
Above			<u>\$ 3,269,437.11</u>	

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

OPEN SPACE TRUST FUND

SCHEDULE OF RESERVE FOR OPEN SPACE

Year ended December 31, 2017

	<u>Reference</u>		
Balance, December 31, 2016	B		\$ 4,017,928.51
Increased By:			
Interest Earned	1-B	\$ 29,435.46	
Community Gardens Cash Receipts	1-B	3,560.00	
Open Space Tax Levy	3-A, 1-B	<u>718,066.81</u>	
			<u>751,062.27</u>
			4,768,990.78
Decreased By:			
Cash Disbursed:			
Payment of Bond Principal	1-B,7-C	279,200.00	
Payment of Interest on Bonds	1-B	123,882.95	
Open Space Purchases	1-B	101,695.07	
Encumbrances	12-B	<u>13,379.57</u>	
			<u>518,157.59</u>
Balance, December 31, 2017	B		<u><u>\$ 4,250,833.19</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Year ended December 31, 2017

	<u>Reference</u>		
Balance, December 31, 2016	B		\$ 44,353.72
Increased By:			
Dog License Fees Collected		\$ 33,716.80	
Cat License Fees Collected		1,324.40	
Other Fees		2,333.84	
Interlocal Agreement With Matawan		21,600.00	
Current Fund Budget Appropriation	A-3	40,705.64	
	1-B		<u>99,680.68</u>
			144,034.40
Decreased By:			
Expenditures Under R.S. 4:19-15.11	1-B	76,156.44	
Encumbrances	11-B	<u>8,008.08</u>	<u>84,164.52</u>
Balance, December 31, 2017	B		<u><u>\$ 59,869.88</u></u>

License Fees Collected:

2015 Fees	\$ 34,111.80
2016 Fees	<u>33,716.80</u>
	<u><u>\$ 67,828.60</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

ESCROW DEPOSIT TRUST FUND

SCHEDULE OF RESERVE FOR DEPOSITS

Year ended December 31, 2017

	<u>Reference</u>		
Balance, December 31, 2016	B	\$	2,241,849.21
Increased By:			
Cash Receipts	1-B		<u>1,198,131.71</u>
			3,439,980.92
Decreased By:			
Cash Disbursements	1-B	\$	843,839.70
Encumbrances	13-B	<u>259,584.81</u>	<u>1,103,424.51</u>
Balance, December 31, 2017	B	\$	<u><u>2,336,556.41</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND ("LOSAP")

SCHEDULE OF INVESTMENTS - LENGTH OF SERVICE AWARDS PROGRAM - UNAUDITED

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	B	\$ 1,273,390.61
Increased By:		
Township Contributions and Earnings (Net)	9-B	<u>204,859.65</u>
Balance, December 31, 2017	B	<u><u>\$ 1,478,250.26</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND ("LOSAP")

SCHEDULE OF MISCELLANEOUS RESERVES - LENGTH OF SERVICE AWARDS PROGRAM - UNAUDITED

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	B	\$ 1,273,390.61
Increased By:		
Township Contributions and Earnings		
(Net)	8-B	<u>204,859.65</u>
Balance, December 31, 2017	B	<u><u>\$ 1,478,250.26</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

Year ended December 31, 2017

	<u>Reference</u>		
Balance, December 31, 2016	B	\$	2,926,221.92
Increased By:			
Various Reserves Charged	4-B	\$	608,283.97
Due to State of NJ - DCA Training Fees	2-B		<u>16,311.00</u>
			<u>624,594.97</u>
			3,550,816.89
Decreased By:			
Cash Disbursements	1-B		<u>881,550.65</u>
Balance, December 31, 2017	B	\$	<u><u>2,669,266.24</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	B	\$ 15,955.37
Increased By:		
Reserve for Animal Control Charged	6-B	<u>8,008.08</u>
		23,963.45
Decreased By:		
Cash Disbursements	1-B	<u>8,303.01</u>
Balance, December 31, 2017	B	<u><u>\$ 15,660.44</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

OPEN SPACE TRUST FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	B	\$ 91,453.78
Increased By:		
Reserve for Open Space Charged	5-B	<u>13,379.57</u>
		104,833.35
Decreased By:		
Cash Disbursements	1-B	<u>91,453.74</u>
Balance, December 31, 2017	B	<u><u>\$ 13,379.61</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

ESCROW DEPOSIT TRUST FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	B	\$ 20,310.79
Increased By:		
Reserve for Escrow Deposit Charged	7-B	<u>259,584.81</u>
		279,895.60
Decreased By:		
Cash Disbursements	1-B	<u>20,310.79</u>
Balance, December 31, 2017	B	<u><u>\$ 259,584.81</u></u>

GENERAL CAPITAL FUND

SCHEDULES

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL CAPITAL CASH

Year ended December 31, 2017

	<u>Reference</u>		
Balance, December 31, 2016	C		\$ 23,788,002.79
Increased By:			
Fund Balance	C-1	\$ 11,245.07	
Capital Improvement Fund	10-C	200,000.00	
Reimbursement of Expenditures	9-C	32,520.00	
Bond Anticipation Notes Issued	14-C	13,600,000.00	
Various Reserves	11-C	35,000.00	
Due From FEMA	4-C	250,000.00	
Due From Monmouth County	12-C	125,485.00	
Due From New Jersey DEP - Green Acres	17-C	94,314.47	
Other Accounts Receivable	13-C	<u>160,000.00</u>	
			<u>14,508,564.54</u>
			38,296,567.33
Decreased By:			
Reserve for Encumbrances	15-C	1,399,928.21	
Bond Anticipation Notes Paid	14-C	11,546,000.00	
Improvement Authorizations	9-C	14,940,434.70	
Various Reserves	11-C	<u>100,011.90</u>	
			<u>27,986,374.81</u>
Balance, December 31, 2017	C		<u><u>\$ 10,310,192.52</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH

December 31, 2017 and 2016

	Balance December 31, <u>2017</u>	Balance December 31, <u>2016</u>
Fund Balance	\$ 613,347.27	\$ 625,852.20
Various Reserves	430,910.60	495,922.50
Due From New Jersey Department of Transportation	(460,000.00)	(460,000.00)
Due From New Jersey Department of Agriculture	(1,000,000.00)	(1,514,485.00)
Due From New Jersey Department of Environmental Protection - Green Acres	(730,685.53)	(825,000.00)
Due From the Federal Emergency Management Agency (FEMA)		(250,000.00)
Due From Monmouth County	(145,000.00)	(270,485.00)
Other Accounts Receivable	(170,000.00)	(160,000.00)
Capital Improvement Fund	43,877.00	13,588.15
Temporary Overfunding of Bond Ordinances		585,625.00
Reserve for Encumbrances	<u>1,804,231.72</u>	<u>1,606,610.00</u>

Subtotal	386,681.06	(152,372.15)
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Ordinance
Date/Number

Improvement Description

02-21	Various Improvements	5,779.60	5,779.60
04-01	Hawkins Park	59,765.00	59,765.00
04-23	Bolling Hills	2,261.13	2,261.13
05-19	Computer Operated Signs	44,469.22	44,469.22
05-36	Various Improvements	86,660.91	86,660.91
06-19	Various Improvements	45,945.20	78,287.07
07-12	Various Capital Improvements	792.68	5,363.56
11-02	Various Capital Improvements	119,046.25	127,580.04
11-04	Acquisition of Land	(254,763.22)	748,282.42
11-25	Taylor Road Drainage Improvements		59,896.03
12-08	Various Capital Improvements	245,265.12	389,965.30
12-11	Various Capital Improvements	5,167,309.55	5,167,887.05
12-12	Various Capital Improvements	236,614.52	239,176.52
12-13	Various Capital Improvements	1,456,000.00	1,456,000.00
13-08	Various Capital Improvements	758,638.42	782,060.22
14-03	Various Capital Improvements	158,588.71	249,176.95
14-13	Taylor Road Drainage Improvements		63,085.00
14-22	Leach Fields-Hamilton Park	720,000.00	720,000.00
15-02	Various Capital Improvements	463,323.23	675,550.89
15-09	Nolan Road Park	145,000.00	145,000.00
15-14	Improvements to Texas Road		240,000.00
15-15	Acquisition of Emergency Generator	1,000.00	
16-02	Various Capital Improvements	155,440.82	707,864.39
16-05	Acquisition of Police Cars	2,153.64	3,578.64
16-07	Improvements to Greenwood Road	220,000.00	220,000.00
16-12	Acquisition of Open Space	43,598.66	8,499,400.00
16-13	Acquisition of Open Space		1,649,400.00
16-14	Acquisition of Open Space		1,513,885.00
17-02	Various Capital Improvements	9,638.02	
17-04	Acquisition of Police Vehicles	7,234.00	
17-10	Improvement to Intersection of Route 520/3	<u>23,750.00</u>	

\$ 10,310,192.52	\$ 23,788,002.79
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Reference

C

C

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM NEW JERSEY DEPARTMENT OF TRANSPORTATION

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2017 and 2016	C	\$ <u>460,000.00</u>

SCHEDULE OF DUE FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	C	\$ 250,000.00
Decreased By:		
Cash Receipt	1-C	<u>250,000.00</u>
Balance, December 31, 2017	C	\$ <u>-</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Year ended December 31, 2017

	<u>Reference</u>		
Balance, December 31, 2016	C		\$ 34,561,436.06
Increased By:			
General Improvement Refunding Bonds Issued	7-C	\$ 8,207,000.00	
Open Space Refunding Bonds Issued	7-C	<u>1,006,000.00</u>	<u>9,213,000.00</u>
			43,774,436.06
Decreased By:			
Bond Principal Paid	7-C	2,739,000.00	
General Obligation Bonds Refunded	7-C	8,474,000.00	
Green Trust Loan Paid	8-C	25,743.86	
Open Space Bonds Refunded	7-C	<u>1,041,000.00</u>	<u>12,279,743.86</u>
Balance, December 31, 2017	C		<u><u>\$ 31,494,692.20</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Year ended December 31, 2017

Ordinance Date/ Number	Improvement Description	Balance December 31, 2016	Increased By 2017 Authorizations	Balance December 31, 2017	Analysis of Balance		Unexpended Improvement Authorizations
					Bond Anticipation Notes	Expenditures	
07-12	Various Capital Improvements	\$ 755,466.62		\$ 755,466.62	\$ 34,619.00		\$ 720,847.62
11-04	Acquisition of Land	585,625.00		585,625.00		\$ 254,763.22	330,861.78
12-08	Various Capital Improvements	36,351.88		36,351.88			36,351.88
13-08	Various Capital Improvements	10,278.60		10,278.60			10,278.60
16-02	Various Capital Improvements	3,174,582.00		3,174,582.00	2,850,756.00		323,826.00
16-12	Open Space Acquisition	8,075,000.00		8,075,000.00	8,075,000.00		
17-02	Various Capital Improvements		\$ 3,224,451.00	3,224,451.00	2,639,625.00		584,826.00
		<u>\$ 12,637,304.10</u>	<u>\$ 3,224,451.00</u>	<u>\$ 15,861,755.10</u>	<u>\$ 13,600,000.00</u>	<u>\$ 254,763.22</u>	<u>\$ 2,006,991.88</u>
	<u>Reference</u>	C	9-C,18-C	C	14-C	2-C	Below
	Unfunded Improvement Auth.	9-C					\$ 2,216,462.06
	Less: Unexpended Note Proceeds:						
	Ordinance 07-12	2-C					(792.68)
	Ordinance 16-02	2-C					(155,440.82)
	Ordinance 16-12	2-C					(43,598.66)
	Ordinance 17-02	2-C					(9,638.02)
	Above						<u>\$ 2,006,991.88</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

Year ended December 31, 2017

<u>Purpose</u>	<u>Original Issue</u>		<u>Maturities of Bonds Outstanding December 31, 2017</u>		<u>Interest Rate</u>	<u>Balance December 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2017</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>					
General Improvements	12/04/02	\$ 4,999,000.00	12/01/18	\$ 3,000.00	5.000%	\$ 6,000.00		\$ 3,000.00	\$ 3,000.00
Open Space Improvements	10/14/10	2,536,000.00	10/01/18	190,000.00	2.500%				
			10/01/19	190,000.00	3.250%				
			10/01/20	190,000.00	3.500%				
						1,791,000.00		1,221,000.00	570,000.00
General Improvements	10/15/10	15,624,000.00	10/01/18	1,125,000.00	2.500%	14,099,000.00			
			10/01/19	1,675,000.00	3.250%				
			10/01/20	1,725,000.00	3.500%				
								9,574,000.00	4,525,000.00
2011 Refunding	3/30/11	5,484,000.00	12/01/18	417,000.00	4.000%	818,000.00		401,000.00	417,000.00
2012 Refunding	5/22/12	1,220,000.00	12/01/18	260,000.00	4.000%	515,000.00		255,000.00	260,000.00
2015 General Obligation Bonds	12/17/15	17,970,000.00	10/15/2018	800,000.00	4.000%	17,170,000.00			
			10/15/2019	900,000.00	4.000%				
			10/15/2020	925,000.00	4.000%				
			10/15/2021	1,000,000.00	4.000%				
			10/15/2022	1,050,000.00	3.000%				
			10/15/2023	1,150,000.00	2.000%				
			10/15/2024	1,200,000.00	2.125%				
			10/15/2025	1,350,000.00	2.250%				
			10/15/2026	1,600,000.00	2.375%				
			10/15/2027	1,600,000.00	2.500%				
			10/15/2028	1,600,000.00	2.500%				
			10/15/2029	1,600,000.00	2.500%				
			10/15/2030	1,595,000.00	3.000%				
								800,000.00	16,370,000.00

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2017		Interest Rate	Balance December 31, 2016	Increased	Decreased	Balance December 31, 2017
	Date	Amount	Date	Amount					
2017 Refunding Bonds	9/14/17	\$ 8,207,000.00	10/1/2021	\$ 1,699,000.00	3.000%				
			10/1/2022	1,706,000.00	3.000%				
			10/1/2023	1,687,000.00	4.000%				
			10/1/2024	1,683,000.00	4.000%				
			10/1/2025	1,432,000.00	4.000%				
						\$ 8,207,000.00			8,207,000.00
2017 Open Space Refunding Bonds	9/14/17	1,006,000.00	10/1/2021	196,000.00	3.000%				
			10/1/2022	204,000.00	3.000%				
			10/1/2023	202,000.00	4.000%				
			10/1/2024	202,000.00	4.000%				
			10/1/2025	202,000.00	4.000%				
							1,006,000.00		1,006,000.00
						\$ 34,399,000.00	\$ 9,213,000.00	\$ 12,254,000.00	\$ 31,358,000.00
					Reference	C	5-C	Below	C
				Paid by Open Space	5-B, 5-C			\$ 279,200.00	
				Paid by budget appropriation	5-C			2,459,800.00	
				Bonds refunded	5-C			9,515,000.00	
					Above			\$ 12,254,000.00	

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOAN PROGRAM PAYABLE

Year ended December 31, 2017

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturity Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance December 31, 2016</u>	<u>Paid By Budget Appropriation</u>	<u>Balance December 31, 2017</u>
Municipal Park Development	12/13/02	\$ 464,185.00	2018 to 2022	See Page 2	2.00%	<u>\$ 162,436.06</u>	<u>\$ 25,743.86</u>	<u>\$ 136,692.20</u>
					<u>Reference</u>	C	5-C	C

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

GREEN TRUST LOAN MATURITY SCHEDULE

Year ended December 31, 2017

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>
30	03/13/18	\$ 13,065.33	\$ 1,366.92
31	09/13/18	13,195.98	1,236.27
32	03/13/19	13,327.94	1,104.31
33	09/13/19	13,461.22	971.03
34	03/13/20	13,595.83	836.42
35	09/13/20	13,731.79	700.46
36	03/13/21	13,869.11	563.14
37	09/13/21	14,007.80	424.45
38	03/13/22	14,147.88	284.37
39	09/13/22	<u>14,289.32</u>	<u>142.85</u>
		<u>\$ 136,692.20</u>	<u>\$ 7,630.22</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2017

Ordinance Number/Date	Improvement Description	Ordinance Date	Amount	Balance December 31, 2016		2017 Authorizations	Authorizations Canceled	Reimbursement of Expenditures	Paid or Charged	Balance December 31, 2017	
				Funded	Unfunded					Funded	Unfunded
02-21	Various Improvements	07/18/02	\$ 253,000.00	\$ 5,779.60						\$ 5,779.60	
04-01	Hawkins Park	03/25/04	59,765.00	59,765.00						59,765.00	
04-23	Bolling Hills	10/28/04	83,877.53	2,261.13						2,261.13	
05-19	Computer Operated Signs	06/02/05	45,000.00	44,469.22						44,469.22	
05-36	Various Improvements	10/06/05	2,195,000.00	86,660.91						86,660.91	
06-19	Various Improvements	08/10/06	3,686,000.00	78,287.07						45,945.20	
07-12	Various Capital Improvements	06/06/07	5,500,000.00		\$ 726,211.18				\$ 32,341.87		\$ 721,640.30
11-02	Various Capital Improvements	03/3/11	2,970,473.00	127,580.04					4,570.88		
11-04	Acquisition of Land	03/3/11	2,992,500.00	748,282.42	585,625.00				8,533.79	119,046.25	
11-25	Taylor Road Drainage Improvements	12/19/11	105,000.00	59,896.03					1,003,045.64		330,861.78
12-08	Various Capital Improvements	06/13/12	2,879,221.00	389,965.30	36,351.88				59,896.03		
12-11	Various Capital Improvements	05/17/12	5,275,000.00	5,167,887.05					144,700.18	245,265.12	36,351.88
12-12	Various Capital Improvements	05/17/12	424,000.00	239,176.52					577.50	5,167,309.55	
12-13	Various Capital Improvements	05/17/12	1,456,000.00	1,456,000.00					2,562.00	236,614.52	
13-08	Various Capital Improvements	06/11/13	3,081,900.00	782,060.22	10,278.60					1,456,000.00	
14-03	Various Capital Improvements	02/20/14	3,343,449.00	249,176.95					23,421.80	758,638.42	10,278.60
14-13	Taylor Road Drainage Improvements	05/15/14	470,000.00	63,085.00				\$ 25,000.00	115,588.24	158,588.71	
14-22	Leach Fields-Hamilton Park	09/04/14	720,000.00	720,000.00					63,085.00		
15-02	Various Capital Improvements	02/02/15	4,606,410.00	675,550.89						720,000.00	
15-09	Nolan Road Park	05/13/15	145,000.00	145,000.00					212,227.66	463,323.23	
15-14	Improvements to Texas Road	09/24/15	240,000.00	240,000.00						145,000.00	
15-15	Acquisition of Emergency Generator	09/24/15	250,000.00					1,000.00	240,000.00	1,000.00	
16-02	Various Capital Improvements	02/25/16	3,341,669.00		1,031,690.39			6,520.00	558,943.57		479,266.82
16-05	Acquisition of Police Cars	02/25/16	160,000.00	3,578.64					1,425.00	2,153.64	
16-07	Improvements to Greenwood Road	05/05/16	220,000.00	220,000.00						220,000.00	
16-12	Acquisition of Open Space	10/20/16	8,500,000.00	424,400.00	8,075,000.00				8,455,801.34		43,598.66
16-13	Acquisition of Open Space	10/20/16	1,650,000.00	1,649,400.00					1,649,400.00		
16-14	Acquisition of Open Space	10/20/16	1,514,485.00	1,513,885.00			\$ 514,485.00		999,400.00		
17-02	Various Capital Improvements	03/02/17	3,394,162.00			\$ 3,394,162.00			2,799,697.98		594,464.02
17-04	Acquisition of Police Vehicles	03/02/17	170,000.00			170,000.00			162,766.00	7,234.00	
17-10	Improvements to Intersection of Route 520/3.	10/19/17	23,750.00			23,750.00				23,750.00	
				<u>\$ 15,152,146.99</u>	<u>\$ 10,465,157.05</u>	<u>\$ 3,587,912.00</u>	<u>\$ 514,485.00</u>	<u>\$ 32,520.00</u>	<u>\$ 16,537,984.48</u>	<u>\$ 9,968,804.50</u>	<u>\$ 2,216,462.06</u>
<u>Reference</u>				C	C	Below	16-C	1-C	Below	C	C,6-C
Deferred Charges to Future Taxation - Unfunded				6-C, 18-C		\$ 3,224,451.00					
Capital Improvement Fund				10-C		169,711.00					
Fund balance				C-1		23,750.00					
Funded by Capital Lease				13-C		<u>170,000.00</u>					
Above						<u>\$ 3,587,912.00</u>					
Cash Disbursed				1-C					\$ 14,940,434.70		
Reserve for Encumbrances				15-C					<u>1,597,549.78</u>		
Above									<u>\$ 16,537,984.48</u>		

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	C	\$ 13,588.00
Increased By:		
2017 Budget Appropriation	1-C	<u>200,000.00</u>
		213,588.00
Decreased By:		
Appropriated to Finance Improvement Authorizations	9-C	<u>169,711.00</u>
Balance, December 31, 2017	C	<u><u>\$ 43,877.00</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2017

<u>Improvement Description</u>	Balance December 31, 2016	<u>Increased</u>	<u>Decreased</u>	Balance December 31, 2017
Lafayette Knolls - Recreation	\$ 11.90		\$ 11.90	\$ 0.00
Traffic Light - Ryan Road	35,027.37			35,027.37
Station Road Improvements	72,960.00			72,960.00
Pleasant Valley Road Improvements	6,120.63			6,120.63
Payment of Debt Service	242,131.11		100,000.00	142,131.11
Sidewalks - Tennant Road	1,723.68			1,723.68
Emerald Hills	42,902.91			42,902.91
Union Hill - Costco	95,044.90			95,044.90
Buckley Road Improvements		\$ 35,000.00		35,000.00
	<u>\$ 495,922.50</u>	<u>\$ 35,000.00</u>	<u>\$ 100,011.90</u>	<u>\$ 430,910.60</u>
<u>Reference</u>	C	1-C	1-C	C

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM MONMOUTH COUNTY

Year ended December 31, 2017

	<u>Reference</u>	<u>TOTAL</u>	Ordinance 15-09 County Open Space <u>Grant</u>	Ordinance 16-10 Community Development Block <u>Grant</u>
Balance, December 31, 2016	C	\$ 270,485.00	\$ 145,000.00	\$ 125,485.00
Decreased By:				
Cash Receipts	1-C	<u>125,485.00</u>	<u> </u>	<u>125,485.00</u>
Balance, December 31, 2017	C	<u>\$ 145,000.00</u>	<u>\$ 145,000.00</u>	<u>\$ -</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF OTHER ACCOUNTS RECEIVABLE

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	C	\$ 160,000.00
Increased By:		
Acquisition of Lease	9-C	<u>170,000.00</u>
		330,000.00
Decreased By:		
Cash Receipts	1-C	<u>160,000.00</u>
Balance, December 31, 2017	C	<u><u>\$ 170,000.00</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2017

<u>Ordinance Number/Date</u>	<u>Improvement Description</u>	<u>Original Date of Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2017</u>
11-04	Acquisition of Land	12/09/2016	11/14/2017	05/14/2018	0.000%	\$ 585,625.00		\$ 585,625.00	
07-12	Various Capital Improvements	12/09/2016	11/14/2017	05/14/2018	0.000%	34,619.00	\$ 34,619.00	34,619.00	\$ 34,619.00
16-02	Various Capital Improvements	12/09/2016	11/14/2017	05/14/2018	0.000%	2,850,756.00	2,850,756.00	2,850,756.00	2,850,756.00
16-12	Open Space Property Acquisition	12/09/2016	11/14/2017	05/14/2018	0.000%	8,075,000.00	8,075,000.00	8,075,000.00	8,075,000.00
17-02	Various Capital Improvements	11/14/2017	11/14/2017	05/14/2018	0.000%		2,639,625.00		2,639,625.00
						<u>\$ 11,546,000.00</u>	<u>\$ 13,600,000.00</u>	<u>\$ 11,546,000.00</u>	<u>\$ 13,600,000.00</u>
					<u>Reference</u>	C	Below	Below	C, 6-C
				Renewals			\$ 10,960,375.00	\$ 10,960,375.00	
				Notes issued	18-C		2,639,625.00		
				Paid by funds held for overfunding	18-C			585,625.00	
							<u>\$ 13,600,000.00</u>	<u>\$ 11,546,000.00</u>	

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	C	\$ 1,606,610.15
Increased By:		
Charged to Improvement Authorizations	9-C	<u>1,597,549.78</u>
		3,204,159.93
Decreased By:		
Cash Disbursements	1-C	<u>1,399,928.21</u>
Balance, December 31, 2017	C	<u><u>\$ 1,804,231.72</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM NEW JERSEY DEPARTMENT OF AGRICULTURE

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	C	\$ 1,514,485.00
Decreased By:		
Cancelation of Capital Balance	9-C	<u>514,485.00</u>
Balance, December 31, 2017	C	<u><u>\$ 1,000,000.00</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM NEW JERSEY DEPARTMENT OF
ENVIRONMENTAL PROTECTION - GREEN ACRES

Year ended December 31, 2017

	<u>Reference</u>		
Balance, December 31, 2016	C	\$	825,000.00
Decreased By:			
Cash Receipts	1-C		<u>94,314.47</u>
Balance, December 31, 2017	C	\$	<u><u>730,685.53</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2017

<u>Ordinance Number/Date</u>	<u>Improvement Description</u>	<u>Balance December 31, 2016</u>	<u>Increased By 2017 Authorizations</u>	<u>Bond Anticipation Notes Repaid with Capital Cash</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance December 31, 2017</u>
07-12	Various Capital Improvements	\$ 720,847.62				\$ 720,847.62
11-04	Acquisition of Land			\$ 585,625.00		585,625.00
12-08	Various Capital Improvements	36,351.88				36,351.88
13-08	Various Capital Improvements	10,278.60				10,278.60
16-02	Various Capital Improvements	323,826.00				323,826.00
17-02	Vsrious Capital Improvements		\$ 3,224,451.00		\$ 2,639,625.00	584,826.00
		<u>\$ 1,091,304.10</u>	<u>\$ 3,224,451.00</u>	<u>\$ 585,625.00</u>	<u>\$ 2,639,625.00</u>	<u>\$ 2,261,755.10</u>
<u>Reference</u>		C	6-C, 9-C	1-C , 14-C	14-C	C

RECREATION AND SWIM UTILITY FUND
SCHEDULES

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY FUND

SCHEDULE OF UTILITY CASH

Year ended December 31, 2017

	<u>Reference</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2016	D	\$ 571,429.80	\$ 661.54
Increased By Receipts:			
Program Revenue	D-2	\$ 2,026,896.94	
Interest on Investments	D-2	6,613.43	
Membership Fees	D-2	289,524.38	
Miscellaneous	D-2	32,248.00	
Prepaid Membership Fees	11-D	18,754.63	
Prepaid Participation Fees	12-D	27,022.00	
Due to Recreation and Swim Pool Utility Operating Fund	17-D	160,000.00	\$ 45,000.00
Due from Monmouth County Open Space Fund	10-D		250,000.00
		<u>2,561,059.38</u>	<u>295,000.00</u>
		3,132,489.18	295,661.54
Decreased By Disbursements:			
2017 Budget Appropriations	D-3	2,333,672.98	
2016 Appropriation Reserves	5-D	192,146.88	
Accounts Payable	7-D	9,502.71	
Petty Cash	D	1,500.00	
Reserve for Capital Outlay	13-D		14,311.95
Encumbrances	6-D,8-D	321.83	1,435.85
Due from Recreation and Swim Pool Capital Fund	17-D	45,000.00	160,000.00
Accrued Interest on Notes	16-D	34,720.00	
Improvement Authorizations	15-D		31,498.27
		<u>2,616,864.40</u>	<u>207,246.07</u>
Balance, Dedember 31, 2017	D	<u>\$ 515,624.78</u>	<u>\$ 88,415.47</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY CAPITAL FUND

SCHEDULE OF ANALYSIS OF UTILITY CAPITAL CASH

Years ended December 31, 2017 and 2016

		Balance December 31, <u>2017</u>	Balance December 31, <u>2016</u>
Reserve for Capital Outlay		\$ 8,974.07	30,920.62
Reserve for Encumbrances		15,936.65	2,237.90
Due from Monmouth County Open Space Trust			(250,000.00)
Due to Recreation and Swim Utility Operating Fund			115,000.00
Fund Balance		18,308.66	18,308.66
Ordinance			
<u>Number</u>	<u>Improvement Authorizations</u>		
05-37	Various Swim Facility Improvements	(6,454.35)	(6,454.35)
12-09	Various Swim Facility Improvements	75,283.56	77,144.56
13-09	Various Swim Facility Improvements	(14,408.81)	15,228.46
14-04	Various Swim Facility Improvements	(12,583.31)	(5,083.31)
15-08	Marlboro Country Park	3,359.00	3,359.00
		<u>\$ 88,415.47</u>	<u>\$ 661.54</u>
	<u>Reference</u>	D	D

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

Year ended December 31, 2017

	Balance December 31, <u>2017 and 2016</u>
Water Connection Charges	\$ 6,330.00
Sewer Connection Charges	3,423.00
Equipment and Fixtures	179,271.59
Sprinkler System	12,250.00
Vehicle	17,745.00
Swimming Pool and Improvements	2,764,928.30
Flume Slide	<u>204,287.32</u>
	<u>\$ 3,188,235.21</u>
<u>Reference</u>	D

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Year ended December 31, 2017

Ordinance Number	Description	Ordinance		Balance December 31, 2017 and 2016
		Date	Amount	
05-37	Various Swim Facility Improvements	09/22/05	\$ 446,250.00	\$ 29,495.32
12-09	Various Swim Facility Improvements	04/12/12	136,475.00	136,475.00
13-09	Various Swim Facility Improvements	03/14/13	71,085.00	71,085.00
14-04	Various Swim Facility Improvements	02/20/14	773,530.00	773,530.00
15-08	Marlboro Country Park	05/13/15	250,000.00	250,000.00
				<u>\$ 1,260,585.32</u>

D

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY OPERATING FUND

SCHEDULE OF 2016 APPROPRIATION RESERVES

Year ended December 31, 2017

	Balance December 31, 2016	Encumbrances	Modified Balance	Paid or Charged	Balance Lapsed
Operating:					
Salaries and Wages	\$ 20,748.32		\$ 20,748.32	\$ 2,706.60	\$ 18,041.72
Other Expenses	<u>22,844.57</u>	<u>\$ 261,590.71</u>	<u>284,435.28</u>	<u>209,410.22</u>	<u>75,025.06</u>
Total Operating Expenses	<u>43,592.89</u>	<u>261,590.71</u>	<u>305,183.60</u>	<u>212,116.82</u>	<u>93,066.78</u>
Capital Outlay	<u>1.00</u>		<u>1.00</u>		<u>1.00</u>
Total Capital Outlay	<u>1.00</u>		<u>1.00</u>		<u>1.00</u>
Statutory Expenditures:					
Contribution To:					
Public Employee's Retirement System	1.00		1.00		1.00
Social Security (O.A.S.I.)	<u>9,723.63</u>		<u>9,723.63</u>	<u>232.06</u>	<u>9,491.57</u>
Total Statutory Expenditures	<u>9,724.63</u>		<u>9,724.63</u>	<u>232.06</u>	<u>9,492.57</u>
	<u>\$ 53,318.52</u>	<u>\$ 261,590.71</u>	<u>\$ 314,909.23</u>	<u>\$ 212,348.88</u>	<u>\$ 102,560.35</u>
Reference	D	6-D		Below	D-1
Detail of Paid of Charged:					
Cash Disbursed	1-D			\$ 192,146.88	
Accounts Payable	7-D			<u>20,202.00</u>	
Above				<u>\$ 212,348.88</u>	

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY OPERATING FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2017

	<u>Reference</u>		
Balance, December 31, 2016	D	\$	265,243.25
Increased By:			
Transfer From Budget Appropriations	D-3	\$	228,847.78
Refunds Due to Residents	D-2	<u>2,110.50</u>	<u>230,958.28</u>
			496,201.53
Decreased By:			
Transfer to Appropriation Reserves	5-D	261,590.71	
Cash Disbursed	1-D	321.83	
Cancelled	D-1	<u>3,330.71</u>	<u>265,243.25</u>
Balance, December 31, 2017	D	\$	<u><u>230,958.28</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY OPERATING FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	D	\$ 9,502.71
Increased By:		
Transferred from Appropriation Reserves	5-D	<u>20,202.00</u>
		29,704.71
Decreased By:		
Cash Disbursements	1-D	<u>9,502.71</u>
Balance, December 31, 2017	D	<u><u>\$ 20,202.00</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

Year ended December 31, 2017

	<u>Reference</u>		
Balance, December 31, 2016	D	\$	2,237.90
Increased By:			
Improvement Authorizations Charged	15-D	\$	7,500.00
Reserve for Capital Outlay Charged	13-D	<u>7,634.60</u>	<u>15,134.60</u>
			17,372.50
Decreased By:			
Cash Disbursed	1-D		<u>1,435.85</u>
Balance, December 31, 2017	D	<u>\$</u>	<u>15,936.65</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY CAPITAL FUND

SCHEDULE OF SERIAL BONDS

Year ended December 31, 2017

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2017		Interest Rate	Balance	Decreased	Balance
	Date	Amount	Date	Amount		December 31,		December 31,
						2016		2017
General Improvements	12/17/2015	\$ 1,264,000.00	10/15/2018	\$ 75,000.00	4.000%			
			10/15/2019	85,000.00	4.000%			
			10/15/2020	75,000.00	4.000%			
			10/15/2021	75,000.00	4.000%			
			10/15/2022	80,000.00	3.000%			
			10/15/2023	70,000.00	2.000%			
			10/15/2024	100,000.00	2.125%			
			10/15/2025	80,000.00	2.250%			
			10/15/2026	60,000.00	2.375%			
			10/15/2027	100,000.00	2.500%			
			10/15/2028	100,000.00	2.500%			
			10/15/2029	100,000.00	2.500%			
			10/15/2030	104,000.00	3.000%			
						\$ 1,189,000.00	\$ 85,000.00	\$ 1,104,000.00
						\$ 1,189,000.00	\$ 85,000.00	\$ 1,104,000.00
					D	14-D	D	

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY CAPITAL FUND

SCHEDULE OF DUE FROM MONMOUTH COUNTY OPEN SPACE TRUST FUND

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	D	\$ 250,000.00
Decreased By:		
Cash Receipt	1-D,14-D	<u>250,000.00</u>
Balance, December 31, 2017	D	<u><u>\$ -</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY OPERATING FUND

SCHEDULE OF PREPAID MEMBERSHIP FEES

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	D	\$ 34,061.47
Increased By:		
Cash Receipts	1-D	<u>18,754.63</u>
		52,816.10
Decreased By:		
Prepaid Applied	D-2	<u>34,061.47</u>
Balance, December 31, 2017	D	<u><u>\$ 18,754.63</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY OPERATING FUND

SCHEDULE OF PREPAID PARTICIPATION FEES

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	D	\$ 20,936.54
Increased By:		
Fees Collected	1-D	<u>27,022.00</u>
		47,958.54
Decreased By:		
Fees Applied	D-2	<u>20,936.54</u>
Balance, December 31, 2017	D	<u><u>\$ 27,022.00</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR CAPITAL OUTLAY

Year ended December 31, 2017

	<u>Reference</u>		
Balance, December 31, 2016	D	\$	30,920.62
Decreased By:			
Cash Disbursements	1-D	\$	14,311.95
Encumbrances	2-D, 8-D		<u>7,634.60</u>
			<u>21,946.55</u>
Balance, December 31, 2017	D	\$	<u><u>8,974.07</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

Year ended December 31, 2017

	<u>Reference</u>		
Balance, December 31, 2016	D	\$	2,907,992.45
Increased by:			
Grants Proceeds Received	1-D, 10-D	\$	250,000.00
Bond Principal Paid	D-3,9-D		<u>85,000.00</u>
			<u>335,000.00</u>
Balance, December 31, 2017	D	\$	<u><u>3,242,992.45</u></u>

COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2017

Ordinance Number	Improvement Description	Ordinance		Balance, December 31, 2016		Paid or Charged	Balance, December 31, 2017	
		Date	Amount	Funded	Unfunded		Funded	Unfunded
05-37	Various Swim Facility Improvements	09/22/05	\$ 446,250.00		\$ 6,283.73			\$ 6,283.73
12-09	Various Swim Facility Improvements	04/12/12	136,475.00	\$ 77,144.56	19,475.00	\$ 1,861.00	\$ 75,283.56	19,475.00
13-09	Various Swim Facility Improvements	03/14/13	71,085.00	15,228.46	21,085.00	29,637.27		6,676.19
14-04	Various Swim Facility Improvements	02/20/14	773,530.00		43,446.69	7,500.00		35,946.69
15-08	Marlboro Country Park	05/13/15	250,000.00	3,359.00			3,359.00	
				<u>\$ 95,732.02</u>	<u>\$ 90,290.42</u>	<u>\$ 38,998.27</u>	<u>\$ 78,642.56</u>	<u>\$ 68,381.61</u>
		Reference		D	D	Below	D	D
	Cash Disbursed	1-D				\$ 31,498.27		
	Encumbrances	8-D				<u>7,500.00</u>		
		Above				<u>\$ 38,998.27</u>		

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY

RECREATION & SWIM UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES

Year ended December 31, 2017

Balance - December 31, 2016	<u>Ref.</u> D	\$ 7,233.33
Increased by:		
Budget Appropriations:		
Interest on Bonds	D-3	<u>34,188.75</u>
		41,422.08
Decreased by:		
Cash Disbursements	1-D	<u>34,720.00</u>
Balance - December 31, 2017	D, Below	<u><u>\$ 6,702.08</u></u>

Analysis of Balance - December 31, 2017:

Amount Outstanding December 31, <u>2017</u>	Interest Rate	From	To	Period	Accrual
\$1,104,000.00	2%-4%	10/15/17	12/31/17	2.5 Months	<u>\$ 6,702.08</u>
			<u>Reference</u>		Above

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY CAPITAL FUND

SCHEDULE OF DUE TO RECREATION & SWIM POOL OPERATING FUND

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	D	\$ 115,000.00
Increased By:		
Cash Receipt	1-D	<u>45,000.00</u>
		160,000.00
Decreased By:		
Cash Disbursed	1-D	<u>160,000.00</u>
Balance, December 31, 2017	D	<u><u>\$ -</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION & SWIM UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2017

Ordinance Number	Improvement Description	Balance	
		December 31, <u>2017 and 2016</u>	
05-37	Various Swim Pool Facility Improvements	\$	12,738.08
12-09	Various Swim Pool Facility Improvements		19,475.00
13-09	Various Swim Pool Facility Improvements		21,085.00
14-04	Various Swim Pool Facility Improvements		48,530.00
			<hr/>
		\$	101,828.08
			<hr/>

D

WATER UTILITY FUND

SCHEDULES

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY FUNDS

SCHEDULE OF WATER UTILITY CASH - TREASURER

Year ended December 31, 2017

	Reference	Operating	Capital
Balance, December 31, 2016	F	\$ 5,903,497.90	\$ 1,058,900.23
Increased by Receipts:			
Consumer Accounts Receivable	3-F(a)	\$ 8,602,299.22	
Connection Fees	F-2	281,966.47	
Other Operating Revenues	F-2	40,823.36	
Interest Earned on Investments and Deposits	F-2	52,789.82	
Solar Renewable Energy Credits	F-2	198,971.00	
Water Utility Capital Surplus	F-2	300,000.00	
Various Reserves	4-F	572.81	
Current Year Overpayments	5-F	25,047.78	
Refund of Costs of Issuance	F-4		\$ 591.85
Loans Receivable	3-F(b)		7,431,357.00
		9,502,470.46	7,431,948.85
		15,405,968.36	8,490,849.08
Decreased by Disbursements:			
Budget Expenditures	F-3	8,436,383.94	
2016 Appropriation Reserves	16-F	745,362.15	
Encumbrances	14-F, 18-F	178.67	7,056,153.42
Various Reserves	4-F	10.42	
Accrued Interest on Bonds	6-F	719,174.99	
Accounts Payable	19-F	25.00	
Improvement Authorizations, net of refunds	9-F		990,946.35
Fund Balance Anticipated by Operating Fund	F-2		300,000.00
		9,901,135.17	8,347,099.77
Balance - December 31, 2017	F	\$ 5,504,833.19	\$ 143,749.31

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF ANALYSIS OF WATER UTILITY CASH

December 31, 2017 and 2016

	Balance December 31, <u>2017</u>	Balance December 31, <u>2016</u>
Fund Balance	\$ 663,911.85	\$ 963,320.00
Capital Improvement Fund	50,000.00	50,000.00
Reserve for Debt Service	71,564.00	71,564.00
NJEIT Loan Receivable	(3,717,286.00)	(11,252,297.00)
Encumbrances Payable	3,889,441.32	9,995,720.51
<u>Improvement Authorizations</u>		
09-46 Various Capital Improvements	23,023.00	24,623.00
10-17 Various Capital Improvements	11,247.01	10,942.76
11-03 Various Capital Improvements	(50.00)	52,450.00
11-12 Acquisition of Land & Related Improvements	32,295.12	32,295.12
12-10 Improvements to Water Utility System	670.59	
12-26 Water Treatment Plant and Well	(215,523.77)	253,841.85
13-10 Various Capital Improvements	2,690.79	2,131.38
14-05 Various Capital Improvements	(19,554.10)	13,570.90
14-06 Treatment Plant Construction	702,822.50	998,606.57
15-03 Various Capital Improvements	157,184.68	157,184.68
16-03 Various Capital Improvements	(325,683.54)	(315,053.54)
17-03 Various Capital Improvements	(1,183,004.14)	
Total	<u>\$ 143,749.31</u>	<u>\$ 1,058,900.23</u>
<u>Reference</u>	F	F

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	F	\$ 159,406.89
Increased by:		
Water Utility Billings (net)	Reserve	<u>8,637,719.06</u>
		8,797,125.95
Decreased by:		
Cash Receipts	1-F, F-2	\$ 8,602,299.22
Cancelled	Reserve	38,587.76
Prior Year Overpayments Applied	5-F, F-2	<u>19,619.32</u>
		<u>8,660,506.30</u>
Balance, December 31, 2017	F	<u><u>\$ 136,619.65</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF NJEIT LOAN RECEIVABLE

Year ended December 31, 2017

	<u>Reference</u>		
Balance, December 31, 2016	F	\$	11,252,297.00
Decreased by:			
Cancelled	9-F	\$	103,654.00
Cash Receipts	1-F		<u>7,431,357.00</u>
			<u>7,535,011.00</u>
Balance, December 31, 2017	F	\$	<u><u>3,717,286.00</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2017

	Balance December 31, <u>2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2017</u>
Reserve for:				
Escrow	\$ 441,747.28	\$ 572.81	\$ 10.42	\$ 442,309.67
	<u>\$ 441,747.28</u>	<u>\$ 572.81</u>	<u>\$ 10.42</u>	<u>\$ 442,309.67</u>
<u>Reference</u>	F	1-F	1-F	F

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF WATER RENT OVERPAYMENTS

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	F	\$ 19,619.32
Increased by:		
Cash Receipts	1-F	<u>25,047.78</u>
		44,667.10
Decreased by:		
Overpayments Applied	3-F(a)	<u>19,619.32</u>
Balance, December 31, 2017	F	<u><u>\$ 25,047.78</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS AND LOANS

Year ended December 31, 2017

	<u>Reference</u>	
Balance, December 31, 2016	F	\$ 130,495.35
Increased by:		
Accrued Interest Charged to Budget Appropriations	F-3	<u>711,224.34</u>
		841,719.69
Decreased by:		
Cash Disbursements	1-F	<u>719,174.99</u>
Balance, December 31, 2017	F, Below	<u><u>\$ 122,544.70</u></u>

Analysis of Balance - December 31, 2017

Amount Outstanding December 31, 2017	Interest Rate	From	To	Period	Accrual
Water Utility Serial Bonds					
\$ 7,045,000.00	Various	12/1/2017	12/31/2017	31 Days	\$ 24,675.00
1,415,000.00	Various	12/1/2017	12/31/2017	31 Days	5,509.79
200,000.00	Various	10/1/2017	12/31/2017	91 Days	1,066.67
2,523,000.00	Various	10/15/2017	12/31/2017	2.5 Months	15,300.01
467,000.00	Various	10/5/2017	12/31/2017	85 Days	3,896.99
NJEIT Loans					
\$ 5,940,497.37	Various	8/1/2017	12/31/2017	5 Months	22,397.92
2,910,000.00	Various	8/1/2017	12/31/2017	5 Months	48,082.82
Amount Available for Subsequent Year's Budget					<u>1,615.50</u>
Balance - December 31, 2017					<u><u>\$ 122,544.70</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

Year ended December 31, 2017

	Balance December 31, <u>2016</u>	Increased by Transferred from Fixed Capital <u>Authorized and Uncompleted</u>	Balance December 31, <u>2017</u>
Water Utility:			
Various Capital Improvements	\$ 33,327,933.31	\$ 614,250.00	\$ 33,942,183.31
	F	8-F	F
<u>Reference</u>			

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Year ended December 31, 2017

<u>Ordinance</u>	<u>Date</u>	<u>Improvement Description</u>	<u>Balance December 31, 2016</u>	<u>2017 Authorizations</u>	<u>Transferred to Fixed Capital</u>	<u>Balance December 31, 2017</u>
09-46	12/18/2009	Various Capital Improvements	\$ 840,000.00			\$ 840,000.00
11-03	4/13/2011	Various Capital Improvements	614,250.00		\$ 614,250.00	
11-12	5/19/2011	Acquisition of Land & Related Capital Improvements	300,000.00			300,000.00
12-26	10/4/2012	Water Treatment Plant and Well	7,600,000.00			7,600,000.00
13-10	6/11/2013	Various Capital Improvements	682,550.00			682,550.00
14-05	6/13/2014	Various Capital Improvements	770,346.16			770,346.16
14-06	6/13/2014	Treatment Plant Construction	11,500,000.00			11,500,000.00
15-04	2/12/2015	Treatment Plant Construction	900,000.00			900,000.00
15-03	2/12/2015	Various Capital Improvements	435,130.50			435,130.50
16-03	12/9/2016	Various Capital Improvements	543,920.00			543,920.00
17-03	3/2/2017	Various Capital Improvements		\$ 1,643,365.00		1,643,365.00
			<u>\$ 24,186,196.66</u>	<u>\$ 1,643,365.00</u>	<u>\$ 614,250.00</u>	<u>\$ 25,215,311.66</u>
<u>Reference</u>			F	9-F, 20-F	7-F	F

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2017

Ordinance Number	Improvement Description	Ordinance		Balance, December 31, 2016		2017 Authorizations	Reimbursements	Paid or Charged	Authorizations Canceled	Prior Year's Encumbrances Cancelled	Balance, December 31, 2017	
		Date	Amount	Funded	Unfunded						Funded	Unfunded
09-46	Transfer From Disolution of the Municipal Utilities Authority and Assumption of Certain Outstanding Obligations	12/18/2009	\$ 5,099,068.00	\$ 24,623.00				\$ 1,600.00			\$ 23,023.00	
10-17	Various Capital Improvements	07/15/2010	840,000.00	10,942.76						\$ 304.25	11,247.01	
11-03	Various Capital Improvements	04/07/2011	614,250.00	52,450.00	\$ 50.00			52,500.00				
11-12	Acquisition of Land & Related Improvements	05/19/2011	300,000.00	32,295.12							32,295.12	
12-10	Improvements to Water Utility System	05/03/2012	334,750.00							670.59	670.59	
12-26	Water Treatment Plant and Well	12/06/2012	7,600,000.00	253,841.85	845,307.00			365,711.62	\$ 103,654.00		\$ 629,783.23	
13-10	Various Capital Improvements	06/11/2013	682,550.00	2,131.38						559.41	2,690.79	
14-05	Various Capital Improvements	02/20/2014	770,440.00	13,570.90	38,440.00			33,125.00			18,885.90	
14-06	Treatment Plant Construction	02/20/2014	11,500,000.00	1,304,356.57				295,784.07			1,008,572.50	
15-03	Various Capital Improvements	02/12/2015	435,760.00	157,184.68	42,760.00			10,630.00			157,184.68	42,760.00
16-03	Various Capital Improvements	02/11/2016	543,920.00	228,866.46							218,236.46	
17-03	Various Capital Improvements	03/02/2017	1,643,365.00			\$ 1,643,365.00	\$ 125,000.00	1,308,004.14			460,360.86	
				<u>\$ 547,039.69</u>	<u>\$ 2,459,780.03</u>	<u>\$ 1,643,365.00</u>	<u>\$ 125,000.00</u>	<u>\$ 2,067,354.83</u>	<u>\$ 103,654.00</u>	<u>\$ 1,534.25</u>	<u>\$ 227,111.19</u>	<u>\$ 2,378,598.95</u>
		<u>Reference</u>		F	F	8-F, 20-F	1-F	Below	3-F(b)	14-F	F	F
	Detail of Paid or Charged:											
	Cash Disbursed							\$ 1,115,946.35				
	Reserve for Encumbrances							951,408.48				
								<u>\$ 2,067,354.83</u>				

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

Year ended December 31, 2017

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2017		Interest Rate	Balance December 31, 2016	Increase	Decrease	Balance December 31, 2017
	Date	Amount	Date	Amount					
Water Utility Improvements	01/14/2010	\$ 11,630,000.00	12/1/2018	\$ 630,000.00	4.000 %				
			12/1/2019	540,000.00	4.250				
			12/1/2020	625,000.00	4.250				
			12/1/2021	655,000.00	4.250				
			12/1/2022	680,000.00	4.250				
			12/1/2023	715,000.00	4.250				
			12/1/2024	210,000.00	4.250				
			12/1/2030	1,460,000.00	4.000				
			12/1/2035	1,530,000.00	4.375				
						\$ 7,650,000.00		\$ 605,000.00	\$ 7,045,000.00
Water Utility Improvements	01/14/2010	11,815,000.00	12/1/2018	1,095,000.00	4.650				
			12/1/2019	320,000.00	4.750				
						2,480,000.00		1,065,000.00	1,415,000.00
Water Utility Improvements	07/15/2010	840,000.00	4/1/2017	40,000.00	2.500				
			4/1/2018	40,000.00	2.500				
			4/1/2019	80,000.00	3.250				
						720,000.00		520,000.00	200,000.00
Water Utility Improvements	12/17/2015	2,723,000.00	10/15/2018	125,000.00	4.000				
			10/15/2019	200,000.00	4.000				
			10/15/2020	200,000.00	4.000				
			10/15/2021	200,000.00	4.000				
			10/15/2022	200,000.00	3.000				
			10/15/2023	200,000.00	2.000				
			10/15/2024	200,000.00	2.125				
			10/15/2025	200,000.00	2.250				
			10/15/2026	200,000.00	2.375				
			10/15/2027	200,000.00	2.500				
			10/15/2028	200,000.00	2.500				
			10/15/2029	200,000.00	2.500				
			10/15/2030	198,000.00	3.000				
						2,623,000.00		100,000.00	2,523,000.00
Water Utility Refunding Bonds	09/14/2017	467,000.00	10/1/2021	90,000.00	3.000				
			10/1/2022	90,000.00	3.000				
			10/1/2023	96,000.00	4.000				
			10/1/2024	95,000.00	4.000				
			10/1/2025	96,000.00	4.000				
							\$ 467,000.00		467,000.00
						<u>\$ 13,473,000.00</u>	<u>\$ 467,000.00</u>	<u>\$ 2,290,000.00</u>	<u>\$ 11,650,000.00</u>
					REF.	F	12-F	Below	F
			Serial Bonds Paid by Budget Appropriation		F-3,12-F			\$ 1,810,000.00	
			Serial Bonds Refunded		12-F			<u>480,000.00</u>	
					Above			\$ 2,290,000.00	

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2017

Reference

Balance, December 31, 2017 and 2016	F	<u>\$ 50,000.00</u>
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TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

Year ended December 31, 2017

	<u>Reference</u>		
Balance, December 31, 2016	F	\$	24,461,133.45
Increased by:			
Payment of Bond Principal	10-F	\$	1,810,000.00
Serial Bonds Refunded	10-F		480,000.00
NJEIT Bonds Deobligated	13-F		77,740.75
Payment of NJEIT Loan Principal	13-F		<u>689,930.09</u>
			<u>3,057,670.84</u>
			27,518,804.29
Decreased by:			
Refunding Bonds Issued	10-F		<u>467,000.00</u>
Balance, December 31, 2017	F	\$	<u><u>27,051,804.29</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF NJEIT LOANS PAYABLE

Year ended December 31, 2017

	<u>Reference</u>		
Balance, December 31, 2016	F	\$	17,503,769.52
Decreased By:			
Deobligated	20-F	\$	77,740.75
2017 Budget Appropriations	F-3, 12-F	<u>689,930.09</u>	<u>767,670.84</u>
Balance, December 31, 2017	F	\$	<u><u>16,736,098.68</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

Year ended December 31, 2017

	<u>Reference</u>		
Balance, December 31, 2016	F	\$	9,995,720.51
Increased by:			
Improvement Authorizations Charged	9-F		<u>951,408.48</u>
			10,947,128.99
Decreased By:			
Cancelled	9-F	\$	1,534.25
Cash Disbursements	1-F		<u>7,056,153.42</u>
			<u>7,057,687.67</u>
Balance, December 31, 2017	F	\$	<u><u>3,889,441.32</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

Year ended December 31, 2017

Reference

Balance, December 31, 2017 and 2016

F

\$ 300,000.00

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF 2016 APPROPRIATION RESERVES

Year ended December 31, 2017

	Balance December 31, 2016	Encumbrances	Modified Budget	Paid or Charged	Balance Lapsed
Operating:					
Salaries and Wages	\$ 26,092.90		\$ 26,092.90	\$ 22,234.89	\$ 3,858.01
Other Expenses	129,817.99	\$ 851,183.19	981,001.18	764,891.20	216,109.98
Total Operating Expenses	155,910.89	851,183.19	1,007,094.08	787,126.09	219,967.99
Capital Improvements					
Capital Outlay	46,797.54	3,202.46	50,000.00	2,951.56	47,048.44
Total Capital Outlay	46,797.54	3,202.46	50,000.00	2,951.56	47,048.44
Statutory Expenditures and Deferred Charges					
Contribution To:					
Public Employees' Retirement System	1.25		1.25		1.25
Social Security (O.A.S.I.)	19,112.58		19,112.58	284.50	18,828.08
Total Statutory Expenditures and Deferred Charges	19,113.83		19,113.83	284.50	18,829.33
	\$ 221,822.26	\$ 854,385.65	\$ 1,076,207.91	\$ 790,362.15	\$ 285,845.76
Reference	F	18-F		Below	F-1
Detail of Paid or Charged:					
Cash Disbursed	1-F			\$ 745,362.15	
Accounts Payable	19-F			45,000.00	
Above				\$ 790,362.15	

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEBT SERVICE

Year ended December 31, 2017

Reference

Balance, December 31, 2017 and 2016	F	\$	<u>71,564.00</u>
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TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

Year ended December 31, 2017

	<u>Reference</u>		
Balance, December 31, 2016	F	\$	854,564.32
Increased by:			
2017 Appropriations Charged	F-3		<u>824,781.44</u>
			1,679,345.76
Decreased By:			
Cash Disbursed	1-F	\$	178.67
Transferred to Appropriation Reserves	16-F		<u>854,385.65</u>
			<u>854,564.32</u>
Balance, December 31, 2017	F	\$	<u><u>824,781.44</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2017

	<u>Reference</u>		
Balance, December 31, 2016	F	\$	46,622.83
Increased by:			
2016 Appropriation Reserves Charged	16-F		<u>45,000.00</u>
			91,622.83
Decreased By:			
Cash Disbursed	1-F	\$	25.00
Cancelled	F-1		<u>46,597.83</u>
			<u>46,622.83</u>
Balance, December 31, 2017	F	\$	<u><u>45,000.00</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2017

<u>Ordinance</u>	<u>Improvement Description</u>	Balance December 31, <u>2016</u>	Increased By <u>Authorization</u>	NJEIT <u>Deobligation</u>	Balance December 31, <u>2017</u>
12-26	Water Treatment Plant and Well	\$ 845,307.00		\$ 77,740.75	\$ 767,566.25
14-05	Various Capital Improvements	38,440.00			38,440.00
15-04	Treatment Plant Construction	305,000.00			305,000.00
15-03	Various Capital Improvements	42,760.00			42,760.00
16-03	Various Capital Improvements	543,920.00			543,920.00
17-03	Various Capital Improvements		\$ 1,643,365.00		1,643,365.00
		<u>\$ 1,775,427.00</u>	<u>\$ 1,643,365.00</u>	<u>\$ 77,740.75</u>	<u>\$ 3,341,051.25</u>
	<u>Reference</u>	F	8-F,9-F	13-F	F

GENERAL FIXED ASSET ACCOUNT GROUP
SCHEDULE

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

SCHEDULE OF GENERAL FIXED ASSETS

Years ended December 31, 2017 and 2016

	<u>Reference</u>	Balance December 31, <u>2017</u>	Balance December 31, <u>2016</u>
Land, Buildings and Improvements	G	\$ 84,921,517.00	\$ 72,761,260.00
Machinery, Equipment and Vehicles	G	<u>18,155,148.00</u>	<u>17,171,774.00</u>
	G	<u>\$ 103,076,665.00</u>	<u>\$ 89,933,034.00</u>

PART III – SINGLE AUDIT SECTION

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITORS' REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Township of Marlboro's, in the County of Monmouth, New Jersey (the "Township") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Township's major federal and state programs for the year ended December 31, 2017. The Township's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Township's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Department of Community Affairs, State of New Jersey; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for*

WISS & COMPANY, LLP

Recipients of Federal Grants, State Grants and State Aid. Those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

Management of the Township is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink, appearing to read "David A. Kaplan".

David A. Kaplan
Certified Public Accountant

A handwritten signature in black ink, appearing to read "Wiss & Company".

WISS & COMPANY, LLP

June 22, 2018
Livingston, New Jersey

Township of Marlboro

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2017

Federal Funding Department	Federal CFDA Number	Federal Award Identification Number	State Account Number	Total Award	Grant Period		Expenditures for the year ended December 31, 2017
					From	To	
United States Department of Transportation							
Highway Safety Grant	20.614	Not Available	Not Available	\$ 29,744.26	1/1/2015	12/31/2015	\$ 1,994.26
Highway Safety Grant	20.614	Not Available	Not Available	21,457.68	1/1/2017	12/31/2017	21,457.68
Highway Safety Grant Sub-total							23,451.94
Click It or Ticket	20.602	Not Available	Not Available	5,500.00	1/1/2017	12/31/2017	5,500.00
Distracted Driving	20.614	Not Available	Not Available	5,500.00	1/1/2017	12/31/2017	5,500.00
United States Department of Transportation Total							34,451.94
United States Department of Justice							
Drive Sober or Get Pulled Over	20.600	Not Available	Not Available	5,000.00	1/1/2016	12/31/2016	5,000.00
Drive Sober or Get Pulled Over (LD)	20.600	Not Available	Not Available	5,500.00	1/1/2017	12/31/2017	5,500.00
Drive Sober or Get Pulled Over (EOY)	20.600	Not Available	Not Available	5,500.00	1/1/2017	12/31/2017	1,320.00
Drive Sober or Get Pulled Over Sub-total							11,820.00
Federal Body Armor Grant	16.560	Not Available	066 1020 718 001	5,873.30	1/1/2016	12/31/2016	5,873.30
Federal Body Armor Grant	16.560	Not Available	066 1020 718 001	6,204.50	1/1/2017	12/31/2017	6,204.50
Federal Body Armor Grant Sub-total							12,077.80
United States Department of Justice Total							23,897.80
United States Environmental Protection Agency							
Pass-Through the State of New Jersey:							
Capitalization Grants for Clean Water State Revolving Funds	66.458	3400117	042-4860-711-009/010	5,340,537	1/1/2017	12/31/2017	5,340,537.23
United States Environmental Protection Agency							
Pass-Through the State of New Jersey Total							5,340,537.23
Total Federal Financial Awards							\$ 5,398,886.97

See accompanying notes to the schedules of expenditures of federal awards and state financial assistance.

Township of Marlboro

Schedule of Expenditures of State Financial Assistance

Year Ended December 31, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period		Total Award	Expenditures for the year ended December 31, 2017
		From	To		
New Jersey Environmental Protection Agency:					
Recycling Tonnage Grant	4900-752-042	1/1/2013	12/31/2013	\$ 38,926.43	\$ (131.40)
Recycling Tonnage Grant	4900-752-042	1/1/2015	12/31/2015	60,907.68	(36,956.95)
Recycling Tonnage Grant	4900-752-042	1/1/2016	12/31/2016	43,370.91	55.00
Recycling Tonnage Grant	4900-752-042	1/1/2017	12/31/2017	34,807.62	-
Recycling Tonnage Grant Total					(37,033.35)
Clean Community Grant	4900-765-042-4900-004-V42Y-6020	1/1/2014	12/31/2014	75,851.37	916.35
Clean Community Grant	4900-765-042-4900-004-V42Y-6020	1/1/2015	12/31/2015	92,901.19	59,474.69
Clean Community Grant	4900-765-042-4900-004-V42Y-6020	1/1/2016	12/31/2016	106,238.66	58,342.00
Clean Community Grant Total					118,733.04
Hazardous Discharge Site Remediation	4910-100-224	1/1/2014	12/31/2014	102,179.00	34,738.00
Green Acres Program	4800-533-852000-60	1/1/2017	12/31/2017	825,000.00	825,000.00
New Jersey Clean Water State Revolving Funds Capitalization Grant	042-4860-711-009/010	1/1/2017	12/31/2017	1,780,179.00	1,780,179.00
New Jersey Environmental Protection Agency Total					2,721,616.69
New Jersey Department of Agriculture:					
New Jersey Farmland Preservation Program	4800-545-899200-60	1/1/2017	12/31/2017	1,000,000.00	1,000,000.00
New Jersey Department of Agriculture Total					1,000,000.00
New Jersey Law and Public Safety:					
Municipal Drug Alliance	G-02-241-709-080-628	1/1/2016	12/31/2016	53,578.00	32,607.26
Municipal Drug Alliance	G-02-241-709-080-628	1/1/2017	12/31/2017	53,578.00	24,877.00
Municipal Drug Alliance Total					57,484.26
Drunk Driving Enforcement Fund	1160-100-057-1160	1/1/2013	12/31/2013	13,774.88	(1,018.88)
Drunk Driving Enforcement Fund	1160-100-057-1160	1/1/2014	12/31/2014	12,529.32	2,228.44
Drunk Driving Enforcement Fund Total					1,209.56
New Jersey Law and Public Safety Total					58,693.82
Total State Financial Assistance					\$ 3,780,310.51

See accompanying notes to the schedules of expenditures of federal awards and state financial assistance.

Township of Marlboro

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

Year ended December 31, 2017

1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Township of Marlboro. The Township is defined in Note 1 to the Township's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal financial awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the basis of accounting as described in Note 1 to the Township's basic financial statements.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Township's basic financial statements.

Expenditures incurred for Capitalization Grants for Drinking Water State Revolving Funds are based upon the New Jersey Environmental Infrastructure Trust's ("NJEIT") share of expenditures incurred for these projects. When expenditures are incurred, a requisition is submitted to the NJEIT for reimbursement for their allocable share of eligible costs.

Township of Marlboro

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended December 31, 2017

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

5. INDIRECT COSTS

The Township did not use the 10% de minimis indirect cost rate.

Township of Marlboro

Schedule of Findings and Questioned Costs

Year ended December 31, 2017

Part I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified – Regulatory Basis
Adverse – U.S. GAAP

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u>	Yes	<u> X </u>	No
Significant deficiency(ies) identified?	<u> </u>	Yes	<u> X </u>	None Reported
Noncompliance material to financial statements noted?	<u> </u>	Yes	<u> X </u>	No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	<u> </u>	Yes	<u> X </u>	No
Significant deficiency(ies) identified?	<u> </u>	Yes	<u> X </u>	None Reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Identification of major federal programs:

CFDA Number(s)	FAIN Number	Name of Federal Program or Cluster
66.458	3400117	Capitalization Grants for Clean Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes X No

Township of Marlboro

Schedule of Findings and Questioned Costs (continued)

Year ended December 31, 2017

Part I - Summary of Auditors' Results (continued)

State Awards

Internal control over major state programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None Reported

Type of auditors' report issued on compliance for major State programs: _____ Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 15-08? _____ Yes X No

Identification of major state programs:

GMIS/Program Number	Name of State Program or Cluster
042-4860-711-009/010	Capitalization Grants for Clean Water State Revolving Funds
4800-545-899200-60	Open Space Preservation Grants
4800-533-852000-60	Green Acres Trust Grants

Dollar threshold used to distinguish between Type A and Type B programs: _____ \$750,000

Auditee qualified as low-risk auditee? _____ Yes X No

Township of Marlboro

Schedule of Findings and Questioned Costs

Year ended December 31, 2017

Part II - Schedule of Financial Statement Findings

No financial statement findings noted that are required to be reported under *Government Auditing Standards*.

Township of Marlboro

Schedule of Findings and Questioned Costs (continued)

Year ended December 31, 2017

**Part III - Schedule of Federal Award and State Financial Assistance
Findings and Questioned Costs**

No compliance or internal control over compliance findings noted that are required to be reported in accordance with 2 CFR 200 516(a) and New Jersey State OMB Circular 15-08.

Township of Marlboro

Summary Schedule of Prior Year Audit Findings

Year ended December 31, 2017

Summary of prior year findings.

Not applicable.

**PART IV – SUPPLEMENTARY DATA AND SCHEDULES –
OTHER SUPPLEMENTARY INFORMATION –
AS REQUIRED BY THE DIVISION OF LOCAL GOVERNMENT SERVICES**

COMMENTS SECTION

**TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY
YEAR ENDED DECEMBER 31, 2017**

COMMENTS

An audit of the financial accounts and transactions of the Township of Marlboro, County of Monmouth, New Jersey, for the year ended December 31, 2017, has recently been completed. The results of the audit are herewith set forth:

Scope of Audit

The audit covered the financial transactions of the Tax Collector and Treasurer, the activities of the Mayor and Township Council and the records of various outside departments.

Cash and investment balances were reconciled with independent certifications obtained directly from the depositories.

Revenues and receipts were established and verified as to source and amount insofar as the records permitted on a test basis.

Our audit was made in accordance with auditing standards generally accepted in the United States and in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"). Therefore, our audit included the procedures noted above as well as tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Contracts and Agreements Required to be Advertised Per N.J.S.A. 40A:11-4

N.J.S.A. 40A: 11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3: of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the bid threshold as set forth in New Jersey Statute 40A.4:11-4". The amount of \$40,000.00 for the period January 1, 2017 through December 31, 2017 are the thresholds set forth in the aforementioned Statute for the year ended December 31, 2017. The Township has elected to use a lower threshold in the amount of \$30,500.00 for 2017.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the thresholds identified above within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Council's opinion should be sought before a commitment is made.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts and agreements for "Professional Services" per N.J.S.A. 40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body, on January 5, 2017 adopted a resolution authorizing interest to be charged on delinquent taxes and assessments, as follows:

8% Interest on Amounts up to \$1,500.00 on Delinquent Tax and Assessment Accounts.

18% Interest on Amounts from \$1,500.00 and above on Delinquent Tax and Assessment Accounts.

6% penalty to be charged on amounts in excess of \$10,000.00 remaining after year end.

Ten (10) Day Grace Period

An examination of the collector's records, on a test basis, indicated that interest on delinquencies was calculated in accordance with the foregoing resolution, for items tested.

Collection of Delinquent Taxes and Other Charges

Test verification of tax billings and utility charges was made in accordance with regulations issued by the Division.

Alternate procedures for non-replies were performed as follows:

- (1) Mechanical accuracy testing of the tax and utility calculation and verification of the assessed valuation on amount billed.

Comparative Schedule of Tax Rate Information

	2017		2016		2015	
Tax rate	\$	2.183	\$	2.175	\$	2.142
Apportionment of tax rate:						
Municipal	\$	0.366	\$	0.367	\$	0.356
Municipal Open Space		0.010		0.010		0.010
County		0.306		0.309		0.317
Local School		1.045		1.049		1.014
Regional High School		0.456		0.440		0.445
Assessed valuations	\$	7,172,392,700.00	\$	7,164,469,700.00	\$	7,096,747,024.00

Comparison of Tax Levies and Collections

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

Year	Tax Levy	Cash Collections	Percent of Collections
2017	\$ 160,021,996.22	\$ 159,104,226.53	99.43%
2016	159,133,586.92	158,314,970.83	99.49%
2015	155,415,430.91	154,297,769.92	99.28%

Delinquent Taxes and Tax Title Liens

The delinquent taxes contained in the following tabulation are inclusive in each case, of delinquent taxes of the current year's levy. This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2017	\$ 600,362.97	\$ 865,044.89	\$ 1,465,407.86	0.92%
2016	599,320.53	706,973.82	1,306,294.35	0.82%
2015	530,188.35	1,029,022.04	1,559,210.39	1.00%

Schedule of Water Utility Levy and Collections

Year	Levies	Collections
2017	\$ 8,637,719.06	\$ 8,621,918.54
2016	9,194,523.79	9,169,158.94
2015	9,116,504.55	9,092,002.39

The last tax sale was held via the internet on October 24, 2017 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates tested were available for audit.

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

Years	Tax Title Liens
2017	28
2016	25
2015	22

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, was as follows:

<u>Years</u>	<u>Amount</u>
2017	\$ 802,400.00
2016	802,400.00
2015	802,400.00

Equalized Valuations – Real Property

<u>Year</u>	<u>Amount</u>
2017	\$ 7,637,736,943
2016	7,460,307,716
2015	7,354,851,699

Comparative Schedule of Fund Balance

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	2017	\$ 10,030,038.47	\$ 4,600,000.00
	2016	8,650,386.93	4,200,000.00
	2015	8,075,829.62	4,200,000.00
Recreation and Swim Pool Utility Operating Fund	2017	201,094.61	180,000.00
	2016	296,233.98	285,000.00
	2015	380,474.44	267,453.84
Water Utility Operating Fund	2017	3,013,047.15	2,789,955.54
	2016	4,188,626.54	2,366,737.74
	2015	4,031,449.10	2,027,636.18

Officials In Office and Surety Bonds

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Jonathan Hornik	Mayor	
Jeff Cantor	Council President	
Randi Marder	Council Vice President	
Carol Mazzola	Councilperson	
Scott Metzger	Councilperson	
Michael Scalea	Councilperson	
Jonathan Capp	Business Administrator	
Lori Russo	Chief Financial Officer	*
Colleen Dolan	Tax Collector, Tax Search Officer	*
Alida Manco	Municipal Clerk	
James Newman	Judge	*
Irene Moore	Court Administrator	*

*Surety Bonds are covered by the Municipal Excess Liability Joint Insurance Fund in the amount of \$1,000,000 per occurrence with a \$1,000 deductible per occurrence.

A public employee dishonesty blanket bond covering Municipal employees in the amount of \$50,000 was in effect with the Monmouth County Municipal Joint Insurance Fund.

There are blanket bonds for secondary coverage with the Municipal Excess Liability Joint Insurance Fund in the amount of \$950,000 for Public Employees and \$3,000,000 for Public Officials. Both of these bonds are subject to deductibles based upon other required coverages.

COMMENTS AND RECOMMENDATIONS

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY
YEAR ENDED DECEMBER 31, 2017

COMMENTS AND RECOMMENDATIONS

There were no findings and recommendations noted during the 2017 audit.