

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

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

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

**PART I
INDEPENDENT AUDITORS' REPORT
FINANCIAL STATEMENTS
AND FOOTNOTES**

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 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, 2018 and 2017, 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, 2018, 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 opinion.

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” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2018 and 2017, or the results of its operations and changes in fund balances for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects the comparative balance sheets-regulatory basis of the various funds and account group of the Township as of December 31, 2018 and 2017, 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, 2018, 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.

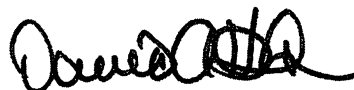
Report on Supplementary Information as Required by the Division in Accordance with the Regulatory Basis

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* are presented for purpose of additional analysis and are not a required part of the regulatory basis financial statements.

Schedules 1-A through 1-G, comments section and Schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the regulatory basis 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 August 2, 2019 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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
August 2, 2019

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

INDEPENDENT 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, 2018, and the related notes to the regulatory basis financial statements, and have issued our report thereon dated August 2, 2019, 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.

WISS & COMPANY, LLP

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 regulatory basis 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
August 2, 2019

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, 2018 and 2017

<u>Assets</u>	<u>Reference</u>	<u>2018</u>	<u>2017</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2018</u>	<u>2017</u>
Current Fund:				Current Fund:			
Cash and Cash Equivalents	1-A	\$ 24,182,485.88	\$ 34,198,319.92	Appropriation Reserves	A-3, 10-A	\$ 1,431,755.30	\$ 1,916,529.47
Investments	1-A	1,500.00	5,300,000.00	Accounts Payable	11-A	576,116.79	485,055.05
Cash - Petty Cash and Change Funds		<u>24,183,985.88</u>	<u>39,499,819.92</u>	Encumbrances Payable	12-A	1,930,890.63	1,902,599.35
				Prepaid Taxes	13-A	1,374,747.05	18,184,156.99
				Tax Overpayments	14-A	680.29	37,264.44
				County Taxes Payable	15-A	60,384.04	64,317.97
				Local District School Tax Payable	16-A	5,646,874.50	4,927,855.50
				Due To Federal and State Grant Fund	20-A	350,370.43	500,112.09
				Due To State of New Jersey -			
				Marriage License Fees	8-A	550.00	400.00
				Senior Citizens' and Veterans' Deductions	2-A	9,274.95	6,368.79
				Various Reserves	9-A	<u>1,472,784.86</u>	<u>1,445,121.80</u>
						<u>12,854,428.84</u>	<u>29,469,781.45</u>
Receivables and Other Assets With				Reserve for Receivables	A	<u>3,586,437.21</u>	<u>3,382,859.55</u>
Full Reserves:				Fund Balance	A-1	<u>11,329,557.04</u>	<u>10,030,038.47</u>
Delinquent Property Taxes Receivable	3-A	1,028,769.71	865,044.89				
Tax Title Liens Receivable	4-A	729,378.01	600,362.97				
Property Acquired for Taxes -							
Assessed Valuation	6-A	802,400.00	802,400.00				
Revenue Accounts Receivable	7-A	38,090.38	38,661.58				
Due From Regional High School	17-A	<u>987,799.11</u>	<u>1,076,390.11</u>				
		<u>3,586,437.21</u>	<u>3,382,859.55</u>				
Total Current Fund		<u>27,770,423.09</u>	<u>42,882,679.47</u>	Total Current Fund		<u>27,770,423.09</u>	<u>42,882,679.47</u>
Grant Fund:				Grant Fund:			
Due From				Reserve for:			
Current Fund	20-A	350,370.43	500,112.09	Grants Appropriated	22-A	326,242.60	398,245.97
Grants Receivable	21-A	<u>83,165.42</u>	<u>114,361.84</u>	Grants Unappropriated	23-A		38,199.31
				Encumbrances Payable	24-A	<u>107,293.25</u>	<u>178,028.65</u>
Total Grant Fund		<u>433,535.85</u>	<u>614,473.93</u>	Total Grant Fund		<u>433,535.85</u>	<u>614,473.93</u>
Total Assets		<u>\$ 28,203,958.94</u>	<u>\$ 43,497,153.40</u>	Total Liabilities and Reserves		<u>\$ 28,203,958.94</u>	<u>\$ 43,497,153.40</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, 2018 and 2017

<u>Revenue and Other Income Realized</u>	<u>Reference</u>	<u>Year 2018</u>	<u>Year 2017</u>
Fund Balance Utilized	A-2	\$ 4,600,000.00	\$ 4,200,000.00
Miscellaneous Revenue Anticipated	A-2	6,107,597.22	6,212,388.95
Receipts From Delinquent Taxes	A-2	804,219.70	721,530.80
Receipts From Current Taxes	A-2	162,469,043.63	159,104,226.53
Non-Budget Revenue	A-2	585,989.68	537,938.43
Other Credits To Income:			
Due From Regional School District	17-A	88,591.00	483,884.00
Unexpended Balance of Appropriation Reserves	10-A	2,028,674.88	2,414,576.80
Tax Sale Premiums Forfeited to Township	1-A	205,478.45	
Grant Appropriated Reserves Canceled	22-A	17,947.26	127,192.47
		<u>176,907,541.82</u>	<u>173,801,737.98</u>
<u>Expenditures</u>			
Budget Appropriations Within CAPS:			
Operations:			
Salaries and Wages	A-3	14,903,634.49	14,568,066.79
Other Expenses	A-3	10,446,647.72	10,467,690.82
Deferred Charges and Statutory Expenditures	A-3	4,225,026.78	4,108,529.48
Budget Appropriations Excluded From CAPS:			
Operations:			
Salaries and Wages	A-3	821,398.17	789,386.38
Other Expenses	A-3	516,965.87	555,374.81
Capital Improvements	A-3	375,000.00	200,000.00
Municipal Debt Service	A-3	3,677,055.93	3,672,113.65
Deferred Charges	A-3		212,000.00
County Taxes	15-A	22,792,904.50	21,905,648.62
Amount Due For Added and Omitted Taxes	15-A	60,384.04	64,317.97
Local District School Taxes	16-A	76,407,655.00	74,946,312.00
Regional High School Taxes	17-A	32,948,779.00	32,727,300.00
Special District Taxes	18-A	3,002,268.00	2,936,203.00
Municipal Open Space Taxes	19-A	718,403.63	718,066.81
Prior Year Senior Citizens Deduction Disallowed, Net	2-A	4,432.19	5,728.09
Grants Receivable Cancelled	21-A	19,203.59	144,477.02
Refund of Prior Year Revenue - Tax Appeals	1-A	88,264.34	200,871.00
		<u>171,008,023.25</u>	<u>168,222,086.44</u>
Excess in Revenues/Statutory Excess To Fund Balance		5,899,518.57	5,579,651.54
Fund Balance, January 1	A	<u>10,030,038.47</u>	<u>8,650,386.93</u>
		15,929,557.04	14,230,038.47
Decreased By:			
Utilized as Anticipated Revenue	A-1,A-2	<u>4,600,000.00</u>	<u>4,200,000.00</u>
Fund Balance, December 31	A	<u>\$ 11,329,557.04</u>	<u>\$ 10,030,038.47</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, 2018

	<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	\$ 4,600,000.00		\$ 4,600,000.00	
Miscellaneous Revenues:					
Licenses:					
Other	7-A	61,630.00		71,203.00	\$ 9,573.00
Fees and Permits	7-A	720,000.00		930,309.15	210,309.15
Fines and Costs:					
Municipal Court	7-A	473,100.00		489,684.46	16,584.46
Interest and Costs on Taxes	7-A	180,000.00		194,270.54	14,270.54
Interest on Investments and Deposits	7-A	150,000.00		738,008.15	588,008.15
Cable Franchise Fees	7-A	216,000.00		224,144.15	8,144.15
Cell Tower Rental	7-A	266,500.00		357,948.11	91,448.11
Energy Receipts Tax	7-A	2,268,949.00		2,268,949.00	
Uniform Fire Safety Act	7-A	87,316.70		82,582.86	(4,733.84)
Payments in Lieu of Taxes	7-A	500,000.00		539,131.19	39,131.19
Highway Safety/Safe Corridors Grant	22-A		\$ 19,975.51	19,975.51	
Recycling Tonnage Grant	22-A	38,199.31		38,199.31	
Drive Sober or Get Pulled Over	22-A		6,600.00	6,600.00	
Statewide Distracted Driving Grant	22-A		6,600.00	6,600.00	
Clean Communities Program	22-A		86,413.79	86,413.79	
Municipal Alliance on Alcoholism and Drug Abuse	22-A		53,578.00	53,578.00	
Total Miscellaneous Revenues	A-1	4,961,695.01	173,167.30	6,107,597.22	972,734.91
Receipts From Delinquent Taxes	A-1, A-2	600,000.00		804,219.70	204,219.70
Amount To Be Raised By Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2,3-A	27,237,653.55		29,036,192.29	1,798,538.74
Budget Revenues		37,399,348.56		40,548,009.21	2,975,493.35
Non-Budget Revenues	A-1,1-A			585,989.68	585,989.68
	A-3	\$ 37,399,348.56	\$ 173,167.30	\$ 41,133,998.89	\$ 3,561,483.03

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, 2018

	<u>Reference</u>	
<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections:		
Revenue From Collections	A-1, 3-A	\$ 162,469,043.63
Allocated To:		
School, County, Special and Open Space Taxes		
Taxes Levied	3-A	<u>135,930,394.17</u>
		26,538,649.46
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>2,497,542.83</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$ 29,036,192.29</u></u>
Receipts From Delinquent Taxes:		
Delinquent Tax Collections	A-1, 3-A	801,063.45
Tax Title Liens Collections	4-A	<u>3,156.25</u>
	A-2	<u><u>\$ 804,219.70</u></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, 2018

	<u>Reference</u>	
<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections:		
Revenue From Collections	A-1, 3-A	\$ 162,469,043.63
Allocated To:		
School, County, Special and Open Space Taxes		
Taxes Levied	3-A	<u>135,930,394.17</u>
		26,538,649.46
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>2,497,542.83</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$ 29,036,192.29</u></u>
Receipts From Delinquent Taxes:		
Delinquent Tax Collections	A-1, 3-A	801,063.45
Tax Title Liens Collections	4-A	<u>3,156.25</u>
	A-2	<u><u>\$ 804,219.70</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, 2018

<u>Analysis of Non-Budget Revenues</u>	<u>Reference</u>	
Miscellaneous Revenue Not Anticipated:		
Mobile Home Rent		\$ 30,000.00
Veterans' and Senior Citizens' Deduction Administrative Fee		3,949.41
Copies		2,451.90
Scrap Metal		9,469.93
LOSAP Funds Surrendered		16,877.35
Fire Code Status		3,318.00
Police Extra Duty Administrative Fees		60,255.61
Miscellaneous Receipts		67,103.94
Escrow Inspection Reimbursements		10,908.40
UCC Indirect Cost Reimbursement		317,894.86
Auction Proceeds		<u>63,760.28</u>
	A-1,1-A	<u><u>\$ 585,989.68</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-3
Page 1 of 6

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2018

	Original Budget	Appropriated Chapter 159's	Budget After Modification	Paid or Charged	Expended Reserve for Encumbrances	Reserved	Cancelled
General Appropriations Operations - Within "CAPS"							
GENERAL GOVERNMENT							
General Administration:							
Salaries and Wages	\$ 250,122.49		\$ 250,122.49	\$ 249,777.14		\$ 345.35	
Other Expenses	91,529.46		136,529.46	81,190.33	\$ 42,091.85	13,247.28	
Office of the Mayor:							
Salaries and Wages	73,873.29		73,873.29	73,373.28		500.01	
Other Expenses	3,143.98		3,143.98	2,148.35	682.00	313.63	
Ethics Commission:							
Other Expenses	5,165.00		8,165.00	7,490.50	674.50		
Open Space Committee:							
Other Expenses	2,140.00		2,140.00	80.00	198.35	1,861.65	
Township Council:							
Salaries and Wages	18,000.00		18,000.00	18,000.00			
Other Expenses	525.00		525.00	220.00		305.00	
Municipal Clerk:							
Salaries and Wages	234,219.96		234,219.96	231,613.13		2,606.83	
Other Expenses	46,272.10		46,272.10	29,127.97	11,131.40	6,012.73	
Financial Administration (Treasury):							
Salaries and Wages	189,667.18		189,667.18	184,163.17		5,504.01	
Other Expenses	8,802.52		8,802.52	7,581.85	363.20	857.47	
Audit Services:							
Other Expenses	35,921.31		35,921.31	35,921.31			
Central Computer Services:							
Salaries and Wages	121,337.79		121,337.79	120,749.92		587.87	
Other Expenses	86,936.61		86,936.61	55,258.89	30,986.02	691.70	
Revenue Administration (Tax Collection):							
Salaries and Wages	155,713.14		155,713.14	154,667.73		1,045.41	
Other Expenses	44,960.91		44,960.91	21,841.53	3,261.65	19,857.73	
Tax Assessment Administration:							
Salaries and Wages	124,456.71		124,456.71	119,087.58		5,369.13	
Other Expenses	53,512.50		53,512.50	21,374.11	29,202.39	2,936.00	
Legal Services (Legal Department):							
Other Expenses	274,185.44		274,185.44	159,121.68	50,210.98	64,852.78	
Engineering Services:							
Salaries and Wages	205,588.74		209,588.74	206,697.99		2,890.75	
Other Expenses	105,299.32		105,299.32	84,077.71	20,149.59	1,072.02	
Economic Development:							
Other Expenses	15,375.00		15,375.00	4,801.50	7,918.73	2,654.77	
Inter-Governmental Relations:							
Other Expenses	6,570.00		7,570.00	5,109.73	1,450.00	1,010.27	
Historic Sites Commission:							
Other Expenses	9,775.00		9,775.00		200.00	9,575.00	
Cable Studio:							
Other Expenses	59,949.96		59,949.96	46,700.80	13,216.70	32.46	

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, 2018

	Original Budget	Appropriated Chapter 159's	Budget After Modification	Paid or Charged	Expended Reserve for Encumbrances	Reserved	Cancelled
General Appropriations Operations - Within "CAPS"							
LAND USE ADMINISTRATION							
Planning Board:							
Salaries and Wages	\$ 78,127.63		\$ 78,127.63	\$ 73,327.68		\$ 4,799.95	
Other Expenses	21,984.00		27,984.00	18,958.61	\$ 8,871.10	154.29	
Planning Board Contractual:							
Other Expenses	86,400.00		86,400.00	49,418.31	36,981.69		
Zoning Board:							
Salaries and Wages	196,499.26		196,499.26	173,377.36		23,121.90	
Other Expenses	45,054.50		45,054.50	31,055.42	8,876.27	5,122.81	
INSURANCE							
Unemployment	5,000.00		5,000.00	5,000.00			
General Liability	500,293.63		500,293.63	460,019.45	3,064.57	37,209.61	
Workers Compensation	490,103.19		490,103.19	489,619.47		483.72	
Employee Group Health	3,069,430.53		2,864,930.53	2,684,933.19	37,021.91	142,975.43	
Health Insurance Waivers	90,000.00		90,000.00	71,305.85		18,694.15	
PUBLIC SAFETY							
Police Department:							
Salaries and Wages	8,880,256.22		8,880,256.22	8,696,832.56		183,423.66	
Other Expenses	505,042.83		505,042.83	321,120.90	181,707.25	2,214.68	
Office of Emergency Management:							
Salaries and Wages	23,000.00		23,000.00	19,000.08		3,999.92	
Other Expenses	14,424.00		14,424.00	944.68	1,830.00	11,649.32	
Aid To Volunteer Ambulance:							
Other Expenses	75,000.00		75,000.00	75,000.00			
Uniform Fire Safety Act (P.L. 1983, Ch. 383):							
Salaries and Wages	224,071.40		224,071.40	212,752.19		11,319.21	
Other Expenses	25,407.04		25,407.04	13,131.75	5,320.75	6,954.54	
Municipal Prosecutor:							
Salaries and Wages	31,600.00		31,600.00	29,325.00		2,275.00	
Other Expenses	3,000.00		3,000.00	1,320.00	1,680.00		
PUBLIC WORKS							
Streets and Road Maintenance:							
Salaries and Wages	1,638,965.56		1,733,965.56	1,733,845.98		119.58	
Other Expenses	172,607.50		172,607.50	77,941.50	40,122.19	54,543.81	
Snow Removal:							
Salaries and Wages	211,000.00		231,000.00	169,359.60		61,640.40	
Other Expenses	1,181,310.00		1,181,310.00	681,919.00	461,422.86	37,968.14	
Other Public Works Functions:							
Salaries and Wages	175,955.01		177,955.01	177,750.15		204.86	
Other Expenses	6,756.00		6,756.00	1,949.21	1,974.29	2,832.50	

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-3
Page 3 of 6

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
Year ended December 31, 2018

	Original Budget	Appropriated Chapter 159's	Budget After Modification	Paid or Charged	Expended Reserve for Encumbrances	Reserved	Cancelled
General Appropriations Operations - Within "CAPS"							
PUBLIC WORKS (continued)							
Shade Tree Commission:							
Other Expenses	\$ 2,461.76		\$ 2,461.76	\$ 1,347.89	\$ 745.96	\$ 367.91	
Solid Waste Collection:							
Salaries and Wages	21,600.00		21,600.00	16,870.58		4,729.42	
Other Expenses	663,547.00		678,547.00	599,477.46	62,152.72	16,916.82	
Buildings and Grounds:							
Salaries and Wages	252,651.95		202,651.95	195,797.81		6,854.14	
Other Expenses	200,369.28		200,369.28	112,916.21	83,632.09	3,820.98	
Vehicle Maintenance:							
Salaries and Wages	417,655.90		428,655.90	427,706.76		949.14	
Other Expenses	281,160.00		281,160.00	200,616.80	50,699.31	29,843.89	
Condominium Services Act:							
Other Expenses	98,001.00		98,001.00	14,439.37	6,381.40	77,180.23	
HEALTH AND HUMAN SERVICES							
Public Health Services (Board of Health):							
Salaries and Wages	21,500.00		21,500.00	21,500.00			
Other Expenses	864.50		864.50	295.00		569.50	
Drug Abuse Control:							
Salaries and Wages	14,664.98		14,664.98	6,267.88		8,397.10	
Other Expenses	31,985.00		31,985.00	11,151.99	5,339.14	15,493.87	
Environmental Health Services:							
Salaries and Wages	2,000.00		2,000.00			2,000.00	
Other Expenses	985.00		985.00			985.00	
Animal Control Services:							
Other Expenses	45,789.58		45,789.58	45,789.58			
PARKS AND RECREATION							
Recreation Services and Programs:							
Salaries and Wages	448,681.23		448,681.23	415,093.53	1.65	33,586.05	
Other Expenses	188,085.25		188,085.25	144,271.99	23,744.42	20,068.84	
Teen Program:							
Other Expenses	3,050.00		3,050.00	2,082.69	390.71	576.60	
Maintenance of Parks:							
Salaries and Wages	416,125.89		416,125.89	396,470.82		19,655.07	
Other Expenses	100,453.00		100,453.00	28,577.09	27,146.77	44,729.14	
Municipal Library:							
Other Expenses	12,000.00		13,500.00	11,426.16	1,697.58	376.26	
Affordable Housing:							
Salaries and Wages	4,000.00		4,000.00	4,000.00			
Municipal Court:							
Salaries and Wages	381,120.16		381,120.16	356,809.00		24,311.16	
Other Expenses	95,133.69		95,133.69	47,249.21	20,291.28	27,593.20	
Public Defender:							
Salaries and Wages	9,180.00		9,180.00	9,180.00			
Other Expenses	9,000.00		9,000.00	8,000.00		1,000.00	

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, 2018

	Original Budget	Appropriated Chapter 159's	Budget After Modification	Paid or Charged	Expended Reserve for Encumbrances	Reserved	Cancelled
General Appropriations Operations - Within "CAPS"							
UNCLASSIFIED							
Accumulated Leave Compensation	\$ 1,000.00		\$ 1,000.00			\$ 1,000.00	
Postage	23,350.00		23,350.00	\$ 17,403.03	\$ 0.10	5,946.87	
UTILITY EXPENSES AND BULK PURCHASES							
Electricity	296,618.32		296,618.32	217,494.76	69,940.01	9,183.55	
Street Lighting	624,644.00		624,644.00	529,123.88	70,084.23	25,435.89	
Telephone (excluding equipment acquisition)	138,566.04		138,566.04	99,572.80	38,987.20	6.04	
Water	27,600.00		28,600.00	25,721.94	2,796.94	81.12	
Gas (natural or propane)	52,250.00		57,250.00	39,468.77	12,748.24	5,032.99	
Sewerage Processing and Disposal	11,800.00		11,800.00	9,163.00	1,786.06	850.94	
Gasoline	288,796.97		333,796.97	198,971.99	104,168.88	30,656.10	
Landfill/Solid Waste Disposal Costs	179,260.00		179,260.00	102,999.46	54,388.45	21,872.09	
Total Operations - Within "CAPS"	25,340,282.21		25,340,282.21	22,506,641.59	1,637,733.38	1,195,907.24	
Contingent	10,000.00		10,000.00			10,000.00	
Total Operations Including Contingent - Within "CAPS"	25,350,282.21		25,350,282.21	22,506,641.59	1,637,733.38	1,205,907.24	
Detail:							
Salaries and Wages	14,821,634.49		14,903,634.49	14,320,019.56	1.65	583,613.28	
Other Expenses	10,528,647.72		10,446,647.72	8,186,622.03	1,637,731.73	622,293.96	
DEFERRED CHARGES							
Prior Years Bills	2,500.00		2,500.00				\$ 2,500.00
STATUTORY EXPENDITURES							
Contribution To:							
Social Security System (O.A.S.I.)	1,147,924.78		1,147,924.78	1,132,250.60		15,674.18	
Police and Firemen's Retirement System	2,042,601.00		2,042,601.00	2,011,655.38		30,945.62	
Public Employees Retirement System	1,031,001.00		1,031,001.00	1,026,831.26		4,169.74	
Defined Contribution Retirement Program	1,000.00		1,000.00	174.77		825.23	
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	4,225,026.78		4,225,026.78	4,170,912.01		51,614.77	2,500.00
Total General Appropriations for Municipal Purposes - Within "CAPS"	29,575,308.99		29,575,308.99	26,677,553.60	1,637,733.38	1,257,522.01	2,500.00
General Appropriations Operations - Excluded from "CAPS"							
Length of Services Awards Program (LOSAP):							
Other Expenses	90,000.00		90,000.00	27,231.75	51,870.00	10,898.25	

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-3
Page 5 of 6

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
Year ended December 31, 2018

	Original Budget	Appropriated Chapter 159's	Budget After Modification	Paid or Charged	Expended Reserve for Encumbrances	Reserved	Cancelled
General Appropriations Operations - Excluded from "CAPS"							
Police Dispatch/911: Salaries and Wages	\$ 821,398.17		\$ 821,398.17	\$ 728,621.47		\$ 92,776.70	
Other Expenses	207,099.26		207,099.26	92,543.53	\$ 44,414.39	70,141.34	
SFSP Fire District Payments: Other Expenses	11,000.00		11,000.00	10,583.00		417.00	
Total Other Operations Excluded From "CAPS"	1,129,497.43		1,129,497.43	858,979.75	96,284.39	174,233.29	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES							
Distracted Driving Grant		\$ 6,600.00	6,600.00	6,600.00			
Drive Sober or Get Pulled Over (EOY)		6,600.00	6,600.00	6,600.00			
Municipal Drug Alliance		53,578.00	53,578.00	53,578.00			
Highway Safety Fund		19,975.51	19,975.51	19,975.51			
Recycling Tonnage Grant	38,199.31		38,199.31	38,199.31			
Clean Communities Grant		86,413.79	86,413.79	86,413.79			
Total Public and Private Programs Offset by Revenues	38,199.31	173,167.30	211,366.61	211,366.61			
Total Operations - Excluded From "CAPS"	1,167,696.74	173,167.30	1,340,864.04	1,070,346.36	96,284.39	174,233.29	
Detail:							
Salaries and Wages	821,398.17		821,398.17	728,621.47		92,776.70	
Other Expenses	346,298.57	173,167.30	519,465.87	341,724.89	96,284.39	81,456.59	
Capital Improvements - Excluded From "CAPS"							
Capital Improvement Fund	375,000.00		375,000.00	375,000.00			
Total Capital Improvements - Excluded From "CAPS"	375,000.00		375,000.00	375,000.00			

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, 2018

	Original Budget	Appropriated Chapter 159's	Budget After Modification	Paid or Charged	Expended Reserve for Encumbrances	Reserved	Cancelled
Municipal Debt Service - Excluded From "CAPS"							
Payment of Bond Principal	\$ 2,516,000.00		\$ 2,516,000.00	\$ 2,505,800.00			\$ 10,200.00
Interest on Bonds	1,025,200.00		1,025,200.00	979,027.09			46,172.91
Interest on Notes	40,000.00		40,000.00				40,000.00
Green Acres Trust Loan:							
Loan Repayments for Principal and Interest	28,900.00		28,900.00	28,864.50			35.50
Capital Lease Program:							
Principal	166,000.00		166,000.00	156,009.64			9,990.36
Interest	7,700.00		7,700.00	7,354.70			345.30
Total Municipal Debt Service - Excluded From "CAPS"	<u>3,783,800.00</u>		<u>3,783,800.00</u>	<u>3,677,055.93</u>			<u>106,744.07</u>
Total General Appropriations - Excluded From "CAPS"	<u>5,326,496.74</u>	\$ 173,167.30	<u>5,499,664.04</u>	<u>5,122,402.29</u>	\$ 96,284.39	\$ 174,233.29	<u>106,744.07</u>
Subtotal General Appropriations	34,901,805.73		35,074,973.03	31,799,955.89	1,734,017.77	1,431,755.30	109,244.07
Reserve for Uncollected Taxes	<u>2,497,542.83</u>		<u>2,497,542.83</u>	<u>2,497,542.83</u>			
Total General Appropriations	<u>\$ 37,399,348.56</u>	<u>\$ 173,167.30</u>	<u>\$ 37,572,515.86</u>	<u>\$ 34,297,498.72</u>	<u>\$ 1,734,017.77</u>	<u>\$ 1,431,755.30</u>	<u>\$ 109,244.07</u>
Analysis of Budget After Modification	Reference	Below	A-2	Below	Below	12-A	A
Original Budget	Above, A-2			\$ 37,399,348.56			
Added by N.J.S. 40A:4-87	A-2, 22-A			<u>173,167.30</u>			
	Above			<u>\$ 37,572,515.86</u>			
Analysis of Paid or Charged							
Cash Disbursements	1-A			\$ 31,588,589.28			
Reserve for:							
State Grants - Appropriated	22-A			211,366.61			
Uncollected Taxes	A-2			<u>2,497,542.83</u>			
	Above			<u>\$ 34,297,498.72</u>			

TRUST FUND

EXHIBIT

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

December 31, 2018 and 2017

<u>Assets</u>	<u>Reference</u>	<u>2018</u>	<u>2017</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2018</u>	<u>2017</u>
Animal Control Trust Fund:				Animal Control Trust Fund:			
Cash and Cash Equivalents	1-B	\$ 78,653.31	\$ 75,535.12	Due To State of New Jersey	3-B	\$ 4.80	\$ 4.80
				Reserve for Animal Control Expenditures	6-B	68,868.74	59,869.88
				Reserve for Encumbrances Payable	11-B	9,779.77	15,660.44
Total Animal Control Trust Fund		78,653.31	75,535.12	Total Animal Control Trust Fund		78,653.31	75,535.12
Escrow Deposit Trust Fund:				Escrow Deposit Trust Fund:			
Cash and Cash Equivalents	1-B	2,053,693.08	2,596,141.22	Reserve for Deposits	7-B	2,018,182.06	2,336,556.41
				Reserve for Encumbrances Payable	9-B	35,511.02	259,584.81
Total Escrow Deposit Trust Fund		2,053,693.08	2,596,141.22	Total Escrow Deposit Trust Fund		2,053,693.08	2,596,141.22
Open Space Trust Fund:				Open Space Trust Fund:			
Cash and Cash Equivalents	1-B	4,419,865.26	164,212.80	Reserve for Open Space	5-B	4,408,161.95	4,250,833.19
Investments			4,100,000.00	Reserve for Encumbrances Payable	8-B	11,703.31	13,379.61
Total Open Space Trust Fund		4,419,865.26	4,264,212.80	Total Open Space Trust Fund		4,419,865.26	4,264,212.80
Trust - Other Fund:				Trust - Other Fund:			
Cash and Cash Equivalents	1-B	12,732,335.75	8,780,540.43	Due To State of New Jersey -			
Investments			4,200,000.00	DCA Fees	2-B	16,771.00	2,070.00
Total Trust - Other Fund		12,732,335.75	12,980,540.43	Various Reserves	4-B	10,043,119.21	10,309,204.19
				Reserve for Encumbrances Payable	10-B	2,672,445.54	2,669,266.24
				Total Trust - Other Fund		12,732,335.75	12,980,540.43
Total Assets		\$ 19,284,547.40	\$ 19,916,429.57	Total Liabilities and Reserves		\$ 19,284,547.40	\$ 19,916,429.57

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, 2018 and 2017

<u>Assets</u>	<u>Reference</u>	<u>2018</u>	<u>2017</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2018</u>	<u>2017</u>
Cash and Cash Equivalents	1-C,2-C	\$ 6,573,501.09	\$ 10,310,192.52	General Serial Bonds Payable	7-C	\$ 42,573,000.00	\$ 31,358,000.00
Due From NJ DOT	3-C	669,251.73	460,000.00	Green Trust Loan Payable	8-C	110,430.89	136,692.20
Other Accounts Receivable	13-C	190,000.00	170,000.00	Bond Anticipation Notes Payable	14-C		13,600,000.00
Due From NJ DEP - Green Acres	4-C	925,162.55	730,685.53	Improvement Authorizations:			
Due From Monmouth County	12-C	395,000.00	145,000.00	Funded	9-C	10,146,851.42	9,968,804.50
Due From NJ Department of Agriculture	16-C	1,000,000.00	1,000,000.00	Unfunded	9-C	4,233,723.00	2,216,462.06
Deferred Charges To Future Taxation:				Reserve for Encumbrances Payable	15-C	3,319,682.52	1,804,231.72
Funded	5-C	42,683,430.89	31,494,692.20	Capital Improvement Fund	10-C	26,536.00	43,877.00
Unfunded	6-C	<u>9,306,099.80</u>	<u>15,861,755.10</u>	Various Reserves	11-C	818,005.54	430,910.60
				Fund Balance	C-1	<u>514,216.69</u>	<u>613,347.27</u>
Total Assets		<u>\$ 61,742,446.06</u>	<u>\$ 60,172,325.35</u>	Total Liabilities, Reserves and Fund Balance		<u>\$ 61,742,446.06</u>	<u>\$ 60,172,325.35</u>

There were bonds and notes authorized but not issued at December 31, 2018 and 2017 in the amount of \$9,306,099.80 and \$2,261,755.10, respectively. (See schedule 17-C)

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	C	\$ 613,347.27
Increased By:		
Funded Improvement Authorizations Canceled	9-C	<u>200,869.42</u>
		814,216.69
Decreased By:		
Appropriated to Finance Improvement Authorizations	9-C	<u>300,000.00</u>
Balance, December 31, 2018	C	<u><u>\$ 514,216.69</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, 2018 and 2017

<u>Assets</u>	<u>Reference</u>	<u>2018</u>	<u>2017</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2018</u>	<u>2017</u>
Operating Fund:				Operating Fund:			
Cash and Cash Equivalents	1-D	\$ 620,123.24	\$ 515,624.78	Appropriation Reserves	D-3, 5-D	\$ 54,408.53	\$ 12,491.18
Petty Cash and Change Fund	D	<u>1,600.00</u>	<u>1,600.00</u>	Reserve for Encumbrances Payable	6-D	212,993.14	230,958.28
				Accounts Payable	7-D	4,512.48	20,202.00
				Prepaid Membership Fees	10-D	60,282.40	18,754.63
				Prepaid Participation Fees	11-D	23,720.50	27,022.00
				Accrued Interest Payable	15-D	<u>6,077.08</u>	<u>6,702.08</u>
						361,994.13	316,130.17
Total Operating Fund		<u>621,723.24</u>	<u>517,224.78</u>	Fund Balance	D-1	<u>259,729.11</u>	<u>201,094.61</u>
				Total Operating Fund		<u>621,723.24</u>	<u>517,224.78</u>
Capital Fund:				Capital Fund:			
Cash and Cash Equivalents	1-D, 2-D	22,182.31	88,415.47	Improvement Authorizations:			
Fixed Capital	3-D	3,446,793.21	3,188,235.21	Funded	14-D	50,748.96	78,642.56
Fixed Capital Authorized and Uncompleted	4-D	<u>1,010,585.32</u>	<u>1,260,585.32</u>	Unfunded	14-D	48,381.61	68,381.61
				Serial Bonds Payable	9-D	1,029,000.00	1,104,000.00
				Reserve for:			
				Capital Outlay	12-D	416.07	8,974.07
				Amortization	13-D	3,326,550.45	3,242,992.45
				Encumbrances	8-D	6,155.09	15,936.65
				Fund Balance	D	<u>18,308.66</u>	<u>18,308.66</u>
Total Capital Fund		<u>4,479,560.84</u>	<u>4,537,236.00</u>	Total Capital Fund		<u>4,479,560.84</u>	<u>4,537,236.00</u>
Total Assets		<u>\$ 5,101,284.08</u>	<u>\$ 5,054,460.78</u>	Total Liabilities, Reserves and Fund Balance		<u>\$ 5,101,284.08</u>	<u>\$ 5,054,460.78</u>

There were bonds and notes authorized but not issued at December 31, 2018 and 2017 in the amount of \$101,828.08. (See Schedule 16-D)

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION AND SWIM UTILITY FUND

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

Years ended December 31, 2018 and 2017

	<u>Reference</u>	<u>Year 2018</u>	<u>Year 2017</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-2	\$ 180,000.00	\$ 285,000.00
Membership Fees	D-2	325,474.36	323,585.85
Program Revenue	D-2	1,962,169.71	2,045,722.98
Interest on Investments	D-2	13,890.58	6,613.43
Miscellaneous	D-2	30,446.40	32,248.00
Other Credits To Income:			
Unexpended Balance of Appropriation Reserves	5-D	32,205.79	102,560.35
Cancellation of Accounts Payable	7-D	19,792.50	3,330.71
		<u>2,563,979.34</u>	<u>2,799,061.32</u>
Expenditures:			
Operating	D-3	2,167,238.10	2,413,413.70
Capital Outlay	D-3	1.00	1.00
Statutory Expenditures	D-3	51,560.74	76,597.24
Debt Service	D-3	106,545.00	119,188.75
		<u>2,325,344.84</u>	<u>2,609,200.69</u>
Excess in Revenue and Statutory Excess to Fund Balance		238,634.50	189,860.63
Fund Balance, January 1	D	<u>201,094.61</u>	<u>296,233.98</u>
		439,729.11	486,094.61
Decreased By:			
Utilized as Anticipated Revenue	D-1	<u>180,000.00</u>	<u>285,000.00</u>
Fund Balance, December 31	D	<u>\$ 259,729.11</u>	<u>\$ 201,094.61</u>

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION AND SWIM UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2018

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	(Deficit) <u>Excess</u>
Fund Balance Utilized	D-1	\$ 180,000.00	\$ 180,000.00	
Program Revenue	D-1	2,401,399.84	1,962,169.71	\$ (439,230.13)
Membership Fees	D-1		325,474.36	325,474.36
Miscellaneous	D-1		30,446.40	30,446.40
Interest on Investments	D-1		13,890.58	13,890.58
Total		<u>\$ 2,581,399.84</u>	<u>\$ 2,511,981.05</u>	<u>\$ (69,418.79)</u>

	<u>Reference</u>	D-3	Below
<u>Analysis of Revenue:</u>			
Fund Balance Utilized	Above		\$ 180,000.00
Cash Receipts	1-D		2,286,204.42
Prepaid Applied:			
Participation Fees	11-D		27,022.00
Membership Fees	10-D		18,754.63
	Above		<u>\$ 2,511,981.05</u>
<u>Analysis of Membership Fees:</u>			
Cash Receipts	1-D		\$ 306,719.73
Prepaid Applied	10-D		18,754.63
	Above		<u>\$ 325,474.36</u>
<u>Analysis of Interest on Investments:</u>			
Cash Receipts	1-D		<u>\$ 13,890.58</u>
<u>Analysis of Miscellaneous Revenue:</u>			
Cash Receipts	1-D		<u>\$ 30,446.40</u>
<u>Analysis of Program Revenue:</u>			
Cash Receipts	1-D		\$ 1,935,147.71
Prepaid Applied	11-D		27,022.00
	Above		<u>\$ 1,962,169.71</u>

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION AND SWIM UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2018

	Original Budget	Budget Modified	Expended			
			Paid or Charged	Encumbrances	Reserved	Cancelled
Operating:						
Salaries and Wages	\$ 1,120,886.61	\$ 1,120,886.61	\$ 967,553.40		\$ 33,533.21	\$ 119,800.00
Other Expenses	1,286,451.49	1,286,451.49	932,296.59	\$ 212,993.14	20,861.76	120,300.00
Total Operating	2,407,338.10	2,407,338.10	1,899,849.99	212,993.14	54,394.97	240,100.00
Capital Improvements:						
Capital Outlay	1.00	1.00			1.00	
Total Capital Improvements	1.00	1.00			1.00	
Statutory Expenditures:						
Contribution To:						
Public Employee's Retirement System	1.34	1.34			1.34	
Social Security (O.A.S.I.)	64,959.40	64,959.40	50,548.18		11.22	14,400.00
Unemployment Compensation Insurance - (N.J.S.A. 43-21-3)	1,000.00	1,000.00	1,000.00			
Total Statutory Expenditures	65,960.74	65,960.74	51,548.18		12.56	14,400.00
Debt Service:						
Payment of Bond Principal	75,000.00	75,000.00	75,000.00			
Interest on Bonds	33,100.00	33,100.00	31,545.00			1,555.00
Total Debt Service	108,100.00	108,100.00	106,545.00			1,555.00
	<u>\$ 2,581,399.84</u>	<u>\$ 2,581,399.84</u>	<u>\$ 2,057,943.17</u>	<u>\$ 212,993.14</u>	<u>\$ 54,408.53</u>	<u>\$ 256,055.00</u>
Reference	D-2	D-2	Below	6-D	D	D-1
Cash Disbursements	1-D		\$ 2,026,398.17			
Accrued Interest on Bonds	15-D		31,545.00			
Above			<u>\$ 2,057,943.17</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, 2018 and 2017

<u>Assets</u>	<u>Reference</u>	<u>2018</u>	<u>2017</u>	<u>Liabilities</u>	<u>Reference</u>	<u>2018</u>	<u>2017</u>
Cash and Cash Equivalents	E	<u>\$ 16,401.52</u>	<u>\$ 15,632.42</u>	Due to Various Agencies	E	<u>\$ 16,401.52</u>	<u>\$ 15,632.42</u>
Total Assets		<u><u>\$ 16,401.52</u></u>	<u><u>\$ 15,632.42</u></u>	Total Liabilities		<u><u>\$ 16,401.52</u></u>	<u><u>\$ 15,632.42</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, 2018 and 2017

<u>Assets</u>	<u>Reference</u>	<u>2018</u>	<u>2017</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2018</u>	<u>2017</u>
Operating Fund:				Operating Fund:			
Cash and Cash Equivalents	1-F	\$ 6,084,099.33	\$ 5,504,833.19	Appropriation Reserves	F-3, 16-F	\$ 820,352.01	\$ 1,032,102.45
Consumer Accounts Receivable	3-F(a)	<u>117,178.85</u>	<u>136,619.65</u>	Reserve for Encumbrances Payable	18-F	1,473,811.45	824,781.44
				Accrued Interest on Bonds and Loans	6-F	131,222.65	122,544.70
Total Operating Fund		<u>6,201,278.18</u>	<u>5,641,452.84</u>	Water Rent Overpayments	5-F	28,425.89	25,047.78
				Reserve for Escrow	4-F	288,961.54	442,309.67
				Accounts Payable	19-F	<u>17,070.00</u>	<u>45,000.00</u>
						2,759,843.54	2,491,786.04
				Reserve for Receivable	F	117,178.85	136,619.65
				Fund Balance	F-1	<u>3,324,255.79</u>	<u>3,013,047.15</u>
				Total Operating Fund		<u>6,201,278.18</u>	<u>5,641,452.84</u>
Capital Fund:				Capital Fund:			
Cash and Cash Equivalents	1-F, 2-F	1,078,619.26	143,749.31	Serial Bonds	10-F	12,675,000.00	11,650,000.00
Fixed Capital	7-F	33,955,183.31	33,942,183.31	NJEIT Loans Payable	13-F	16,036,168.59	16,736,098.68
Fixed Capital Authorized and Uncompleted	8-F	27,849,800.66	25,215,311.66	Encumbrances Payable	14-F	1,836,681.37	3,889,441.32
NJEIT Loan Receivable	3-F(b)	<u>1,684,091.00</u>	<u>3,717,286.00</u>	Improvement Authorizations:			
				Funded	9-F	1,609,717.18	227,111.19
Total Capital Fund		<u>64,567,694.23</u>	<u>63,018,530.28</u>	Unfunded	9-F	2,079,276.24	2,378,598.95
				Capital Improvement Fund	11-F	50,000.00	50,000.00
				Reserve for Amortization	12-F	29,654,734.38	27,051,804.29
				Reserve for Deferred Amortization	15-F	300,000.00	300,000.00
				Reserve for Debt Service	17-F	198,094.15	71,564.00
				Fund Balance	F-4	<u>128,022.32</u>	<u>663,911.85</u>
				Total Capital Fund		<u>64,567,694.23</u>	<u>63,018,530.28</u>
Total Assets		<u>\$ 70,768,972.41</u>	<u>\$ 68,659,983.12</u>	Total Liabilities, Reserves and Fund Balance		<u>\$ 70,768,972.41</u>	<u>\$ 68,659,983.12</u>

The balance of water utility bonds and notes authorized but not issued at December 31, 2018 and 2017 is \$3,060,540.25 and \$3,341,051.25, respectively (See 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, 2018 and 2017

	<u>Reference</u>	<u>Year 2018</u>	<u>Year 2017</u>
Revenue and Other Income:			
Water Utility Fund Balance Utilized	F-2	\$ 2,789,955.54	\$ 2,366,737.74
Service Charges (net)	F-2	8,957,739.05	8,621,918.54
Connection Fees	F-2	640,546.39	281,966.47
Other Operating Revenues	F-2	61,201.27	40,823.36
Interest on Investments	F-2	110,882.89	52,789.82
Water Utility Capital Surplus	F-2	540,000.00	300,000.00
Solar Renewable Energy Credits	F-2	188,910.00	198,971.00
Other Credits to Income:			
Cancellations of Accounts Payable	19-F	35,000.00	46,597.83
Unexpended Balance of Appropriation Reserves	16-F	1,425,695.14	285,845.76
		<hr/>	<hr/>
Total Revenue and Other Income		14,749,930.28	12,195,650.52
		<hr/>	<hr/>
Expenditures:			
Operating	F-3	8,298,381.26	7,666,725.78
Capital Improvements	F-3	20,000.00	50,000.00
Debt Service	F-3	3,254,511.56	3,211,154.43
Statutory Expenditures and Deferred Charges	F-3	75,873.28	76,611.96
		<hr/>	<hr/>
Total Expenditures		11,648,766.10	11,004,492.17
		<hr/>	<hr/>
Excess in Revenue and Statutory Excess to Fund Balance		3,101,164.18	1,191,158.35
Fund Balance, January 1	F	3,013,047.15	4,188,626.54
Decreased By:			
Utilized as Revenue	F-1	2,789,955.54	2,366,737.74
		<hr/>	<hr/>
Fund Balance, December 31	F	\$ 3,324,255.79	\$ 3,013,047.15
		<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, 2018

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess</u>
Water Utility Operating Fund Balance	F-1	\$ 2,789,955.54	\$ 2,789,955.54	
Service Charges	F-1, 3-F(a)	8,120,000.00	8,957,739.05	\$ 837,739.05
Connection Fees	F-1, 1-F	100,000.00	640,546.39	540,546.39
Other Operating Revenues	F-1, 1-F	25,000.00	61,201.27	36,201.27
Interest on Investments	F-1, 1-F	10,000.00	110,882.89	100,882.89
Water Utility Capital Surplus	F-1, F-4, 1-F	540,000.00	540,000.00	
Solar Renewable Energy Credits	F-1, 1-F	100,000.00	188,910.00	88,910.00
Total	F-3	<u>\$ 11,684,955.54</u>	<u>\$ 13,289,235.14</u>	<u>\$ 1,604,279.60</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, 2018

	Original Budget	Budget Modified	Expended			
			Paid or Charged	Encumbrances	Reserved	Cancelled
Operating:						
Salaries and Wages	\$ 959,110.35	\$ 999,110.35	\$ 977,281.59		\$ 21,828.76	
Other Expenses	7,339,270.91	7,299,270.91	5,066,740.86	\$ 1,473,811.45	758,718.60	
Total Operating	8,298,381.26	8,298,381.26	6,044,022.45	1,473,811.45	780,547.36	
Capital Improvements:						
Capital Outlay	20,000.00	20,000.00			20,000.00	
Total Capital Improvements	20,000.00	20,000.00			20,000.00	
Debt Service:						
Payment of Bond Principal	1,900,000.00	1,895,800.00	1,890,000.00			\$ 5,800.00
Interest on Bonds	515,700.00	519,900.00	519,900.00			
Interest on Notes	1.00	1.00				1.00
NJEIT Loan Principal	704,000.00	704,000.00	674,017.09			29,982.91
NJEIT Loan Interest	171,000.00	171,000.00	170,594.47			405.53
Total Debt Service	3,290,701.00	3,290,701.00	3,254,511.56			36,189.44
Statutory Expenditures and Deferred Charges:						
Contribution To:						
Public Employees' Retirement System	1.34	1.34			1.34	
Social Security (O.A.S.I.)	73,371.94	73,371.94	53,568.63		19,803.31	
Unemployment Compensation Insurance - (N.J.S.A. 43-21-3)	2,500.00	2,500.00	2,500.00			
Total Statutory Expenditures and Deferred Charges	75,873.28	75,873.28	56,068.63		19,804.65	
	<u>\$ 11,684,955.54</u>	<u>\$ 11,684,955.54</u>	<u>\$ 9,354,602.64</u>	<u>\$ 1,473,811.45</u>	<u>\$ 820,352.01</u>	<u>\$ 36,189.44</u>
Reference	F-2	F-2	Below	18-F	F	F-1
Analysis of Paid or Charged:						
Cash Disbursements	1-F		\$ 8,664,108.17			
Accrued Interest on Bonds and Loans	6-F		690,494.47			
Above			<u>\$ 9,354,602.64</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, 2018

	<u>Reference</u>	
Balance, December 31, 2017	F	\$ 663,911.85
Increased by:		
Funded Improvement Authorization Cancelled	9-F	13,000.00
Bond Issue Costs Returned	1-F	<u>4,110.47</u>
		681,022.32
Decreased by:		
2018 Improvement Authorization	9-F	13,000.00
Transferred to Water Utility Operating Fund	F-2	<u>540,000.00</u>
Balance, December 31, 2018	F	<u><u>\$ 128,022.32</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, 2018 and 2017

		<u>2018</u>	<u>2017</u>
	<u>Reference</u>		
Land, Buildings and Improvements	1-G	\$ 85,818,997.00	\$ 84,921,517.00
Machinery, Equipment and Vehicles	1-G	<u>19,651,279.00</u>	<u>18,155,148.00</u>
Total General Fixed Assets		<u>\$ 105,470,276.00</u>	<u>\$ 103,076,665.00</u>
Investment in General Fixed Assets	1-G	<u>\$ 105,470,276.00</u>	<u>\$ 103,076,665.00</u>

See accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

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 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 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, 2018 AND 2017

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 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 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 acquisition valuation at the date of acquisition. 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, 2018 AND 2017

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, 2018 AND 2017

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, 2018 AND 2017

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 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 8 - Pensions and Retirement Plans for these disclosures.

Net Other Postemployment Benefits (“OPEB”) and OPEB Related Deferred Outflows of Resources and Deferred Inflows of Resources and OPEB Expense – the requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* require governmental entities to record their distributive share of other postemployment benefits liability, deferred outflows of resources, deferred inflows of resources and total OPEB related expense. The Division of Pensions has acknowledged that the Township has no State Health Benefit Local Government Retired Employees Plan liability.

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.

Length of Service Awards Program - LOSAP - The Division does not require an audit of the Length of Service Awards Program (LOSAP). The Township has omitted the LOSAP information from its financial statements. A separate Accountant’s Review Report has been issued for the LOSAP program. GAAP requires the inclusion of such information in the financial statement.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pronouncements Implemented:

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, 2018. The Township has implemented GASB Statement No. 75 during the year ended December 31, 2018.

Recently Issued Accounting Pronouncements:

The GASB issued Statement No. 84, *Fiduciary Activities* in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for periods beginning after December 15, 2018. Management will implement the standard as of its effective date.

The GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after December 15, 2019. Management will implement the standard as of its effective date.

Subsequent Events - Management has reviewed and evaluated all events and transactions that occurred from December 31, 2018 through August 2, 2019, 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, 2018 and 2017, the amount held by third party administrators amounted to \$7,456,145.99 and \$7,819,155.81, respectively.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

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 2018</u>	<u>Year 2017</u>
Issued:		
General:		
Bonds	\$ 42,573,000.00	\$ 31,358,000.00
Bond Anticipation Notes		13,600,000.00
Green Acres Trust Loan	110,430.89	136,692.20
Recreation and Swim Utility:		
Bonds	1,029,000.00	1,104,000.00
Water Utility:		
NJEIT Loans	16,036,168.59	16,736,098.68
Bonds	<u>12,675,000.00</u>	<u>11,650,000.00</u>
Total debt issued	72,423,599.48	74,584,790.88
Less:		
Funds temporarily held to pay		
Bonds and notes	<u>839,311.72</u>	<u>213,695.11</u>
	71,584,287.76	74,371,095.77
Authorized but not issued:		
General:		
Bonds and notes	9,306,099.80	2,261,755.10
Recreation and Swim Utility:		
Bonds and notes	101,828.08	101,828.08
Water Utility:		
Bonds and notes	<u>3,060,540.25</u>	<u>3,341,051.25</u>
Total authorized but not issued	<u>12,468,468.13</u>	<u>5,704,634.43</u>
Net bonds, notes and loans issued and authorized but not issued	<u>\$ 84,052,755.89</u>	<u>\$ 80,075,730.20</u>

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

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

B. Summary of Statutory Debt Condition - Annual Debt Statement – 2018

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 0.667%.

	Gross Debt	Deductions	Net Debt
Local school district debt	\$ 3,745,000.00	\$ 3,745,000.00	
Regional school district debt	2,389,902.49	2,389,902.49	
Self-Liquidating debt (utility funds)	32,902,536.92	32,902,536.92	
General debt	51,989,530.69	641,217.57	\$ 51,348,313.12
	<u>\$ 91,026,970.10</u>	<u>\$ 39,678,656.98</u>	<u>\$ 51,348,313.12</u>

Net Debt of \$51,348,313.12 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$7,699,243,513.00 equals 0.667%.

EQUALIZED VALUATION BASIS

2016 Equalized Valuation Basis of Real Property	\$ 7,460,307,716.00
2017 Equalized Valuation Basis of Real Property	7,637,736,943.00
2018 Equalized Valuation Basis of Real Property	<u>7,999,685,880.00</u>

Average Equalized Valuation	<u>\$ 7,699,243,513.00</u>
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BORROWING POWER UNDER N.J.S.A 40A:2-6 AS AMENDED

3 1/2% of Equalized Valuation Basis Municipal	\$ 269,473,522.96
Net Debt	<u>51,348,313.12</u>

Remaining Borrowing Power	<u>\$ 218,125,209.84</u>
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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, 2018 AND 2017

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:

<u>Year</u>	<u>General Capital</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 3,180,000.00	\$ 1,067,918.96	\$ 4,247,918.96
2020	3,250,000.00	966,625.34	4,216,625.34
2021	3,305,000.00	858,098.64	4,163,098.64
2022	3,420,000.00	756,564.69	4,176,564.69
2023	3,519,000.00	661,250.79	4,180,250.79
2024-2028	14,514,000.00	1,854,844.12	16,368,844.12
2029-2033	7,295,000.00	549,431.23	7,844,431.23
2034-2038	4,090,000.00	148,170.42	4,238,170.42
	<u>\$ 42,573,000.00</u>	<u>\$ 6,862,904.19</u>	<u>\$ 49,435,904.19</u>

<u>Year</u>	<u>Water Utility Capital</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,315,000.00	\$ 482,567.92	\$ 1,797,567.92
2020	1,045,000.00	427,004.38	1,472,004.38
2021	1,085,000.00	382,560.63	1,467,560.63
2022	1,110,000.00	337,330.42	1,447,330.42
2023	1,156,000.00	292,592.29	1,448,592.29
2024-2028	3,061,000.00	1,015,720.00	4,076,720.00
2029-2033	2,528,000.00	506,769.06	3,034,769.06
2034-2038	1,375,000.00	96,345.31	1,471,345.31
	<u>\$ 12,675,000.00</u>	<u>\$ 3,540,890.01</u>	<u>\$ 16,215,890.01</u>

TOWNSHIP OF MARLBORO
 MONMOUTH COUNTY, NEW JERSEY
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2018 AND 2017

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

Recreation and Swim Utility Capital				
<u>Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$	85,000.00	\$ 28,461.67	\$ 113,461.67
2020		75,000.00	25,145.00	100,145.00
2021		75,000.00	22,145.00	97,145.00
2022		80,000.00	19,270.00	99,270.00
2023		70,000.00	17,078.33	87,078.33
2024-2028		440,000.00	58,443.75	498,443.75
2029-2030		204,000.00	7,569.17	211,569.17
	\$	<u>1,029,000.00</u>	<u>\$ 178,112.92</u>	<u>\$ 1,207,112.92</u>

Green Trust Loan Payable - General Capital				
<u>Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>110,430.89</u>	<u>\$ 5,027.03</u>	<u>\$ 115,457.92</u>

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

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>
2019	\$ 704,930.09	\$ 160,853.76	\$ 865,783.85
2020	709,930.09	154,749.59	864,679.68
2021	719,930.09	148,312.09	868,242.18
2022	719,930.09	141,612.09	861,542.18
2023	729,930.09	134,370.43	864,300.52
2024-2028	3,754,650.45	567,385.45	4,322,035.90
2029-2033	3,436,586.34	421,258.05	3,857,844.39
2034-2038	2,108,033.65	297,562.50	2,405,596.15
2039-2043	2,223,033.65	177,400.00	2,400,433.65
2044-2045	929,214.05	27,455.83	956,669.88
	<u>\$ 16,036,168.59</u>	<u>\$ 2,230,959.79</u>	<u>\$ 18,267,128.38</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 matured on May 14, 2018. There were no bond anticipation notes outstanding at December 31, 2018.

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, 2018 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 173,585.54	\$ 10,546.64	\$ 184,132.18
2020	119,927.21	6,038.70	125,965.91
2021	65,534.78	2,351.80	67,886.58
	<u>\$ 359,047.53</u>	<u>\$ 18,937.14</u>	<u>\$ 377,984.67</u>

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

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, 2018. 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.

H. 2018 General Improvement Bonds

On April 24, 2018, the Township issued \$16,925,000.00 in General Obligation Bonds, Series 2018 consisting of \$14,010,000.00 General Improvement Bonds and \$2,915,000.00 Water Utility Bonds.

The \$14,010,000.00 General Improvement Bonds mature annually beginning May 1, 2019 through May 1, 2038 in amounts ranging from \$410,000.00 to \$820,000.00 at interest rates ranging from 3% to 5%.

The \$2,915,000.00 Water Utility Bonds mature annually beginning May 1, 2019 through May 1, 2038 in amounts ranging from \$140,000.00 to \$175,000.00 at interest rates ranging from 3% to 5%.

The Bonds of this issue maturing prior to May 1, 2026 are not subject to optional redemption prior to their stated maturities. The Bonds of this issue maturing on or after May 1, 2026 are redeemable at the option of the Township, in whole or in part, on any date on or after May 1, 2025 at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

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	
	2018	2017	2018	2017
Balance of tax	\$ 38,642,495.00	\$ 37,923,476.00	\$ 12,926,379.89	\$ 12,837,788.89
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>\$ 5,646,874.50</u>	<u>\$ 4,927,855.50</u>	<u>\$ (987,799.11)</u>	<u>\$ (1,076,390.11)</u>

NOTE 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2018 and 2017 were appropriated and included as anticipated revenue in their own respective funds for the "Fiscal Year" ended December 31, 2019 and 2018 as follows:

	2019	2018
Current fund	\$ 5,550,000.00	\$ 4,600,000.00
Recreation and Swim Utility fund	249,606.42	180,000.00
Water Utility fund	2,000,000.00	2,789,955.54

NOTE 6: 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.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
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YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 6: DEPOSITS AND INVESTMENTS (CONTINUED)

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 from the date of purchase. Investments are stated at fair value.

At December 31, 2018 and 2017, the book value of the cash and cash equivalents of the Township consisted of the following:

	Book Balance	
	2018	2017
Cash (Demand Accts.)	\$ 57,860,561.03	\$ 62,397,715.16
Change/Petty Cash Funds	<u>4,100.00</u>	<u>4,100.00</u>
Total	<u>\$ 57,864,661.03</u>	<u>\$ 62,401,815.16</u>

The Township had the following depository accounts with bank balances at December 31, 2018 and 2017 as follows:

	Bank Balance	
	2018	2017
Insured-FDIC	\$ 500,000.00	\$ 500,000.00
Insured-NJGUDPA (N.J.S.A. 17:941)	<u>62,295,630.00</u>	<u>61,238,573.00</u>
Total	<u>\$ 62,795,630.00</u>	<u>\$ 61,738,573.00</u>

At December 31, 2018, the Township had \$243,124 on deposit in payroll related accounts which were not covered under GUDPA.

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.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
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YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 6: DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 6: DEPOSITS AND INVESTMENTS (CONTINUED)

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 900 SRECs during 2018 under this Agreement. At December 31, 2018, the Township had minted 450 SRECs available for sale. The fair value of an SREC at December 31, 2018, as per the unit price published in the Flett Exchange was \$238 per SREC. Since the Township does not follow GAAP, the provisions of GASB Statement No. 72 were not followed and accordingly the fair value of the Township’s unsold SRECs at December 31, 2018 have not been recorded in these financial statements. The Township recorded \$188,910.00 in revenue from 2018 sales of SRECs in its Water Utility Operating Fund. The investments in SRECs have not been rated by a nationally recognized rating agency.

NOTE 7: 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.

NOTE 8: PENSION 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 7.50%.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 8: PENSION PLANS (Continued)

Public Employee's Retirement System (PERS)

At December 31, 2018 and 2017, the Township's liability for its proportionate share of the net pension liability was \$21,208,067.00 and \$23,829,629.00, respectively. The net pension liability was measured as of June 30, 2018 and 2017, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The Township's proportion of the net pension liability was based on 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, 2018, the Township's proportion was 0.1077125600 percent, which was an increase of 0.0053445807 from its proportion measured as of June 30, 2017.

At December 31, 2018, 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	\$ 3,494,738.00	\$ 6,781,212.00
Net differences between projected and actual earnings on pension plan investments		198,933.00
Changes in proportion	1,316,398.00	298,408.00
Differences between expected and actual experience	404,441.00	109,356.00
Township contributions subsequent to the measurement date	535,696.00	
	<u>\$ 5,751,273.00</u>	<u>\$ 7,387,909.00</u>

At December 31, 2017, 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	\$ 4,800,849.00	\$ 4,783,248.00
Net differences between projected and actual earnings on pension plan investments	162,264.00	
Changes in proportion	451,546.00	
Differences between expected and actual experience	561,106.00	445,876.00
Township contributions subsequent to the measurement date	474,165.00	
	<u>\$ 6,449,930.00</u>	<u>\$ 5,229,124.00</u>

\$535,696.00 and \$474,165.00 as of December 31, 2018 and 2017, respectively, are reflected above as deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 8: PENSION PLANS (Continued)

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:	
2019	\$ 301,061.00
2020	(3,217.00)
2021	(1,161,602.00)
2022	(1,020,835.00)
2023	(287,739.00)
	<u>(2,172,332.00)</u>

Actuarial Assumptions

The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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%

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, applied to all periods included in the measurement:

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%

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions the emerging liability may be higher or lower than anticipated. The more the expectation deviates, the larger the impact on future financial statements.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 8: PENSION PLANS (Continued)

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 Conduent 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. 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, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

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

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 8: PENSION PLANS (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. 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 3.87% as of June 30, 2018 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount 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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 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 5.00% 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.

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, 2018 calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66 percent) or 1-percentage-point higher (6.66 percent) than the current rate:

	At 1% Decrease (4.66%)	At Current Discount Rate (6.66%)	At 1% Increase (6.66%)
Township's proportionate share of the net pension liability	\$ 26,666,701	\$ 21,208,067	\$ 16,628,622

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 8: PENSION PLANS (Continued)

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

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, 2018 are as follows:

Collective deferred outflows of resources	\$ 4,684,852,302
Collective deferred inflows of resources	\$ 7,646,736,226
Collective net pension liability - Local Group	\$ 19,689,501,539

Township's Proportion 0.1077125600%

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%

Collective pension expense for the Local Group for the measurement period ended June 30, 2018 and June 30, 2017 were \$1,099,708,157 and \$1,694,315,613, respectively.

The average of the expected remaining service lives of all plan members (active and inactive employees) is 5.63 and 5.48 years for 2018 and 2017, respectively.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 8: PENSION PLANS (Continued)

Police and Firemen's Retirement System (PFRS)

At December 31, 2018 and 2017, the Township's liability for its proportionate share of the net pension liability was \$29,211,084.00 and \$32,779,007.00, respectively. The net pension liability was measured as of June 30, 2018 and 2017, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The Township's proportion of the net pension liability was based on 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, 2018, the Township's proportion was 0.2158723221 percent, which was a decrease of 0.0035464680 from its proportion measured as of June 30, 2017.

At December 31, 2018, 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	\$ 2,507,379.00	\$ 7,486,297.00
Differences between expected and actual experience	297,185.00	120,882.00
Net differences between projected and actual earnings on pension plan investments		159,811.00
Changes in proportion	759,009.00	1,960,162.00
Township contributions subsequent to the measurement date	1,055,235.00	
	<u>\$ 4,618,808.00</u>	<u>\$ 9,727,152.00</u>

At December 31, 2017, 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	\$ 4,042,017.00	\$ 5,368,243.00
Differences between expected and actual experience	212,651.00	192,386.00
Net differences between projected and actual earnings on pension plan investments	625,500.00	
Changes in proportion	492,231.00	2,701,677.00
Township contributions subsequent to the measurement date	939,561.00	
	<u>\$ 6,311,960.00</u>	<u>\$ 8,262,306.00</u>

\$1,055,235.00 and \$939,561.00 are reported as deferred outflows of resources as of December 31, 2018 and 2017, respectively, related to pensions resulting from Township contributions subsequent to the measurement date.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 8: PENSION PLANS (Continued)

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:	
2019	\$ (18,752)
2020	(1,090,489)
2021	(2,682,515)
2022	(1,935,430)
2023	(436,393)
	<u>\$ (6,163,579)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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%

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

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%

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.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 8: PENSION PLANS (Continued)

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Pre-Retirement mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the actuary's modified 2014 projection scale thereafter. For preretirement accident mortality, a custom table with representative rates was used and there is no mortality improvement assumed. Postretirement mortality rates for male service retirements are based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the actuary's modified 2014 projection scale thereafter. Postretirement mortality rates for female service retirements are based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale BB and the actuary's modified 2014 projection scales thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvement assumed.

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, 2018 are summarized in the following table:

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

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 8: PENSION PLANS (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.51% as of June 30, 2018. 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 3.87% as of June 30, 2018 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount 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 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, 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 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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, 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, 2018 calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.51 percent) or 1-percentage-point higher (7.51 percent) than the current rate:

	At 1% Decrease (5.51%)	At Current Discount Rate (6.51%)	At 1% Increase (7.51%)
Township's proportionate share of the net pension liability	\$ 39,095,411.00	\$ 29,211,084.00	\$ 21,058,315.00

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 8: PENSION PLANS (Continued)

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	\$ 43,189,041.00	\$ 32,779,007.00	\$ 24,225,980.00

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, 2018 are as follows:

Collective deferred outflows of resources	\$ 1,988,215,695
Collective deferred inflows of resources	\$ 4,286,994,294
Collective net pension liability - Local Group	\$ 15,369,699,278
 Township's Proportion	 0.2158723221%

Collective pension expense for the Local Group for the measurement period ended June 30, 2018 is \$1,270,762,352.

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 \$1,611,644,893.

The average of the expected remaining service lives of all plan members (active and retired) is 5.73 and 5.59 years for 2018 and 2017, respectively.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 8: PENSION 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, 2018 and 2017 is 0.2158723221% and 0.2123258541%, respectively, and the non-employer contributing entities' contribution for the years ended June 30, 2018 and 2017 were \$234,992 and \$183,592, respectively. The State's proportionate share of the net pension liability attributable to the Township for the years ended December 31, 2018 and 2017 was \$3,967,843 and \$3,671,525, respectively.

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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 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 2018.

Other:

KPMG LLP's report entitled "State of New Jersey State Health Benefits Local Government Retired Employees Plan – Schedule of Employer and Nonemployer Allocations and Schedule of OPEB Amounts by Employer and Nonemployer June 30, 2018" dated July 12, 2019 included certain amounts attributed to the Township in error, as confirmed by the State of New Jersey, Division of Pensions. Accordingly, those amounts have been omitted from this disclosure.

NOTE 10: 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, 2018. 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

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 10: RISK MANAGEMENT (Continued)

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 11: 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 \$2,796,968.62 and \$2,795,497.44 at December 31, 2018 and 2017, respectively. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

The Township has established a Reserve for Accumulated Absences in the Trust-Other Fund of \$495,919.00 and \$587,764.32 at December 31, 2018 and 2017, respectively.

NOTE 12: TAX APPEALS

At December 31, 2018, there are several tax appeals pending before the New Jersey Tax Court requesting a reduction of assessed valuation for 2018 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 13: 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, 2018, the Township does not believe that any material liabilities will result from such audits.

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 13: CONTINGENT LIABILITIES (Continued)

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 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 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, 2018 and 2017, the Township held \$5,340,238.29 and \$4,891,727.68, respectively, of funds in a reserve for the Council on Affordable Housing as reported in the Township's Trust-Other Fund.

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The Current Fund has an interfund payable of \$350,370.43 due to the Federal and State Grant Fund at December 31, 2018. The Federal and State Grant Fund has an offsetting interfund receivable of \$350,370.43 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.

**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, 2018

	<u>Reference</u>		
Balance, December 31, 2017	A	\$	39,498,319.92
Increased By Receipts:			
Non-Budget Revenues	A-2	\$	585,989.68
Due From State of New Jersey:			
Senior Citizens' and Veterans' Deductions	2-A		197,970.55
Taxes Receivable	3-A		144,886,453.51
Tax Title Liens	4-A		3,156.25
Revenue Accounts Receivable	7-A		5,896,230.61
2019 Prepaid Taxes	13-A		1,374,747.05
Due to Monmouth County - 5% Pilot	5-A		28,375.33
Due To State of New Jersey - Marriage			
License Fees	8-A		2,375.00
Various Reserves	9-A		1,108,505.77
Federal and State Grants Receivable	21-A		185,160.13
Tax Overpayments	14-A		92,564.30
Tax Sale Premiums Forfeited to Township	A-1		205,478.45
Encumbrances Refunded	12-A		<u>18,911.67</u>
			<u>154,585,918.30</u>
			194,084,238.22
Decreased By Disbursements:			
2018 Budget Appropriations	A-3		31,588,589.28
2017 Appropriations Reserves	10-A		1,385,770.10
Accounts Payable	11-A		95,124.79
County Taxes Payable	15-A		22,857,222.47
Local District School Tax	16-A		75,688,636.00
Regional High School Tax	17-A		32,860,188.00
Special District Taxes	18-A		3,002,268.00
Municipal Open Space Tax Payable	19-A		718,403.63
Due to Monmouth County - 5% Pilot	5-A		28,375.33
Due To State of New Jersey - Marriage			
License Fees	8-A		2,225.00
Various Reserves	9-A		1,121,378.83
Federal/State Grant Appropriations	20-A, 22-A		161,333.39
Federal/State Reserve for Encumbrances	20-A, 24-A		174,824.73
Tax Appeals - Refund of Prior Year Revenue	A-1		88,264.34
Tax Overpayments	14-A		<u>129,148.45</u>
			<u>169,901,752.34</u>
Balance, December 31, 2018	A	\$	<u><u>24,182,485.88</u></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, 2018

	<u>Reference</u>		
Balance, December 31, 2017	A	\$	(6,368.79)
Increased By:			
Senior Citizens' Deductions Per Tax Billing	Below	\$	28,750.00
Veterans' Deductions Per Tax Billing	Below		168,000.00
2018 Senior Citizens' Deductions, Veterans' and Disabled Deductions Allowed	Below		<u>6,500.00</u>
			<u>203,250.00</u>
			196,881.21
Decreased By:			
Cash Receipts	1-A	197,970.55	
Prior Year Senior Citizens' Deductions Disallowed	A-1, 3-A	4,432.19	
2018 Senior Citizens' Deductions Disallowed	Below	<u>3,753.42</u>	
			<u>206,156.16</u>
Balance, December 31, 2018	A	\$	<u><u>(9,274.95)</u></u>

Analysis of Senior Citizens, Veterans
and Disability Deductions Realized
as Revenues in FY 2018

Deductions Allowed Per Tax Billings	Above	\$	196,750.00
Plus:			
2018 Deductions Allowed by Collector	Above		6,500.00
Less:			
2018 Deductions Disallowed by Collector	Above		<u>(3,753.42)</u>
Amount Realized as Revenue - 2018	3-A	\$	<u><u>199,496.58</u></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, 2018

Year	Balance December 31, 2017	Levy	Collections		Senior Citizens' and Veterans' Deductions Allowed/ (Disallowed)	Remitted, Abated or Canceled	Transferred To Tax Title Liens	State / County Appeals	Balance December 31, 2018
			2017	2018					
2017	\$ 865,044.89	\$ 28,973.75		\$ 801,063.45	\$ (4,432.19)		\$ 66,352.77	\$ 31,034.61	
	865,044.89	28,973.75		801,063.45	(4,432.19)		66,352.77	31,034.61	
2018		163,571,305.01	\$ 18,184,156.99	144,085,390.06	199,496.58	\$ 5,630.33	65,818.52	2,042.82	\$ 1,028,769.71
	\$ 865,044.89	\$ 163,600,278.76	\$ 18,184,156.99	\$ 144,886,453.51	\$ 195,064.39	\$ 5,630.33	\$ 132,171.29	\$ 33,077.43	\$ 1,028,769.71
Reference	A	Below	13-A	A-2, 1-A	2-A, Below	3-A	4-A	3-A	A

Analysis of 2018 Property Tax Levy

Tax Yield:

General Purpose Tax	3-A	\$ 160,106,103.55	
Special District Tax	3-A	3,032,303.44	
Added and Omitted Tax	3-A	432,898.02	
Above			\$ 163,571,305.01

Tax Levy:

Local School Tax	16-A	\$ 76,407,655.00	
Regional High School Tax	17-A	32,948,779.00	
County Taxes:			
County Tax	15-A	18,967,609.39	
County Health Tax	15-A	376,346.33	22,792,904.50
County Library Tax	15-A	1,344,459.53	
County Open Space Tax	15-A	2,104,489.25	
Due County for Added and Omitted Taxes	15-A	60,384.04	
Special District Tax	18-A	3,002,268.00	
Municipal Open Space Tax	19-A	718,403.63	
	A-2		135,930,394.17
Tax for Municipal Purposes	A-2	27,237,653.55	
Additional Taxes Added		403,257.29	
			27,640,910.84
Above			\$ 163,571,305.01

Analysis of Current Year Tax Collections

2017 Cash Collections of 2018 Taxes	Above	\$ 18,184,156.99
Cash Collections of 2018 Taxes	Above	144,085,390.06
Veterans' and Senior Citizens' Deductions	2-A	199,496.58
		\$ 162,469,043.63

Reference A-2

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	A	\$ 600,362.97
Increased By:		
Transfers From Taxes Receivable	3-A	<u>132,171.29</u>
		732,534.26
Decreased By:		
Collections	A-2, 1-A	<u>3,156.25</u>
Balance, December 31, 2018	A	<u><u>\$ 729,378.01</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO MONMOUTH COUNTY - 5% PILOT

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	A	\$ -
Increased By:		
Cash Received	1-A	<u>28,375.33</u>
		28,375.33
Decreased By:		
Cash Disbursed	1-A	<u>28,375.33</u>
Balance, December 31, 2018	A	<u><u>\$ -</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, 2018

Reference

Balance, December 31, 2018 and 2017	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, 2018

	<u>Reference</u>	Balance December 31, <u>2017</u>	Accrued in <u>2018</u>	Realized in <u>2018</u>	Balance December 31, <u>2018</u>
Licenses:					
Other	A-2		\$ 71,203.00	\$ 71,203.00	
Fees and Permits	A-2		930,309.15	930,309.15	
Fines and Costs:					
Municipal Court	A-2	\$ 38,661.58	489,113.26	489,684.46	\$ 38,090.38
Interest and Costs on Taxes	A-2		194,270.54	194,270.54	
Interest on Investments and Deposits	A-2		738,008.15	738,008.15	
Cable Franchise Fees	A-2		224,144.15	224,144.15	
Cell Tower Rental	A-2		357,948.11	357,948.11	
Energy Receipts Tax	A-2		2,268,949.00	2,268,949.00	
Payments in Lieu of Taxes	A-2		539,131.19	539,131.19	
Uniform Fire Safety Act	A-2		82,582.86	82,582.86	
		<u>\$ 38,661.58</u>	<u>\$ 5,895,659.41</u>	<u>\$ 5,896,230.61</u>	<u>\$ 38,090.38</u>
<u>Reference</u>	A		7-A	1-A	A

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, 2018

	<u>Reference</u>	
Balance, December 31, 2017	A	\$ 400.00
Increased By:		
Cash Receipts	1-A	<u>2,375.00</u>
		2,775.00
Decreased By:		
Cash Disbursements	1-A	<u>2,225.00</u>
Balance, December 31, 2018	A	<u><u>\$ 550.00</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2018

<u>Description</u>	Balance December 31, <u>2017</u>	Increased <u>By</u>	Decreased <u>By</u>	Balance December 31, <u>2018</u>
Traffic Lights	\$ 4,725.00		\$ 4,000.00	\$ 725.00
Insurance	43,979.90	\$ 206,379.70	174,716.64	75,642.96
Third Party Liens		946,662.19	946,662.19	
Reserve for Liquor License	543,000.00			543,000.00
Reserve for FEMA	853,416.90			853,416.90
	<u>\$ 1,445,121.80</u>	<u>\$ 1,153,041.89</u>	<u>\$ 1,125,378.83</u>	<u>\$ 1,472,784.86</u>
	<u>A</u>	<u>Below</u>	<u>Below</u>	<u>A</u>
Detail:				
General Cash Receipts	1-A	\$ 1,108,505.77		
Transfer from Encumbrances	12-A	44,536.12		
	Above	<u>\$ 1,153,041.89</u>		
Cash Disbursed	1-A		\$ 1,121,378.83	
Encumbrances Payable	12-A		4,000.00	
	Above		<u>\$ 1,125,378.83</u>	

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2017 APPROPRIATION RESERVES

Year ended December 31, 2018

	Balance December 31, 2017		Balance After Transfers	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ 19,679.36		\$ 19,679.36	\$ 1,728.15	\$ 17,951.21
Other Expenses	4,090.75	\$ 29,521.69	33,612.44	13,992.87	19,619.57
Office of the Mayor:					
Salaries and Wages	1,052.88		1,052.88		1,052.88
Other Expenses	1,015.62	564.14	1,579.76	130.80	1,448.96
Ethics Commission:					
Other Expenses	45.75	1,672.75	1,718.50	638.00	1,080.50
Open Space Committee:					
Other Expenses	1,223.00	48.00	1,271.00		1,271.00
Township Council:					
Salaries and Wages	116.76		116.76		116.76
Other Expenses	305.00		305.00		305.00
Municipal Clerk:					
Salaries and Wages	5,110.24		5,110.24	1,624.65	3,485.59
Other Expenses	6,621.86	15,051.20	21,673.06	4,179.30	17,493.76
Financial Administration (Treasury):					
Salaries and Wages	10,954.50		10,954.50		10,954.50
Other Expenses	1,362.90	880.58	2,243.48	508.12	1,735.36
Audit Services:					
Other Expenses	2,200.00		2,200.00		2,200.00
Central Computer Services:					
Salaries and Wages	10,180.36		10,180.36		10,180.36
Other Expenses	4,126.79	28,605.88	32,732.67	23,109.87	9,622.80
Revenue Administration (Tax Collection):					
Salaries and Wages	23,146.29		23,146.29		23,146.29
Other Expenses	11,821.98	8,767.10	20,589.08	2,498.08	18,091.00
Tax Assessment Administration:					
Salaries and Wages	19,786.58		19,786.58		19,786.58
Other Expenses	22,225.00	34,810.61	57,035.61	5,069.68	51,965.93
Legal Services (Legal Department):					
Other Expenses	10,390.50	230,838.73	241,229.23	14,415.69	226,813.54
Engineering Services:					
Salaries and Wages	9,489.25		9,489.25	6,478.41	3,010.84
Other Expenses	2,832.99	8,965.00	11,797.99	8,715.00	3,082.99
Economic Development:					
Other Expenses	8,428.13	138.00	8,566.13		8,566.13
Cable Studio:					
Other Expenses	6,923.96	8,167.53	15,091.49	8,024.27	7,067.22
Intergovernmental Relations:					
Other Expenses	1,458.70	500.00	1,958.70		1,958.70
Historic Sites Commission:					
Other Expenses	9,025.00		9,025.00		9,025.00
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	5,141.45		5,141.45	1,382.12	3,759.33
Other Expenses	20,633.34	4,219.45	24,852.79	580.50	24,272.29
Planning Board Contractual:					
Other Expenses		25,003.00	25,003.00	10,591.25	14,411.75
Zoning Board:					
Salaries and Wages	23,802.48		23,802.48	4,097.68	19,704.80
Other Expenses	4,997.63	11,667.65	16,665.28	4,911.75	11,753.53
INSURANCE					
General Liability	1,461.66	60,000.00	181,461.66	158,997.00	22,464.66
Workers Compensation	184.18		184.18		184.18
Employee Group Health	283,324.64	39,564.75	182,889.39	11,359.49	171,529.90
Health Insurance Waivers	9,244.74		9,244.74		9,244.74
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	315,742.32		204,742.32	71,965.48	132,776.84
Other Expenses	49,474.85	140,126.57	189,601.42	111,172.11	78,429.31
Office of Emergency Management:					
Salaries and Wages	3,999.92		3,999.92		3,999.92
Other Expenses	8,994.04	570.00	9,564.04	190.00	9,374.04
Uniform Fire Safety Act (P.L. 1983, Ch. 383):					
Salaries and Wages	1,344.24		1,344.24	1,333.04	11.20
Other Expenses	8,795.41	3,283.35	12,078.76	2,224.05	9,854.71
Municipal Prosecutor:					
Salaries and Wages	1,212.00		1,212.00		1,212.00
Other Expenses		3,500.00	3,500.00	3,500.00	

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

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CURRENT FUND

SCHEDULE OF 2017 APPROPRIATION RESERVES

Year ended December 31, 2018

	Balance December 31, 2017		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			\$ 5,000.00	\$ 4,528.38	\$ 471.62
Other Expenses	\$ 62,355.28	\$ 5,081.15	67,436.43	2,680.69	64,755.74
Snow Removal:					
Salaries and Wages	157,875.84		157,875.84	155,000.00	2,875.84
Other Expenses	159.51	403,913.90	469,073.41	429,710.98	39,362.43
Other Public Works Functions:					
Salaries and Wages	6,167.93		6,167.93		6,167.93
Other Expenses	2,016.50	574.28	2,590.78	90.81	2,499.97
Shade Tree Commission:					
Other Expenses	116.14	325.73	441.87		441.87
Solid Waste Collection:					
Salaries and Wages	4,407.51		4,407.51		4,407.51
Other Expenses	15,260.03	80,701.05	95,961.08	15,230.00	80,731.08
Buildings and Grounds:					
Salaries and Wages	33,132.15		33,132.15		33,132.15
Other Expenses	7,236.27	38,926.26	46,162.53	22,789.64	23,372.89
Vehicle Maintenance:					
Salaries and Wages			5,000.00	2,890.16	2,109.84
Other Expenses	143.76	32,754.96	33,898.72	25,624.01	8,274.71
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					
Other Expenses	407.93		407.93		407.93
Drug Abuse Control:					
Salaries and Wages	12,480.46		12,480.46		12,480.46
Other Expenses	1,667.79	2,099.87	3,767.66	4.28	3,763.38
Environmental Health Services:					
Salaries and Wages	2,000.00		2,000.00		2,000.00
Other Expenses	971.00		971.00		971.00
PARK AND RECREATION					
Recreation Services and Programs:					
Salaries and Wages	3,598.51		3,598.51	2,604.68	993.83
Other Expenses	37,072.95	27,415.91	64,488.86	15,867.88	48,620.98
TEEN PROGRAM					
Other Expenses	888.83	170.73	1,059.56	119.25	940.31
Maintenance of Parks:					
Salaries and Wages			5,000.00	1,891.80	3,108.20
Other Expenses	5,533.78	20,887.90	26,421.68	4,064.61	22,357.07
Municipal Library:					
Other Expenses	171.28		171.28		171.28
Municipal Court:					
Salaries and Wages	55,810.57		55,810.57	543.86	55,266.71
Other Expenses	379.32	16,005.80	16,385.12	8,153.66	8,231.46
Public Defender:					
Salaries and Wages	363.60		363.60		363.60
Other Expenses	2,250.00		2,250.00		2,250.00
UNCLASSIFIED					
Accumulated Leave Compensation	1,000.00		50,000.00	50,000.00	
Postage	5,124.60		5,124.60		5,124.60
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	85,893.71	30,194.91	116,088.62	23,309.94	92,778.68
Street Lighting	26,759.35	160,023.03	186,782.38	66,388.39	120,393.99
Telephone (excluding equipment acquisition)	18,609.34	18,415.04	37,024.38	155.95	36,868.43
Water	2,691.67	6,567.55	9,259.22	3,026.75	6,232.47
Gas (natural or propane)		11,462.81	12,462.81	11,137.57	1,325.24
Sewerage Processing and Disposal	267.08	284.92	552.00		552.00
Gasoline	60,841.92	63,044.42	123,886.34	47,289.00	76,597.34
Landfill/Solid Waste Disposal Costs	31,757.61	21,843.25	53,600.86	5,285.58	48,315.28
Contingent	10,000.00		10,000.00		10,000.00

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

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CURRENT FUND

SCHEDULE OF 2017 APPROPRIATION RESERVES

Year ended December 31, 2018

	Balance December 31, 2017		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	\$ 20,240.10	\$ 48,885.10	\$ 69,125.20	\$ 48,885.10	\$ 20,240.10
STATUTORY EXPENDITURES					
Contribution To:					
Social Security System (O.A.S.I.)	48,084.58		48,084.58		48,084.58
Public Employees Retirement System	2,841.00		2,841.00		50,308.76
Police and Firemen Retirement System	50,308.76		50,308.76		2,841.00
Defined Contribution Retirement Program	657.32		657.32		657.32
Police Dispatch/911:					
Salaries and Wages	39,808.96		39,808.96	16,471.20	23,337.76
Other Expenses	68,262.39	38,057.49	106,319.88	36,118.01	70,201.87
SFSP Fire District Payments:					
Other Expenses	270.00		270.00		270.00
	<u>\$ 1,916,529.47</u>	<u>\$ 1,684,102.04</u>	<u>\$ 3,600,631.51</u>	<u>\$ 1,571,956.63</u>	<u>\$ 2,028,674.88</u>
<u>Reference</u>	A	12-A		Below	A-1
Cash Disbursed	1-A			\$ 1,385,770.10	
Transferred to Accounts Payable	11-A			<u>186,186.53</u>	
	Above			<u>\$ 1,571,956.63</u>	

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	A	\$ 485,055.05
Increased By:		
Transfer From Appropriation Reserves	10-A	<u>186,186.53</u>
		671,241.58
Decreased By:		
Cash Disbursements	1-A	<u>95,124.79</u>
Balance, December 31, 2018	A	<u><u>\$ 576,116.79</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

Year ended December 31, 2018

	<u>Reference</u>		
Balance, December 31, 2017	A	\$	1,902,599.35
Increased By:			
2018 Budget Appropriations	A-3	\$	1,734,017.77
Transfer from Various Reserves	9-A		4,000.00
Refunds of Prior Years Revenue	1-A		18,911.67
			<u>1,756,929.44</u>
			3,659,528.79
Decreased By:			
Transfer to Appropriation Reserves	10-A		1,684,102.04
Transfer to Various Reserves	9-A		44,536.12
			<u>1,728,638.16</u>
Balance, December 31, 2018	A	\$	<u><u>1,930,890.63</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF PREPAID TAXES

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	A	\$ 18,184,156.99
Increased By:		
Cash Receipts:		
Collection of 2019 Taxes	1-A	<u>1,374,747.05</u>
		19,558,904.04
Decreased By:		
Amount Applied to 2018 Taxes		
Receivable	3-A	<u>18,184,156.99</u>
Balance, December 31, 2018	A	<u><u>\$ 1,374,747.05</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	A	\$ 37,264.44
Increased By:		
Cash Receipts	1-A	<u>92,564.30</u>
		129,828.74
Decreased By:		
Cash Disbursements	1-A	<u>129,148.45</u>
Balance, December 31, 2018	A	<u><u>\$ 680.29</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

Year ended December 31, 2018

	<u>Reference</u>		
Balance, December 31, 2017	A	\$	64,317.97
Increased By:			
2018 Tax Levy:			
County Tax	3-A	\$	18,967,609.39
County Library Tax	3-A		1,344,459.53
County Health Tax	3-A		376,346.33
County Open Space Fund Tax	3-A		2,104,489.25
Due To County for Added and Omitted Taxes	3-A		<u>60,384.04</u>
	A-1		<u>22,853,288.54</u>
			22,917,606.51
Decreased By:			
Cash Disbursements	1-A		<u>22,857,222.47</u>
Balance, December 31, 2018	A	\$	<u><u>60,384.04</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Year ended December 31, 2018

	<u>Reference</u>		
Balance, December 31, 2017			
School Tax Payable	A	\$ 4,927,855.50	
School Tax Deferred	16-A	<u>32,995,620.50</u>	
			\$ 37,923,476.00
Increased By:			
Levy (School Year July 1, 2018 to June 30, 2019)	3-A		<u>76,407,655.00</u>
			114,331,131.00
Decreased By:			
Cash Disbursements	1-A		<u>75,688,636.00</u>
Balance, December 31, 2018			
School Tax Payable	A	\$ 5,646,874.50	
School Tax Deferred	16-A	<u>32,995,620.50</u>	
			<u>\$ 38,642,495.00</u>
 <u>2018 Liability for Local District School Tax</u>			
Tax Payable, December 31, 2018	A	\$ 5,646,874.50	
Tax Paid	Above	<u>75,688,636.00</u>	
Less:			81,335,510.50
Tax Payable, December 31, 2017		<u>4,927,855.50</u>	
Amount Charged To 2018 Operations	A-1		<u>\$ 76,407,655.00</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REGIONAL HIGH SCHOOL TAX RECEIVABLE

Year ended December 31, 2018

	<u>Reference</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>	
			\$ 12,837,788.89
Increased By:			
Levy (School Year July 1, 2018 to June 30, 2019)	3-A		<u>32,948,779.00</u>
			45,786,567.89
Decreased By:			
Cash Disbursements	1-A		<u>32,860,188.00</u>
Balance, December 31, 2018			
Due from Regional High School	A	(987,799.11)	
School Tax Deferred	17-A	<u>13,914,179.00</u>	
			<u>\$ 12,926,379.89</u>
<u>2018 Liability for Regional High School Tax</u>			
Tax Payable/(Receivable), December 31, 2018	A	\$ (987,799.11)	
Tax Paid	1-A	<u>32,860,188.00</u>	
			31,872,388.89
Less:			
Tax Payable/(Receivable), December 31, 2017	A	<u>(1,076,390.11)</u>	
Amount Charged To 2018 Operations	A-1	<u>\$ 32,948,779.00</u>	
Changes in Regional High School Taxes Receivable:			
Tax Payable/(Receivable), December 31, 2018	A	\$ (987,799.11)	
Tax Payable/(Receivable), December 31, 2017	A	<u>(1,076,390.11)</u>	
Decrease in Tax Receivable - Credit to Operations	A-1	<u>\$ 88,591.00</u>	

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF SPECIAL DISTRICT TAX

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	A	\$ -
Increased By:		
Fire Districts Levy	A-1 , 3-A	<u>3,002,268.00</u>
		3,002,268.00
Decreased By:		
Cash Disbursed	1-A	<u>3,002,268.00</u>
Balance, December 31, 2018	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, 2018

	<u>Reference</u>	
Balance, December 31, 2017	A	\$ -
Increased By:		
Municipal Open Space Levy	A-1 , 3-A	<u>718,403.63</u>
		718,403.63
Decreased By:		
Cash Disbursed	1-A	<u>718,403.63</u>
Balance, December 31, 2018	A	<u><u>\$ -</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, 2018

	<u>Reference</u>		
Balance, December 31, 2017	A		\$ 500,112.09
Increased By:			
Deposited in Current Fund:			
Grants Receivable	21-A	\$ 185,160.13	
Grant Receivable Cancelled	21-A	19,203.59	
2018 Budget Appropriations	A-3,22-A	<u>211,366.61</u>	
			<u>415,730.33</u>
			915,842.42
Decreased By:			
Disbursed By Current Fund:			
Appropriated Grant Reserves	1-A, 22-A	161,333.39	
Reserve for Encumbrances	1-A,24-A	174,824.73	
Reserve for Grants Appropriated Cancelled	A-1, 22-A	17,947.26	
Transfer from Unappropriated Reserve	22-A	38,199.31	
2018 Anticipated Revenue	A-2, 21-A	<u>173,167.30</u>	
			<u>565,471.99</u>
Balance, December 31, 2018	A		<u><u>\$ 350,370.43</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

Year ended December 31, 2018

	Balance December 31, <u>2017</u>	Increased By Revenue Realized <u>2018</u>	Decreased by Cash Receipts	Cancelled	Balance December 31, <u>2018</u>
State Assistance:					
2018 Highway Traffic Safety Grant		\$ 19,975.51			\$ 19,975.51
HDSRF - DiMeo Property	\$ 11,068.00				11,068.00
2017 NJDEP Green Communities Grant	3,000.00		\$ 1,932.95	\$ 1,067.05	
2018 Clean Communities Grant		86,413.79	86,413.79		
2017 Municipal Drug Alliance	45,219.00		45,219.00		
2019 Municipal Drug Alliance		53,578.00	8,603.36		44,974.64
2017 NJ Highway Safety/ Safe Corridors Grant	21,457.68		21,457.68		
Statewide Distracted Driver Grant		6,600.00	6,600.00		
Federal Assistance:					
2015 Highway Safety Grant	1,994.26		1,994.26		
2018 Drive Sober or Get Pulled Over		6,600.00			6,600.00
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	174.85			174.85	
2017 Federal Body Armor Grant	7,986.36		7,439.09		547.27
	<u>\$ 114,361.84</u>	<u>\$ 173,167.30</u>	<u>\$ 185,160.13</u>	<u>\$ 19,203.59</u>	<u>\$ 83,165.42</u>
<u>Reference</u>	A	A-2, 20-A	I-A, 20-A	A-1, 20-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, 2018

<u>Grant</u>	<u>Balance</u> <u>December 31,</u> <u>2017</u>	<u>Transferred</u> <u>From Unappropriated</u> <u>Reserves</u>	<u>Appropriated By</u> <u>40A:4-87</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Prior Year</u> <u>Encumbrance</u> <u>Canceled</u>	<u>Balance</u> <u>December 31,</u> <u>2018</u>
State Assistance:							
2012 Alcohol Rehabilitation Grant	\$ 1,780.78			\$ 1,200.00			\$ 580.78
2014 Alcohol Rehabilitation Grant	3,689.28						3,689.28
2015 Clean Communities Program						\$ 3,203.92	3,203.92
2016 Clean Communities Program	47,896.66			47,038.54			858.12
2017 Clean Communities Program	90,256.42			46,822.40			43,434.02
2018 Clean Communities Program			\$ 86,413.79				86,413.79
2017 Green Communities Program	3,000.00			1,932.95	\$ 1,067.05		
2013 Drunk Driving Enforcement Fund	1,018.88				1,018.88		
2014 Drunk Driving Enforcement Fund	10,244.47			1,545.19	8,699.28		
HDSRF - DiMeo Property	11,068.00						11,068.00
2014 Municipal Drug Alliance: Cash Match	1,500.00				1,500.00		
2017 Municipal Drug Alliance:	28,701.00			28,495.20			205.80
2018 Municipal Drug Alliance			53,578.00	33,900.36			19,677.64
2016 Municipal Drug Alliance: Cash Match	16,713.59			226.96			16,486.63
2014 Hazardous Discharge Site Remediation	20,241.16			5,718.50			14,522.66
2013 Recycling Tonnage Grant	4,000.00			3,124.30			875.70
2015 Recycling Tonnage Grant	54,833.00			37,292.44			17,540.56
2016 Recycling Tonnage Grant	43,315.91			20.00			43,295.91
2017 Recycling Tonnage Grant	34,807.62						34,807.62
2018 Recycling Tonnage Grant		\$ 38,199.31		18,195.01			20,004.30
2017 Bulletproof Vest Partnership	7,986.36			7,843.06	143.30		
2017 Body Armor Grant	6,204.50			3,137.23			3,067.27
Federal Assistance:							
2018 Highway Safety Grant			19,975.51	19,814.50			161.01
Green Team Grant	1,289.59						1,289.59
2017 Drive Sober or Get Pulled Over (EOY)	4,180.00			4,180.00			
2018 Drive Sober or Get Pulled Over			6,600.00	1,540.00			5,060.00
2018 Distracted Driving			6,600.00	6,600.00			
2016 Federal Body Armor Grant	0.01				0.01		
Drunk Driving Prevention Incentive Grant	5,518.74				5,518.74		
	<u>\$ 398,245.97</u>	<u>\$ 38,199.31</u>	<u>\$ 173,167.30</u>	<u>\$ 268,626.64</u>	<u>\$ 17,947.26</u>	<u>\$ 3,203.92</u>	<u>\$ 326,242.60</u>
<u>Reference</u>	A	A-3, 20-A, 23-A	A-3, 20-A	Below	A-1, 20-A	24-A	A
Cash Disbursed	1-A, 20-A			\$ 161,333.39			
Encumbrances	24-A			107,293.25			
	Above			<u>\$ 268,626.64</u>			

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	A	\$ 38,199.31
Decreased By:		
Transfer to Grants Reserves - Appropriated	22-A	<u>38,199.31</u>
Balance, December 31, 2018	A	<u><u>\$ -</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, 2018

	<u>Reference</u>		
Balance, December 31, 2017	A	\$	178,028.65
Increased By:			
Appropriated Reserves Charged	22-A		<u>107,293.25</u>
			285,321.90
Decreased By:			
Cancelled	22-A	\$	3,203.92
Disbursed by Current Fund	1-A,20-A		<u>174,824.73</u>
			<u>178,028.65</u>
Balance, December 31, 2018	A	\$	<u><u>107,293.25</u></u>

TRUST FUND

SCHEDULES

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF TRUST FUND CASH

Year ended December 31, 2018

	<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, 2017	B	\$ 75,535.12	\$ 2,596,141.22	\$ 12,980,540.43	\$ 4,264,212.80
Increased By Receipts:					
Due To:					
State of New Jersey	3-B	4,311.60			
Open Space Tax Levy	5-B				718,403.63
Interest Earned	5-B				48,397.84
License Fees Collected	6-B	103,271.41			
Deposits	7-B		801,110.70		
DCA Training Fees	2-B			119,778.00	
Various Reserves	4-B, 5-B			7,236,622.28	4,380.00
		<u>107,583.01</u>	<u>801,110.70</u>	<u>7,356,400.28</u>	<u>771,181.47</u>
		<u>183,118.13</u>	<u>3,397,251.92</u>	<u>20,336,940.71</u>	<u>5,035,394.27</u>
Decreased By Disbursements:					
Due To:					
State of New Jersey	3-B	4,311.60			
Animal Control Trust Fund					
Expenditures	6-B	84,567.18			
Reserve for:					
Encumbrances	8-B, 9-B, 10-B, 11-B	15,586.04	259,584.81	796,669.01	5,550.04
Open Space	5-B				609,978.97
Deposits	7-B		1,083,974.03		
DCA Training Fees	2-B			105,077.00	
Various Reserves	4-B			6,702,858.95	
		<u>104,464.82</u>	<u>1,343,558.84</u>	<u>7,604,604.96</u>	<u>615,529.01</u>
Balance, December 31, 2018	B	<u>\$ 78,653.31</u>	<u>\$ 2,053,693.08</u>	<u>\$ 12,732,335.75</u>	<u>\$ 4,419,865.26</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, 2018

	<u>Reference</u>	
Balance, December 31, 2017	B	\$ 2,070.00
Increased By:		
Cash Receipts	1-B	<u>119,778.00</u>
		121,848.00
Decreased By:		
Cash Disbursements	1-B	<u>105,077.00</u>
Balance, December 31, 2018	B	<u><u>\$ 16,771.00</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, 2018

	<u>Reference</u>	
Balance, December 31, 2017	B	\$ 4.80
Increased By:		
Cash Receipts	1-B	<u>4,311.60</u>
		4,316.40
Decreased By:		
Cash Disbursements	1-B	<u>4,311.60</u>
Balance, December 31, 2018	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, 2018

	Balance December 31, <u>2017</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2018</u>
Performance Bonds	\$ 31,364.64			\$ 31,364.64
Road Opening Deposits	508,222.85	\$ 7,000.00	\$ 500.00	514,722.85
Stormwater Management	270,833.79	46,434.49	149,468.17	167,800.11
Public Defender	2,550.10	2,094.50	1,000.00	3,644.60
Parking Offenses Adjudication Act	5,200.00	170.00		5,370.00
Fire Safety - Dedicated Penalties	-	-	-	-
Fire Safety	47,169.49	14,533.00	34,912.17	26,790.32
Law Enforcement	19,444.69	4,899.11		24,343.80
Mount Laurel - Affordable Housing	4,891,727.68	554,098.22	105,587.61	5,340,238.29
Police Evidence	77.90			77.90
Uniform Construction Code	684,160.60	2,189,114.00	1,820,314.07	1,052,960.53
Marlboro Knolls	2,575.24			2,575.24
Tax Sale Premiums	1,252,278.45	165,400.00	1,129,078.45	288,600.00
Storm Recovery Trust	813,156.74	250,000.00	169,376.86	893,779.88
Unclaimed Monies	5,666.19	2,973.00		8,639.19
Tree Bank	245,058.90	45,960.00	13,901.96	277,116.94
Bid Deposits	2,561.70	2,807,040.00	2,807,040.00	2,561.70
Court Bail Refund	2,737.00			2,737.00
Insurance Reimbursement	75,633.40	66,119.00		141,752.40
Unemployment	111,282.07	34,380.91	11,914.41	133,748.57
Off-Duty Police	108,409.51	805,469.24	849,601.96	64,276.79
911 Memorial	5,000.00		1,793.55	3,206.45
Water Escrow	151,360.13			151,360.13
Transportation Escrow	67,939.56			67,939.56
Law Enforcement Trust II	389,542.22	163,436.81	256,847.73	296,131.30
Recreation Donations	2,776.16			2,776.16
Accumulated Absences	587,764.32	50,000.00	141,845.32	495,919.00
COAH Special Master	2,675.00	27,500.00	9,525.00	20,650.00
Third Party Liens	22,035.86			22,035.86
	<u>\$ 10,309,204.19</u>	<u>\$ 7,236,622.28</u>	<u>\$ 7,502,707.26</u>	<u>\$ 10,043,119.21</u>
<u>Reference</u>	B	1-B	Below	B
Cash Disbursed	1-B		\$ 6,702,858.95	
Reserve for Encumbrances Payable	10-B		<u>799,848.31</u>	
Above			<u>\$ 7,502,707.26</u>	

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

OPEN SPACE TRUST FUND

SCHEDULE OF RESERVE FOR OPEN SPACE

Year ended December 31, 2018

	<u>Reference</u>		
Balance, December 31, 2017	B		\$ 4,250,833.19
Increased By:			
Interest Earned	1-B	\$ 48,397.84	
Community Gardens Cash Receipts	1-B	4,380.00	
Open Space Tax Levy	3-A, 1-B	<u>718,403.63</u>	
			<u>771,181.47</u>
			5,022,014.66
Decreased By:			
Cash Disbursed:			
Payment of Bond Principal	1-B,7-C	289,200.00	
Payment of Interest on Bonds	1-B	253,592.33	
Open Space Purchases	1-B	67,186.64	
Encumbrances	8-B	<u>3,873.74</u>	
			<u>613,852.71</u>
Balance, December 31, 2018	B		<u><u>\$ 4,408,161.95</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, 2018

	<u>Reference</u>		
Balance, December 31, 2017	B		\$ 59,869.88
Increased By:			
Dog License Fees Collected		\$ 32,710.40	
Cat License Fees Collected		1,318.70	
Other Fees		4,042.40	
Interlocal Agreement With Matawan		19,410.33	
Current Fund Budget Appropriation	A-3	45,789.58	
	1-B		103,271.41
			<u>163,141.29</u>
Decreased By:			
Expenditures Under R.S. 4:19-15.11	1-B	84,567.18	
Encumbrances	11-B	9,705.37	
			<u>94,272.55</u>
Balance, December 31, 2018	B		<u><u>\$ 68,868.74</u></u>

License Fees Collected:

2017 Fees	\$ 33,716.80
2016 Fees	<u>36,558.50</u>
	<u><u>\$ 70,275.30</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

ESCROW DEPOSIT TRUST FUND

SCHEDULE OF RESERVE FOR DEPOSITS

Year ended December 31, 2018

	<u>Reference</u>		
Balance, December 31, 2017	B		\$ 2,336,556.41
Increased By:			
Cash Receipts	1-B		<u>801,110.70</u>
			3,137,667.11
Decreased By:			
Cash Disbursements	1-B	\$ 1,083,974.03	
Encumbrances	9-B	<u>35,511.02</u>	<u>1,119,485.05</u>
Balance, December 31, 2018	B		<u><u>\$ 2,018,182.06</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

OPEN SPACE TRUST FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	B	\$ 13,379.61
Increased By:		
Reserve for Open Space Charged	5-B	<u>3,873.74</u>
		17,253.35
Decreased By:		
Cash Disbursements	1-B	<u>5,550.04</u>
Balance, December 31, 2018	B	<u>\$ 11,703.31</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

ESCROW DEPOSIT TRUST FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	B	\$ 259,584.81
Increased By:		
Reserve for Escrow Deposit Charged	7-B	<u>35,511.02</u>
		295,095.83
Decreased By:		
Cash Disbursements	1-B	<u>259,584.81</u>
Balance, December 31, 2018	B	<u><u>\$ 35,511.02</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	B	\$ 2,669,266.24
Increased By:		
Various Reserves Charged	4-B	<u>799,848.31</u>
		3,469,114.55
Decreased By:		
Cash Disbursements	1-B	<u>796,669.01</u>
Balance, December 31, 2018	B	<u><u>\$ 2,672,445.54</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	B	\$ 15,660.44
Increased By:		
Reserve for Animal Control Charged	6-B	<u>9,705.37</u>
		25,365.81
Decreased By:		
Cash Disbursements	1-B	<u>15,586.04</u>
Balance, December 31, 2018	B	<u><u>\$ 9,779.77</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, 2018

	<u>Reference</u>		
Balance, December 31, 2017	C		\$ 10,310,192.52
Increased By:			
Due from NJ DOT	3-C	\$ 140,748.27	
Capital Improvement Fund	10-C	375,000.00	
Reimbursement of Expenditures	9-C	264,619.33	
Various Reserves	11-C	499,086.46	
Proceeds from Bond Issuance	7-C	14,010,000.00	
Other Accounts Receivable	13-C	<u>162,766.00</u>	
			<u>15,452,220.06</u>
			25,762,412.58
Decreased By:			
Reserve for Encumbrances	15-C	1,706,851.47	
Bond Anticipation Notes Paid	14-C	13,600,000.00	
Improvement Authorizations	9-C	3,770,068.50	
Various Reserves	11-C	<u>111,991.52</u>	
			<u>19,188,911.49</u>
Balance, December 31, 2018	C		<u>\$ 6,573,501.09</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH

December 31, 2018 and 2017

		Balance December 31, 2018	Balance December 31, 2017
Fund Balance		\$ 514,216.69	\$ 613,347.27
Various Reserves		818,005.54	430,910.60
Due From New Jersey Department of Transportation		(669,251.73)	(460,000.00)
Due From New Jersey Department of Agriculture		(1,000,000.00)	(1,000,000.00)
Due From New Jersey Department of Environmental Protection - Green Acres		(925,162.55)	(730,685.53)
Due From Monmouth County		(395,000.00)	(145,000.00)
Other Accounts Receivable		(190,000.00)	(170,000.00)
Capital Improvement Fund		26,536.00	43,877.00
Reserve for Encumbrances		3,319,682.52	1,804,231.72
	Subtotal	1,499,026.47	386,681.06
Ordinance <u>Date/Number</u>	<u>Improvement Description</u>		
02-21	Various Improvements	5,779.60	5,779.60
04-01	Hawkins Park		59,765.00
04-23	Bolling Hills		2,261.13
05-19	Computer Operated Signs	44,469.22	44,469.22
05-36	Various Improvements	85,910.91	86,660.91
06-19	Various Improvements	18,905.20	45,945.20
07-12	Various Capital Improvements	86.83	792.68
11-02	Various Capital Improvements	119,046.25	119,046.25
11-04	Acquisition of Land	(275,763.22)	(254,763.22)
12-08	Various Capital Improvements	39,554.73	245,265.12
12-11	Various Capital Improvements	5,167,309.55	5,167,309.55
12-12	Various Capital Improvements	234,604.52	236,614.52
12-13	Various Capital Improvements	1,456,000.00	1,456,000.00
13-08	Various Capital Improvements	264,939.07	758,638.42
14-03	Various Capital Improvements	139,388.71	158,588.71
14-13	Taylor Road Drainage Improvements	251,767.18	
14-22	Leach Fields-Hamilton Park	716,480.00	720,000.00
15-02	Various Capital Improvements	404,293.19	463,323.23
15-09	Nolan Road Park	145,000.00	145,000.00
15-15	Acquisition of Emergency Generator		1,000.00
16-02	Various Capital Improvements	310,021.24	155,440.82
16-05	Acquisition of Police Cars	2,153.64	2,153.64
16-07	Improvements to Greenwood Road		220,000.00
16-12	Acquisition of Open Space	(270,028.83)	43,598.66
17-02	Various Capital Improvements	99,913.56	9,638.02
17-04	Acquisition of Police Vehicles		7,234.00
17-10	Improvement to Intersection of Route 520/3	23,750.00	23,750.00
18-01	Various Capital Improvements	(4,526,584.75)	
18-03	Acquisition of Police Cars	1,931.00	
18-04	Improvements to H&L Fields	15,547.02	
18-07	Acquisition of Open Space	250,000.00	
18-11	NJDOT 2018 Road Program	350,000.00	
		\$ 6,573,501.09	\$ 10,310,192.52

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, 2018

	<u>Reference</u>	
Balance, December 31, 2017	C	\$ 460,000.00
Increased By:		
2018 Award (Ordinance 18-11)	9-C	<u>350,000.00</u>
		810,000.00
Decreased By:		
Cash Receipts	1-C	<u>140,748.27</u>
Balance, December 31, 2018	C	<u><u>\$ 669,251.73</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, 2018

	<u>Reference</u>	
Balance, December 31, 2017	C	\$ 730,685.53
Increased By:		
Grant Award - (Ordinance 18-04)	9-C	<u>194,477.02</u>
Balance, December 31, 2018	C	<u><u>\$ 925,162.55</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, 2018

	<u>Reference</u>		
Balance, December 31, 2017	C		\$ 31,494,692.20
Increased By:			
General Improvement Bonds Issued	7-C		<u>14,010,000.00</u>
			45,504,692.20
Decreased By:			
Bond Principal Paid	7-C	\$ 2,795,000.00	
Green Trust Loan Principal Paid	8-C	<u>26,261.31</u>	<u>2,821,261.31</u>
Balance, December 31, 2018	C		<u><u>\$ 42,683,430.89</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, 2018

Ordinance Date/ Number	Improvement Description	Balance December 31, 2017	Increased By 2018 Authorizations	Issuance of Bonds	Cancelled	Balance December 31, 2018	Analysis of Balance	
							Expenditures	Unexpended Improvement Authorizations
07-12	Various Capital Improvements	\$ 755,466.62		\$ 33,431.00		\$ 722,035.62		\$ 722,035.62
11-04	Acquisition of Land	585,625.00				585,625.00	\$ 275,763.22	309,861.78
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		3,065,612.00		108,970.00		108,970.00
16-12	Open Space Acquisition	8,075,000.00		7,797,818.00		277,182.00	270,028.83	7,153.17
17-02	Various Capital Improvements	3,224,451.00		3,113,139.00		111,312.00		111,312.00
18-01	Various Capital Improvements		\$ 7,454,367.00		\$ 22.30	7,454,344.70	4,526,584.75	2,927,759.95
		<u>\$ 15,861,755.10</u>	<u>\$ 7,454,367.00</u>	<u>\$ 14,010,000.00</u>	<u>\$ 22.30</u>	<u>\$ 9,306,099.80</u>	<u>\$ 5,072,376.80</u>	<u>\$ 4,233,723.00</u>
	<u>Reference</u>	C	9-C,17-C	7-C	9-C,17-C	C	2-C	9-C

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

Year ended December 31, 2018

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2018		Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
	Date	Amount	Date	Amount					
General Improvements	12/04/02	\$ 4,999,000.00				\$ 3,000.00		\$ 3,000.00	
Open Space Improvements	10/14/10	2,536,000.00	10/01/19	\$ 190,000.00	3.250%				
			10/01/20	190,000.00	3.500%				
						570,000.00		190,000.00	\$ 380,000.00
General Improvements	10/15/10	15,624,000.00	10/01/19	1,675,000.00	3.250%				
			10/01/20	1,725,000.00	3.500%				
						4,525,000.00		1,125,000.00	3,400,000.00
2011 Refunding	3/30/11	5,484,000.00				417,000.00		417,000.00	
2012 Refunding	5/22/12	1,220,000.00				260,000.00		260,000.00	
2015 General Obligation Bonds	12/17/15	17,970,000.00	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%				
						16,370,000.00		800,000.00	15,570,000.00

			Maturities of						
			Bonds Outstanding						
			December 31, 2018						
Purpose	Original Issue				Interest	Balance			Balance
	Date	Amount	Date	Amount	Rate	December 31,	Increased	Decreased	December 31,
						2017			2018
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
2018 General Improvement Bonds	4/24/18	14,010,000.00	05/1/2019	415,000.00	5.000%				
			05/1/2020	410,000.00	5.000%				
			05/1/2021	410,000.00	5.000%				
			05/1/2022	460,000.00	5.000%				
			05/1/2023	480,000.00	5.000%				
			05/1/2024	510,000.00	5.000%				
			05/1/2025	675,000.00	5.000%				
			05/1/2026	820,000.00	5.000%				
			05/1/2027	820,000.00	4.000%				
			05/1/2028	820,000.00	4.000%				
			05/1/2029	820,000.00	4.000%				
			05/1/2030	820,000.00	3.000%				
			05/1/2031	820,000.00	3.000%				
			05/1/2032	820,000.00	3.000%				
			05/1/2033	820,000.00	3.000%				
			05/1/2034	820,000.00	3.125%				
			05/1/2035	820,000.00	3.125%				
			05/1/2036	820,000.00	3.250%				
			05/1/2037	820,000.00	3.250%				
			05/1/2038	810,000.00	3.375%				
							\$ 14,010,000.00		14,010,000.00
						\$ 31,358,000.00	\$ 14,010,000.00	\$ 2,795,000.00	\$ 42,573,000.00
					Reference	C	1-C,5-C,16-C,17-C	Below	C
				Paid by Open Space	5-B, 5-C			\$ 289,200.00	
				Paid by budget appropriation	5-C			2,505,800.00	
					Above			\$ 2,795,000.00	

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOAN PROGRAM PAYABLE

Year ended December 31, 2018

<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, 2017</u>	<u>Paid By Budget Appropriation</u>	<u>Balance December 31, 2018</u>
Municipal Park Development	12/13/02	\$ 464,185.00	2019 to 2022	See Page 2	2.00%	<u>\$ 136,692.20</u>	<u>\$ 26,261.31</u>	<u>\$ 110,430.89</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, 2018

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>
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	14,289.32	142.85
		<u>\$ 110,430.89</u>	<u>\$ 5,027.03</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2018

Ordinance Number/Date	Improvement Description	Ordinance Date	Amount	Balance December 31, 2017		2018 Authorizations	Authorizations Canceled	Reimbursement of Expenditures	Paid or Charged	Balance December 31, 2018	
				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					750.00	85,910.91	
06-19	Various Improvements	08/10/06	3,686,000.00	45,945.20					27,040.00	18,905.20	
07-12	Various Capital Improvements	06/06/07	5,500,000.00		\$ 721,640.30			\$ 482.15		86.83	\$ 722,035.62
11-02	Various Capital Improvements	03/3/11	2,970,473.00	119,046.25						119,046.25	
11-04	Acquisition of Land	03/3/11	2,992,500.00		330,861.78				21,000.00		309,861.78
12-08	Various Capital Improvements	06/13/12	2,879,221.00	245,265.12	36,351.88				205,710.39	39,554.73	36,351.88
12-11	Various Capital Improvements	05/17/12	5,275,000.00	5,167,309.55						5,167,309.55	
12-12	Various Capital Improvements	05/17/12	424,000.00	236,614.52					2,010.00	234,604.52	
12-13	Various Capital Improvements	05/17/12	1,456,000.00	1,456,000.00						1,456,000.00	
13-08	Various Capital Improvements	06/11/13	3,081,900.00	758,638.42	10,278.60		194,971.95		298,727.40	264,939.07	10,278.60
14-03	Various Capital Improvements	02/20/14	3,343,449.00	158,588.71					19,200.00	139,388.71	
14-13	Taylor Road Drainage Improvements	05/15/14	470,000.00					251,767.18		251,767.18	
14-22	Leach Fields-Hamilton Park	09/04/14	720,000.00	720,000.00					3,520.00	716,480.00	
15-02	Various Capital Improvements	02/02/15	4,606,410.00	463,323.23			97.02		58,933.02	404,293.19	
15-09	Nolan Road Park	05/13/15	145,000.00	145,000.00						145,000.00	
15-14	Improvements to Texas Road	09/24/15	240,000.00								
15-15	Acquisition of Emergency Generator	09/24/15	250,000.00	1,000.00			1,000.00				
16-02	Various Capital Improvements	02/25/16	3,341,669.00		479,266.82		39.32		60,236.26	310,021.24	108,970.00
16-05	Acquisition of Police Cars	02/25/16	160,000.00	2,153.64						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		43,598.66				36,445.49		7,153.17
17-02	Various Capital Improvements	03/02/17	3,394,162.00		594,464.02		2,500.00	2,370.00	383,108.46	99,913.56	111,312.00
17-04	Acquisition of Police Vehicles	03/02/17	170,000.00	7,234.00			7,234.00				
17-10	Improvements to Intersection of Route 520/3.	10/19/17	23,750.00	23,750.00						23,750.00	
18-01	Various Capital Improvements	02/15/18	7,846,708.00			7,846,708.00	22.30	10,000.00	4,928,925.75		2,927,759.95
18-03	Acquisition of Police Cars	02/15/18	190,000.00			\$ 190,000.00			188,069.00	1,931.00	
18-04	Improvements to H&L Fields	02/15/18	494,477.02			494,477.02			478,930.00	15,547.02	
18-07	Acquisition of Open Space	02/15/18	250,000.00			250,000.00				250,000.00	
18-11	NJDOT 2018 Road Program	05/17/18	35,000.00			350,000.00				350,000.00	
				<u>\$ 9,968,804.50</u>	<u>\$ 2,216,462.06</u>	<u>\$ 9,131,185.02</u>	<u>\$ 208,125.72</u>	<u>\$ 264,619.33</u>	<u>\$ 6,992,370.77</u>	<u>\$ 10,146,851.42</u>	<u>\$ 4,233,723.00</u>
Reference				C	C	Below	Below	1-C	Below	C	C, 6-C
Deferred Charges to Future Taxation - Unfunded				6-C, 17-C		\$ 7,454,367.00					
Capital Improvement Fund				10-C		392,341.00					
Fund balance				C-1		300,000.00					
Monmouth County Open Space Grant				12-C		250,000.00					
Funded by Capital Lease				13-C		190,000.00					
NJDOT Grant				3-C		350,000.00					
NJDEP Green Acres Grant				4-C		194,477.02					
Above						<u>\$ 9,131,185.02</u>					
Fund Balance				C-1			\$ 200,869.42				
Lease Proceeds Receivable				13-C			7,234.00				
Deferred Charges to Future Taxation - Unfunded				6-C			22.30				
Above							<u>\$ 208,125.72</u>				
Cash Disbursed				1-C				\$ 3,770,068.50			
Reserve for Encumbrances				15-C				3,222,302.27			
Above								<u>\$ 6,992,370.77</u>			

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2018

Reference

Balance, December 31, 2017	C	\$ 43,877.00
Increased By:		
2018 Budget Appropriation	1-C	<u>375,000.00</u>
		418,877.00
Decreased By:		
Appropriated to Finance Improvement Authorizations	9-C	<u>392,341.00</u>
Balance, December 31, 2018	C	<u><u>\$ 26,536.00</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2018

<u>Improvement Description</u>	Balance December 31, <u>2017</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2018</u>
Traffic Light - Ryan Road	\$ 35,027.37		\$ 4,031.52	\$ 30,995.85
Station Road Improvements	72,960.00		72,960.00	
Pleasant Valley Road Improvements	6,120.63			6,120.63
Payment of Debt Service	142,131.11	\$ 499,086.46		641,217.57
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>\$ 430,910.60</u>	<u>\$ 499,086.46</u>	<u>\$ 111,991.52</u>	<u>\$ 818,005.54</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, 2018

	<u>Reference</u>	<u>TOTAL</u>	Ordinance 15-09 County Open Space <u>Grant</u>	Ordinance 18-07 County Open Space <u>Grant</u>
Balance, December 31, 2017	C	\$ 145,000.00	\$ 145,000.00	
Increased By:				
Grant Award (Ordinance 18-07)	9-C	<u>250,000.00</u>	<u></u>	<u>\$ 250,000.00</u>
Balance, December 31, 2018	C	<u>\$ 395,000.00</u>	<u>\$ 145,000.00</u>	<u>\$ 250,000.00</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF OTHER ACCOUNTS RECEIVABLE

Year ended December 31, 2018

	<u>Reference</u>		
Balance, December 31, 2017	C	\$	170,000.00
Increased By:			
Acquisition of Lease	9-C		<u>190,000.00</u>
			360,000.00
Decreased By:			
Cancelled	9-C	\$	7,234.00
Cash Receipts	1-C		<u>162,766.00</u>
			<u>170,000.00</u>
Balance, December 31, 2018	C	\$	<u><u>190,000.00</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2018

<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, 2017</u>	<u>Decreased</u>	<u>Balance December 31, 2018</u>
07-12	Various Capital Improvements	12/09/2016	11/14/2017	05/14/2018	0.000%	\$ 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	
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	
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>\$ 13,600,000.00</u>	<u>\$ 13,600,000.00</u>	<u>\$ -</u>
					<u>Reference</u>	C	1-C, 17-C	

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	C	\$ 1,804,231.72
Increased By:		
Charged to Improvement Authorizations	9-C	<u>3,222,302.27</u>
		5,026,533.99
Decreased By:		
Cash Disbursements	1-C	<u>1,706,851.47</u>
Balance, December 31, 2018	C	<u><u>\$ 3,319,682.52</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, 2018

	<u>Reference</u>	
Balance December 31, 2018 and 2017	C	\$ <u>1,000,000.00</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, 2018

<u>Ordinance Number/Date</u>	<u>Improvement Description</u>	<u>Balance December 31, 2017</u>	<u>Increased By 2018 Authorizations</u>	<u>Cancellations</u>	<u>Serial Bonds Issued</u>	<u>Bond Anticipation Notes Repaid</u>	<u>Balance December 31, 2018</u>
07-12	Various Capital Improvements	\$ 720,847.62			\$ 33,431.00	\$ 34,619.00	\$ 722,035.62
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			3,065,612.00	2,850,756.00	108,970.00
16-12	Open Space Acquisition				7,797,818.00	8,075,000.00	277,182.00
17-02	Various Capital Improvements	584,826.00			3,113,139.00	2,639,625.00	111,312.00
18-01	Various Capital Improvements		\$ 7,454,367.00	\$ 22.30			7,454,344.70
		<u>\$ 2,261,755.10</u>	<u>\$ 7,454,367.00</u>	<u>\$ 22.30</u>	<u>\$ 14,010,000.00</u>	<u>\$ 13,600,000.00</u>	<u>\$ 9,306,099.80</u>
	<u>Reference</u>	C	6-C, 9-C	9-C	7-C	14-C	C

RECREATION AND SWIM UTILITY FUND
SCHEDULES

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION AND SWIM UTILITY FUND

SCHEDULE OF RECREATION & SWIM UTILITY CASH TREASURER

Year ended December 31, 2018

	<u>Reference</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2017	D	\$ 515,624.78	\$ 88,415.47
Increased By Receipts:			
Program Revenue	D-2	\$ 1,935,147.71	
Interest on Investments	D-2	13,890.58	
Membership Fees	D-2	306,719.73	
Miscellaneous	D-2	30,446.40	
Prepaid Membership Fees	10-D	60,282.40	
Prepaid Participation Fees	11-D	23,720.50	
		<u>2,370,207.32</u>	
		2,885,832.10	88,415.47
Decreased By Disbursements:			
2018 Budget Appropriations	D-3	2,026,398.17	
2017 Appropriation Reserves	5-D	204,704.69	
Accounts Payable	7-D	325.50	
Reserve for Capital Outlay	12-D		\$ 8,558.00
Encumbrances	6-D,8-D	2,110.50	15,936.65
Accrued Interest on Notes	15-D	32,170.00	
Improvement Authorizations	14-D		41,738.51
		<u>2,265,708.86</u>	<u>66,233.16</u>
Balance - December 31, 2018	D	<u>\$ 620,123.24</u>	<u>\$ 22,182.31</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION AND SWIM UTILITY FUND

SCHEDULE OF ANALYSIS OF UTILITY CAPITAL CASH

December 31, 2018 and 2017

		Balance December 31, <u>2018</u>	Balance December 31, <u>2017</u>
Reserve for Capital Outlay		\$ 416.07	\$ 8,974.07
Reserve for Encumbrances		6,155.09	15,936.65
Fund Balance		18,308.66	18,308.66
<u>Ordinance</u>	<u>Improvement Authorizations</u>		
<u>Number</u>			
05-37	Various Swim Facility Improvements	(6,454.35)	(6,454.35)
12-09	Various Swim Facility Improvements	50,743.00	75,283.56
13-09	Various Swim Facility Improvements	(14,408.81)	(14,408.81)
14-04	Various Swim Facility Improvements	(32,583.31)	(12,583.31)
15-08	Marlboro Country Park	5.96	3,359.00
		<u>\$ 22,182.31</u>	<u>\$ 88,415.47</u>
	<u>Reference</u>	D	D

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION AND SWIM UTILITY FUND

SCHEDULE OF FIXED CAPITAL

Year ended December 31, 2018

	Balance December 31, <u>2017</u>	Transfer Completed <u>Projects</u>	Added from Reserve for <u>Capital Outlay</u>	Balance December 31, <u>2018</u>
Water Connection Charges	\$ 6,330.00			\$ 6,330.00
Sewer Connection Charges	3,423.00			3,423.00
Equipment and Fixtures	179,271.59			179,271.59
Sprinkler System	12,250.00			12,250.00
Vehicle	17,745.00			17,745.00
Swimming Pool and Improvements	2,764,928.30			2,764,928.30
Flume Slide	204,287.32			204,287.32
Marlboro County Park Improvements		\$ 250,000.00		250,000.00
Diving Board			\$ 8,558.00	8,558.00
	<u>\$ 3,188,235.21</u>	<u>\$ 250,000.00</u>	<u>\$ 8,558.00</u>	<u>\$ 3,446,793.21</u>
<u>Reference</u>	D	4-D	12-D	D

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION AND SWIM UTILITY FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Year ended December 31, 2018

Ordinance Number	Description	Ordinance		Balance December 31, 2017	Transfer to Fixed Capital	Balance December 31, 2018
		Date	Amount			
05-37	Various Swim Facility Improvements	09/22/05	\$ 446,250.00	\$ 29,495.32		\$ 29,495.32
12-09	Various Swim Facility Improvements	04/12/12	136,475.00	136,475.00		136,475.00
13-09	Various Swim Facility Improvements	03/14/13	71,085.00	71,085.00		71,085.00
14-04	Various Swim Facility Improvements	02/20/14	773,530.00	773,530.00		773,530.00
15-08	Marlboro Country Park	05/13/15	250,000.00	250,000.00	\$ 250,000.00	
				<u>\$ 1,260,585.32</u>	<u>\$ 250,000.00</u>	<u>\$ 1,010,585.32</u>
				D	3-D	D

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION AND SWIM UTILITY OPERATING FUND

SCHEDULE OF 2017 APPROPRIATION RESERVES

Year ended December 31, 2018

	Balance December 31, <u>2017</u>	<u>Encumbrances</u>	Modified <u>Balance</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 317.88		\$ 317.88		\$ 317.88
Other Expenses	<u>12,170.41</u>	<u>\$ 228,847.78</u>	<u>241,018.19</u>	<u>\$ 209,133.17</u>	<u>31,885.02</u>
Total Operating Expenses	<u>12,488.29</u>	<u>228,847.78</u>	<u>241,336.07</u>	<u>209,133.17</u>	<u>32,202.90</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	0.97		0.97		0.97
Social Security (O.A.S.I.)	<u>0.92</u>		<u>0.92</u>		<u>0.92</u>
Total Statutory Expenditures	<u>1.89</u>		<u>1.89</u>		<u>1.89</u>
	<u>\$ 12,491.18</u>	<u>\$ 228,847.78</u>	<u>\$ 241,338.96</u>	<u>\$ 209,133.17</u>	<u>\$ 32,205.79</u>
	<u>Reference</u>	<u>D</u>	<u>6-D</u>	<u>Below</u>	<u>D-1</u>
Detail of Paid of Charged:					
Cash Disbursed	1-D			\$ 204,704.69	
Accounts Payable	7-D			<u>4,428.48</u>	
	Above			<u>\$ 209,133.17</u>	

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION AND SWIM UTILITY OPERATING FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

Year ended December 31, 2018

	<u>Reference</u>		
Balance - December 31, 2017	D	\$	230,958.28
Increased By:			
Transfer From Budget Appropriations	D-3		<u>212,993.14</u>
			443,951.42
Decreased By:			
Transfer to Appropriation Reserves	5-D	\$	228,847.78
Cash Disbursed	1-D		<u>2,110.50</u>
			<u>230,958.28</u>
Balance - December 31, 2018	D	\$	<u><u>212,993.14</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION AND SWIM UTILITY OPERATING FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2018

	<u>Reference</u>		
Balance - December 31, 2017	D	\$	20,202.00
Increased By:			
Transferred from Appropriation Reserves	5-D		<u>4,428.48</u>
			24,630.48
Decreased By:			
Cash Disbursements	1-D	\$	325.50
Cancellations	D-1		<u>19,792.50</u>
			<u>20,118.00</u>
Balance - December 31, 2018	D	\$	<u><u>4,512.48</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION AND SWIM UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

Year ended December 31, 2018

	<u>Reference</u>	
Balance - December 31, 2017	D	\$ 15,936.65
Increased By:		
Improvement Authorizations Charged	14-D	<u>6,155.09</u>
		22,091.74
Decreased By:		
Cash Disbursed	1-D	<u>15,936.65</u>
Balance - December 31, 2018	D	<u><u>\$ 6,155.09</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION AND SWIM UTILITY CAPITAL FUND

SCHEDULE OF SERIAL BONDS

Year ended December 31, 2018

<u>Purpose</u>	<u>Original Issue</u>		<u>Maturities of Bonds Outstanding December 31, 2018</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>Decreased</u>	<u>Balance</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>		<u>December 31, 2017</u>		<u>December 31, 2018</u>
General Improvements	12/17/2015	\$ 1,264,000.00	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%			
						<u>\$ 1,104,000.00</u>	<u>\$ 75,000.00</u>	<u>\$ 1,029,000.00</u>
						<u>\$ 1,104,000.00</u>	<u>\$ 75,000.00</u>	<u>\$ 1,029,000.00</u>
						D	D-3, 13-D	D

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION AND SWIM UTILITY OPERATING FUND

SCHEDULE OF PREPAID MEMBERSHIP FEES

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	D	\$ 18,754.63
Increased By:		
Cash Receipts	1-D	<u>60,282.40</u>
		79,037.03
Decreased By:		
Prepaid Applied	D-2	<u>18,754.63</u>
Balance, December 31, 2018	D	<u><u>\$ 60,282.40</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION AND SWIM UTILITY OPERATING FUND

SCHEDULE OF PREPAID PARTICIPATION FEES

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	D	\$ 27,022.00
Increased By:		
Fees Collected	1-D	<u>23,720.50</u>
		50,742.50
Decreased By:		
Fees Applied	D-2	<u>27,022.00</u>
Balance - December 31, 2018	D	<u><u>\$ 23,720.50</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION AND SWIM UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR CAPITAL OUTLAY

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	D	\$ 8,974.07
Decreased By:		
Cash Disbursements	1-D, 3-D, 13-D	<u>8,558.00</u>
Balance - December 31, 2018	D	<u><u>\$ 416.07</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION AND SWIM UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

Year ended December 31, 2018

	<u>Reference</u>		
Balance - December 31, 2017	D	\$	3,242,992.45
Increased by:			
Asset Acquired From Reserve for Capital Outlay	12-D	\$	8,558.00
Bond Principal Paid	D-3, 9-D		<u>75,000.00</u>
			<u>83,558.00</u>
Balance - December 31, 2018	D	\$	<u><u>3,326,550.45</u></u>

COUNTY OF MONMOUTH, NEW JERSEY

RECREATION AND SWIM UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2018

Ordinance Number	Improvement Description	Ordinance		Balance, December 31, 2017		Paid or Charged	Balance, December 31, 2018	
		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	\$ 75,283.56	19,475.00	\$ 24,540.56	\$ 50,743.00	19,475.00
13-09	Various Swim Facility Improvements	03/14/13	71,085.00		6,676.19			6,676.19
14-04	Various Swim Facility Improvements	02/20/14	773,530.00		35,946.69	20,000.00		15,946.69
15-08	Marlboro Country Park	05/13/15	250,000.00	3,359.00		3,353.04	5.96	
				<u>\$ 78,642.56</u>	<u>\$ 68,381.61</u>	<u>\$ 47,893.60</u>	<u>\$ 50,748.96</u>	<u>\$ 48,381.61</u>
		Reference		D	D	Below	D	D
	Cash Disbursed	1-D				\$ 41,738.51		
	Encumbrances	8-D				<u>6,155.09</u>		
		Above				<u>\$ 47,893.60</u>		

TOWNSHIP OF MARLBORO
MONMOUTH COUNTY, NEW JERSEY

RECREATION AND SWIM UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS

Year ended December 31, 2018

Balance - December 31, 2017	<u>Ref.</u> D	\$ 6,702.08
Increased by:		
Budget Appropriations:		
Interest on Bonds	D-3	<u>31,545.00</u>
		38,247.08
Decreased by:		
Cash Disbursements	1-D	<u>32,170.00</u>
Balance - December 31, 2018	D, Below	<u><u>\$ 6,077.08</u></u>

Analysis of Balance - December 31, 2018:

Amount Outstanding December 31, 2018	Interest Rate	From	To	Period	Accrual
Serial Bonds \$1,029,000.00	2%-4%	10/15/18	12/31/18	2.5 Months	<u>\$ 6,077.08</u>
			<u>Reference</u>		Above

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

RECREATION AND SWIM UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2018

		Balance
		December 31,
<u>Ordinance</u>	<u>Improvement Description</u>	<u>2018 and 2017</u>
<u>Number</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	<u>48,530.00</u>
		<u>\$ 101,828.08</u>

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, 2018

	Reference	Operating	Capital
Balance, December 31, 2017	F	\$ 5,504,833.19	\$ 143,749.31
Increased by Receipts:			
Water Utility Capital Surplus	F-2	\$ 540,000.00	
Consumer Accounts Receivable	3-F(a)	8,932,691.27	
Connection Fees	F-2	640,546.39	
Other Operating Revenues	F-2	61,201.27	
Interest Earned on Investments and Deposits	F-2	110,882.89	
Solar Renewable Energy Credits	F-2	188,910.00	
Various Reserves	4-F	558.31	
Refund of Costs of Issuance	F-4		\$ 4,110.47
Current Year Overpayments		28,425.89	
Reimbursements	9-F		199,346.80
Proceeds from Bond Issuance	10-F		2,915,000.00
Premium on Bond Issuance	17-F		126,530.15
Loans Receivable	3-F(b)		2,033,195.00
		<u>10,503,216.02</u>	<u>5,278,182.42</u>
		16,008,049.21	5,421,931.73
Decreased by Disbursements:			
Budget Expenditures	F-3	8,664,108.17	
2017 Appropriation Reserves	16-F	424,118.75	
Encumbrances	14-F		2,973,727.94
Various Reserves	4-F	153,906.44	
Accrued Interest on Bonds	6-F	681,816.52	
Improvement Authorizations	9-F		829,584.53
Fund Balance Anticipated by Operating Fund	F-2		540,000.00
		<u>9,923,949.88</u>	<u>4,343,312.47</u>
Balance - December 31, 2018	F	<u>\$ 6,084,099.33</u>	<u>\$ 1,078,619.26</u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF ANALYSIS OF WATER UTILITY CASH

December 31, 2018 and 2017

	Balance December 31, <u>2018</u>	Balance December 31, <u>2017</u>
Fund Balance	\$ 128,022.32	\$ 663,911.85
Capital Improvement Fund	50,000.00	50,000.00
Reserve for Debt Service	198,094.15	71,564.00
NJEIT Loan Receivable	(1,684,091.00)	(3,717,286.00)
Encumbrances Payable	1,836,681.37	3,889,441.32
<u>Improvement Authorizations</u>		
09-46 Various Capital Improvements	23,023.00	23,023.00
10-17 Various Capital Improvements	10,942.76	11,247.01
11-03 Various Capital Improvements	(50.00)	(50.00)
11-12 Acquisition of Land & Related Improvements	19,295.12	32,295.12
12-10 Improvements to Water Utility System		670.59
12-26 Water Treatment Plant and Well	693,483.41	(215,523.77)
13-10 Various Capital Improvements	2,131.38	2,690.79
14-05 Various Capital Improvements	18,776.73	(19,554.10)
14-06 Treatment Plant Construction	42,778.80	702,822.50
15-03 Various Capital Improvements	198,692.52	157,184.68
16-03 Various Capital Improvements	215,701.76	(325,683.54)
17-03 Various Capital Improvements	(692,089.49)	(1,183,004.14)
18-02 Various Capital Improvements	17,226.43	
Total	<u>\$ 1,078,619.26</u>	<u>\$ 143,749.31</u>
	0.00	
<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, 2018

	<u>Reference</u>	
Balance, December 31, 2017	F	\$ 136,619.65
Increased by:		
Water Utility Billings (net)	Reserve	<u>8,938,298.25</u>
		9,074,917.90
Decreased by:		
Cash Receipts	1-F	\$ 8,932,691.27
Prior Year Overpayments Applied	5-F	<u>25,047.78</u>
	F-2	<u>8,957,739.05</u>
Balance, December 31, 2018	F	<u><u>\$ 117,178.85</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF NJEIT LOAN RECEIVABLE

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	F	\$ 3,717,286.00
Decreased by:		
Cash Receipts	1-F	<u>2,033,195.00</u>
Balance, December 31, 2018	F	<u><u>\$ 1,684,091.00</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF RESERVE FOR ESCROW

Year ended December 31, 2018

	Balance December 31, <u>2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2018</u>
	\$ 442,309.67	\$ 558.31	\$ 153,906.44	\$ 288,961.54
	<u>\$ 442,309.67</u>	<u>\$ 558.31</u>	<u>\$ 153,906.44</u>	<u>\$ 288,961.54</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, 2018

	<u>Reference</u>	
Balance, December 31, 2017	F	\$ 25,047.78
Increased by:		
Cash Receipts	1-F	<u>28,425.89</u>
		53,473.67
Decreased by:		
Overpayments Applied	3-F(a)	<u>25,047.78</u>
Balance, December 31, 2018	F	<u><u>\$ 28,425.89</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, 2018

	<u>Reference</u>	
Balance, December 31, 2017	F	\$ 122,544.70
Increased by:		
Accrued Interest Charged to Budget Appropriations	F-3	<u>690,494.47</u>
		813,039.17
Decreased by:		
Cash Disbursements	1-F	<u>681,816.52</u>
Balance, December 31, 2018	F, Below	<u><u>\$ 131,222.65</u></u>

Analysis of Balance - December 31, 2018

Amount Outstanding December 31, 2018	Interest Rate	From	To	Period	Accrual
Serial Bonds					
\$ 6,415,000.00	Various	12/1/2018	12/31/2018	31 Days	\$ 22,575.00
320,000.00	Various	12/1/2018	12/31/2018	31 Days	1,266.67
160,000.00	Various	10/1/2018	12/31/2018	91 Days	1,350.00
2,398,000.00	Various	10/16/2018	12/31/2018	2.5 Months	14,258.33
467,000.00	Various	10/1/2018	12/31/2018	91 Days	4,266.89
2,915,000.00	Various	11/1/2018	12/31/2018	61 Days	18,759.38
NJEIT Loans					
\$ 1,315,000.00	Various	8/1/2018	12/31/2018	5 Months	21,231.25
2,795,000.00	Various	8/1/2018	12/31/2018	5 Months	46,832.82
Amount Available for Subsequent Year's Budget					<u>682.31</u>
Balance - December 31, 2018			Above		<u><u>\$ 131,222.65</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

Year ended December 31, 2018

	Balance December 31, <u>2017</u>	Increased by Transferred from Fixed Capital <u>Authorized and Uncompleted</u>	Balance December 31, <u>2018</u>
Water Utility:			
Various Capital Improvements	\$ 33,942,183.31		\$ 33,942,183.31
Acquisition of Land		\$ 13,000.00	
	<u>\$ 33,942,183.31</u>	<u>\$ 13,000.00</u>	<u>\$ 33,942,183.31</u>
<u>Reference</u>	F	8-F, 12-F	F

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Year ended December 31, 2018

<u>Ordinance</u>	<u>Date</u>	<u>Improvement Description</u>	Balance December 31, 2017	2018 Authorizations	Transferred to Fixed Capital	Balance December 31, 2018
09-46	12/18/2009	Various Capital Improvements	\$ 840,000.00			\$ 840,000.00
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
18-02	2/15/2018	Various Capital Improvements		\$ 2,634,489.00		2,634,489.00
18-03	10/4/2018	Easement Acquisition		13,000.00	\$ 13,000.00	
			<u>\$ 25,215,311.66</u>	<u>\$ 2,647,489.00</u>	<u>\$ 13,000.00</u>	<u>\$ 27,849,800.66</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, 2018

Ordinance Number	Balance, December 31, 2017		2018 Authorizations	Reimbursements	Paid or Charged	Authorizations Canceled	Balance, December 31, 2018	
	Funded	Unfunded					Funded	Unfunded
09-46								
	\$ 23,023.00						\$ 23,023.00	
10-17	11,247.01				\$ 304.25		10,942.76	
11-12								
	32,295.12					\$ 13,000.00	19,295.12	
12-10	670.59				670.59			
12-26		\$ 629,783.23		\$ 178,651.19	37,210.26		771,224.16	
13-10	2,690.79				559.41		2,131.38	
14-05		18,885.90			109.17		18,776.73	
14-06		1,008,572.50			660,043.70			\$ 348,528.80
15-03	157,184.68	42,760.00			1,252.16		198,692.52	
16-03		218,236.46			2,534.70		215,701.76	
17-03		460,360.86			110,431.11		349,929.75	
18-02			\$ 2,634,489.00	20,695.61	924,437.17			1,730,747.44
18-19			13,000.00		13,000.00			
	<u>\$ 227,111.19</u>	<u>\$ 2,378,598.95</u>	<u>\$ 2,647,489.00</u>	<u>\$ 199,346.80</u>	<u>\$ 1,750,552.52</u>	<u>\$ 13,000.00</u>	<u>\$ 1,609,717.18</u>	<u>\$ 2,079,276.24</u>
	F	F	F-4, 8-F, 12-F, 20-F	1-F	Below	F-4	F	F
Detail of Paid or Charged:								
Cash Disbursed					\$ 829,584.53			
Reserve for Encumbrances					920,967.99			
					<u>\$ 1,750,552.52</u>			

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF SERIAL BONDS

Year ended December 31, 2018

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2018		Interest Rate	Balance December 31, 2017	Increase	Decrease	Balance December 31, 2018
	Date	Amount	Date	Amount					
Water Utility Improvements	01/14/2010	\$ 11,630,000.00	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				
						\$ 7,045,000.00		\$ 630,000.00	\$ 6,415,000.00
Water Utility Improvements	01/14/2010	11,815,000.00	12/1/2019	320,000.00	4.750	1,415,000.00		1,095,000.00	320,000.00
Water Utility Improvements	07/15/2010	840,000.00	4/1/2019	80,000.00	3.250	200,000.00		40,000.00	160,000.00
Water Utility Improvements	12/17/2015	2,723,000.00	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				
						2,523,000.00		125,000.00	2,398,000.00
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
Water Utility Improvements	04/24/2018	2,915,000.00	5/1/2019	175,000.00	5.000				
			5/1/2020	140,000.00	5.000				
			5/1/2021	140,000.00	5.000				
			5/1/2022	140,000.00	5.000				
			5/1/2023	145,000.00	5.000				
			5/1/2024	145,000.00	5.000				
			5/1/2025	145,000.00	5.000				
			5/1/2026	145,000.00	5.000				
			5/1/2027	145,000.00	4.000				
			5/1/2028	145,000.00	4.000				
			5/1/2029	145,000.00	4.000				
			5/1/2030	145,000.00	3.000				
			5/1/2031	145,000.00	3.000				
			5/1/2032	145,000.00	3.000				
			5/1/2033	145,000.00	3.000				
			5/1/2034	145,000.00	3.125				
			5/1/2035	145,000.00	3.125				
			5/1/2036	145,000.00	3.250				
			5/1/2037	145,000.00	3.250				
			5/1/2038	145,000.00	3.375				
						\$ 2,915,000.00			2,915,000.00
						\$ 11,650,000.00	\$ 2,915,000.00	\$ 1,890,000.00	\$ 12,675,000.00

REF.

F

1-F,20-F

F-3,12-F

F

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2018

Reference

Balance, December 31, 2018 and 2017

F

\$ 50,000.00

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

Year ended December 31, 2018

	<u>Reference</u>		
Balance, December 31, 2017	F	\$	27,051,804.29
Increased by:			
Payment of Bond Principal	10-F	\$	1,890,000.00
NJEIT Loans Deobligated	13-F		25,913.00
NJEIT Loans Paid	13-F		674,017.09
Fixed Capital Addition	7-F		<u>13,000.00</u>
			<u>2,602,930.09</u>
Balance, December 31, 2018	F	\$	<u><u>29,654,734.38</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF NJEIT LOANS PAYABLE

Year ended December 31, 2018

	<u>Reference</u>		
Balance, December 31, 2017	F		\$ 16,736,098.68
Decreased By:			
Deobligated	12-F	\$ 25,913.00	
2018 Budget Appropriations	F-3, 12-F	<u>674,017.09</u>	<u>699,930.09</u>
Balance, December 31, 2018	F		<u><u>\$ 16,036,168.59</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	F	\$ 3,889,441.32
Increased by:		
Improvement Authorizations Charged	9-F	<u>920,967.99</u>
		4,810,409.31
Decreased By:		
Cash Disbursements	1-F	<u>2,973,727.94</u>
Balance, December 31, 2018	F	<u><u>\$ 1,836,681.37</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

Year ended December 31, 2018

Reference

Balance, December 31, 2018 and 2017

F

\$ 300,000.00

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF 2017 APPROPRIATION RESERVES

Year ended December 31, 2018

	Balance December 31, 2017	Encumbrances	Modified Budget	Paid or Charged	Balance Lapsed
Operating:					
Salaries and Wages	\$ 39,944.63		\$ 39,944.63	\$ 7,535.44	\$ 32,409.19
Other Expenses	920,155.57	\$ 824,781.44	1,744,937.01	423,653.31	1,321,283.70
Total Operating Expenses	960,100.20	824,781.44	1,784,881.64	431,188.75	1,353,692.89
Capital Improvements					
Capital Outlay	50,000.00		50,000.00		50,000.00
Total Capital Improvements	50,000.00		50,000.00		50,000.00
Statutory Expenditures					
Contribution To:					
Public Employees' Retirement System	1.30		1.30		1.30
Social Security (O.A.S.I.)	22,000.95		22,000.95		22,000.95
Total Statutory Expenditures	22,002.25		22,002.25		22,002.25
	<u>\$ 1,032,102.45</u>	<u>\$ 824,781.44</u>	<u>\$ 1,856,883.89</u>	<u>\$ 431,188.75</u>	<u>\$ 1,425,695.14</u>
<u>Reference</u>	F	18-F		Below	F-1
Detail of Paid or Charged:					
Cash Disbursed	1-F			\$ 424,118.75	
Accounts Payable	19-F			7,070.00	
Above				<u>\$ 431,188.75</u>	

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEBT SERVICE

Year ended December 31, 2018

	<u>Reference</u>		
Balance, December 31, 2017	F	\$	71,564.00
Increased By:			
Premium on Bond Issuance	1-F		<u>126,530.15</u>
Balance, December 31, 2018	F	\$	<u><u>198,094.15</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	F	\$ 824,781.44
Increased by:		
2018 Appropriations Charged	F-3	<u>1,473,811.45</u>
		2,298,592.89
Decreased By:		
Transferred to Appropriation Reserves	16-F	<u>824,781.44</u>
Balance, December 31, 2018	F	<u><u>\$ 1,473,811.45</u></u>

TOWNSHIP OF MARLBORO
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	F	\$ 45,000.00
Increased by:		
Transfer from 2017 Appropriation Reserves	16-F	<u>7,070.00</u>
		52,070.00
Decreased By:		
Cancelled	F-1	<u>35,000.00</u>
Balance, December 31, 2018	F	<u><u>\$ 17,070.00</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, 2018

<u>Ordinance</u>	<u>Improvement Description</u>	Balance December 31, 2017	Increased By <u>Authorization</u>	Bonds <u>Issued</u>	Balance December 31, 2018
12-26	Water Treatment Plant and Well	\$ 767,566.25		\$ 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		1,522,313.75	121,051.25
18-02	Various Capital Improvements		\$ 2,634,489.00		2,634,489.00
		<u>\$ 3,341,051.25</u>	<u>\$ 2,634,489.00</u>	<u>\$ 2,915,000.00</u>	<u>\$ 3,060,540.25</u>
<u>Reference</u>		F	8-F, 9-F	10-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, 2018 and 2017

	<u>Reference</u>	Balance December 31, <u>2018</u>	Balance December 31, <u>2017</u>
Land, Buildings and Improvements	G	\$ 85,818,997.00	\$ 84,921,517.00
Machinery, Equipment and Vehicles	G	<u>19,651,279.00</u>	<u>18,155,148.00</u>
	G	<u>\$ 105,470,276.00</u>	<u>\$ 103,076,665.00</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, 2018. 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*

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, 2018.

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.



David A. Kaplan
Certified Public Accountant



WISS & COMPANY, LLP

August 2, 2019
Livingston, New Jersey

Township of Marlboro

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2018

Federal Funding Department	Federal CFDA Number	Federal Award Identification Number	State Account Number	Total Award	Grant Period		Expenditures for the year ended December 31, 2018
					From	To	
United States Department of Transportation							
Highway Safety Grant	20.614	Not Available	Not Available	\$ 19,975.51	1/1/2018	12/31/2018	\$ 19,814.50
Highway Safety Grant Sub-total							19,814.50
Distracted Driving	20.614	Not Available	Not Available	6,600.00	1/1/2018	12/31/2018	6,600.00
United States Department of Transportation Total							26,414.50
United States Department of Justice							
Drive Sober or Get Pulled Over (EOY)	20.600	Not Available	Not Available	5,500.00	1/1/2017	12/31/2018	4,180.00
Drive Sober or Get Pulled Over	20.600	Not Available	Not Available	5,500.00	1/1/2018	12/31/2018	1,540.00
Drive Sober or Get Pulled Over Sub-total							5,720.00
Federal Body Armor Grant	16.607	Not Available	Not Available	7,986.36	1/1/2017	12/31/2018	7,843.06
Federal Body Armor Grant Sub-total							7,843.06
United States Department of Justice Total							13,563.06
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	1,657,157.25	1/1/2018	12/31/2018	1,657,157.25
United States Environmental Protection Agency							
Pass-Through the State of New Jersey Total							1,657,157.25
Total Federal Financial Awards							\$ 1,697,134.81

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, 2018

State Grantor/Program Title	Grant or State Project Number	Grant Period		Total Award	Expenditures for the year ended December 31, 2018
		From	To		
New Jersey Environmental Protection Agency:					
Recycling Tonnage Grant	4900-752-042	1/1/2013	12/31/2018	\$ 38,926.43	\$ 3,124.30
Recycling Tonnage Grant	4900-752-042	1/1/2015	12/31/2018	60,907.68	37,292.44
Recycling Tonnage Grant	4900-752-042	1/1/2016	12/31/2018	43,370.91	20.00
Recycling Tonnage Grant	4900-752-042	1/1/2018	12/31/2018	38,199.31	18,195.01
Recycling Tonnage Grant Total					58,631.75
Clean Community Grant	4900-765-042-4900-004-V42Y-6020	1/1/2016	12/31/2018	106,238.66	47,038.54
Clean Community Grant	4900-765-042-4900-004-V42Y-6020	1/1/2017	12/31/2018	90,256.42	46,822.40
Clean Community Grant Total					93,860.94
Hazardous Discharge Site Remediation	4910-100-224	1/1/2014	12/31/2018	102,179.00	5,718.50
Green Community Grant	Not Available	1/1/2017	12/31/2018	3,000.00	1,932.95
New Jersey Clean Water State Revolving Funds Capitalization Grant	042-4860-711-009/010	1/1/2018	12/31/2018	552,385.50	552,385.50
New Jersey Environmental Protection Agency Total					712,529.64
New Jersey Department of Transportation:					
Municipal Aid Program	Not Available	1/1/2018	12/31/2018	350,000.00	220,000.00
New Jersey Department of Transportation Total					220,000.00
New Jersey Law and Public Safety:					
Municipal Drug Alliance	G-02-241-709-080-628	1/1/2016	12/31/2018	53,578.00	226.96
Municipal Drug Alliance	G-02-241-709-080-628	1/1/2017	12/31/2018	53,578.00	28,495.20
Municipal Drug Alliance	G-02-241-709-080-628	1/1/2018	12/31/2018	53,578.00	33,900.36
Municipal Drug Alliance Total					62,622.52
Drunk Driving Enforcement Fund	1160-100-057-1160	1/1/2014	12/31/2018	12,529.32	1,545.19
Drunk Driving Enforcement Fund Total					1,545.19
Alcohol Rehabilitation Program	760-046-4240-001	1/1/2012	12/31/2018	1,780.78	1,200.00
New Jersey Law and Public Safety Total					65,367.71
New Jersey Department of Health and Human Services:					
Body Armor Program	718-066-1020-001	1/1/2017	12/31/2018	6,204.50	3,137.23
New Jersey Department of Health and Human Services Total					3,137.23
Total State Financial Assistance					\$ 1,001,034.58

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, 2018

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 regulatory basis 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 regulatory basis financial statements.

3. RELATIONSHIP TO REGULATORY BASIS FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Township's regulatory basis 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, 2018

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, 2018

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, 2018

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:

<u>GMIS/Program Number</u>	<u>Name of State Program or Cluster</u>
042-4860-711-009/010	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

Year ended December 31, 2018

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, 2018

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

No federal award or state financial assistance program 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, 2018

No prior year findings were noted.

**PART IV – SUPPLEMENTARY DATA AND SCHEDULES –
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, 2018**

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, 2018, 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, 2018 through December 31, 2018 are the thresholds set forth in the aforementioned Statute for the year ended December 31, 2018. The Township has elected to use a lower threshold in the amount of \$36,000.00 for 2018.

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 18, 2018, 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.

Comparative Schedule of Tax Rate Information

	2018	2017	2016
Tax rate	\$ 2.227	\$ 2.183	\$ 2.175
Apportionment of tax rate:			
Municipal	\$ 0.379	\$ 0.366	\$ 0.367
Municipal Open Space	0.010	0.010	0.010
County	0.317	0.306	0.309
Local School	1.063	1.045	1.049
Regional High School	0.458	0.456	0.440
Assessed valuations	\$ 7,189,317,700.00	\$ 7,172,392,700.00	\$ 7,164,469,700.00

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
2018	\$ 163,571,305.01	\$ 162,469,043.63	99.33%
2017	160,021,996.22	159,104,226.53	99.43%
2016	159,133,586.92	158,314,970.83	99.49%

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
2018	\$ 729,378.01	\$ 1,028,769.71	\$ 1,758,147.72	1.07%
2017	600,362.97	865,044.89	1,465,407.86	0.92%
2016	530,188.35	1,029,022.04	1,559,210.39	0.98%

Schedule of Water Utility Levy and Collections

Year	Levies	Collections
2018	\$ 8,938,298.25	\$ 8,932,691.27
2017	8,637,719.06	8,621,918.54
2016	9,194,523.79	9,169,158.94

The last tax sale was held via the internet on October 16, 2018 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
2018	25
2017	25
2016	25

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:

Years	Amount
2018	\$ 802,400.00
2017	802,400.00
2016	802,400.00

Equalized Valuations – Real Property

Year	Amount
2018	\$ 7,999,685,880
2017	7,637,736,943
2016	7,460,307,716

Comparative Schedule of Fund Balances

	Year	Balance December 31	Utilized in Budget of Succeeding Year
Current Fund	2018	\$ 11,329,557.04	\$ 5,550,000.00
	2017	10,030,038.47	4,600,000.00
	2016	8,650,386.93	4,200,000.00
Recreation and Swim Utility Operating Fund	2018	259,729.11	249,606.42
	2017	201,094.61	180,000.00
	2016	296,233.98	285,000.00
Water Utility Operating Fund	2018	3,324,255.79	2,000,000.00
	2017	3,013,047.15	2,789,955.54
	2016	4,188,626.54	2,366,737.74

Officials In Office and Surety Bonds

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Jonathan Hornik	Mayor	
Randi Marder	Council President	
Scott Metzger	Council Vice President	
Jeff Cantor	Councilperson	
Carol Mazzola	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 (1/1/18-3/28/18)	*
Kristy Gilsenan	Court Administrator (5/21/18-12/31/18)	

*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, 2018

COMMENTS AND RECOMMENDATIONS

There were no findings and recommendations noted during the 2018 audit.