

**TOWNSHIP OF MEDFORD  
COUNTY OF BURLINGTON**

**REPORT OF AUDIT**

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

**TOWNSHIP OF MEDFORD**  
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**TOWNSHIP OF MEDFORD**

**PART I**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS**

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

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Council  
Township of Medford  
Medford, New Jersey 08055

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

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Medford, in the County of Burlington, State of New Jersey, as of December 31, 2017, and the related statements of operations and changes in fund balance - regulatory basis for the year then ended, and the related statement of revenues - regulatory basis and the statement of expenditures - regulatory basis for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

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

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

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

### **Basis for Qualified Opinion on General Fixed Asset Group of Accounts - Regulatory Basis**

The financial statements referred to above do not include the general fixed asset group of accounts - regulatory basis for the year ended December 31, 2017, as required by N.J.A.C. 5:30-5.6, because a record of general fixed assets was not maintained by the Township. The amount that should be recorded is unknown.

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

In our opinion, as a result of the effects of the matter described in the "*Basis for Qualified Opinion on General Fixed Asset Group of Accounts - Regulatory Basis*" paragraph, the general fixed asset group of accounts - regulatory basis is not presented fairly, in all material respects, for the Township of Medford, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2017, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

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

In our opinion, the financial statements referred to previously, except for the general fixed asset group of accounts - regulatory basis, present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Medford, in the County of Burlington, State of New Jersey, as of December 31, 2017, and the results of its operations and changes in fund balance - regulatory basis of such funds for the year then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, for the year ended December 31, 2017, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

### **Prior Period Financial Statements**

The financial statements of the Township of Medford, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2016, were audited by other auditors whose report dated May 16, 2017, expressed an adverse opinion under accounting principles generally accepted in the United States of America and an unmodified opinion under the regulatory basis of accounting.

### **Emphasis of Matter**

#### *Prior Period Restatements*

As discussed in note 24 to the financial statements, the current fund, water and sewer utility operating fund, and sewer connection trust fund financial statements for the year ended December 31, 2016 have been restated to correct misstatements. Our opinion is not modified with respect to this matter.



**Other Matters**

*Other Information*

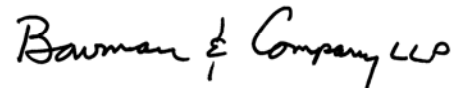
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and is also not a required part of the basic financial statements.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2018 on our consideration of the Township of Medford, in the County of Burlington, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Medford's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Medford's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



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

Voorhees, New Jersey  
June 18, 2018

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Council  
Township of Medford  
Medford, New Jersey 08055

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Township of Medford, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 18, 2018. That report indicated that the Township of Medford's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In our report, our opinion was qualified because the financial statements did not include the general fixed asset group of accounts – regulatory basis, as required by N.J.A.C. 5:30-5.6. In addition, our report included an emphasis of matter paragraph describing the restatement of the prior period financial statements resulting from corrections of misstatements and that the financial statements for the Township as of and for the year ended December 31, 2016, were audited by another auditor whose report dated May 16, 2017, expressed an adverse opinion under accounting principles generally accepted in the United States and an unmodified opinion under the regulatory basis of accounting.

**Internal Control over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying *Schedule of Findings and Questioned Costs*, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying *Schedule of Findings and Questioned Costs* to be material weaknesses: *Finding No. 2017-001 and Finding No. 2017-002*.

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. We consider the deficiency described in the accompanying *Schedule of Findings and Questioned Costs* to be a significant deficiency: *Finding No. 2017-003*.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township of Medford's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and which are described in the accompanying *Schedule of Findings and Questioned Costs* as findings no.: *Finding No. 2017-001, Finding No. 2017-002, Finding No. 2017-003, Finding No. 2017-004 and Finding No. 2017-005*.

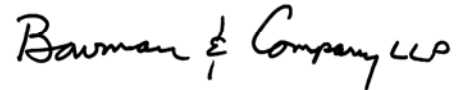
**The Township of Medford's Response to Findings**

The Township of Medford's response to the findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and state awarding agencies and pass-through entities, in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
June 18, 2018

**TOWNSHIP OF MEDFORD**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2017 and 2016

ASSETS:	<u>Ref.</u>	<u>2017</u>	(Restated) <u>2016</u>
Regular Fund:			
Cash	SA-1	\$ 18,947,487.63	\$ 11,736,173.07
Cash -- Change Fund	SA-2	550.00	550.00
		<u>18,948,037.63</u>	<u>11,736,723.07</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	825,592.16	1,001,198.28
Tax Title Liens Receivable	SA-4	95,091.06	82,620.80
Property Acquired for Taxes -- Assessed Valuation	A	1,071,200.00	1,071,200.00
Revenue Accounts Receivable	SA-5	18,651.81	10,374.42
Due from Federal and State Grant Fund	SA-16		172,185.93
Due from Trust -- Other Funds	SB-5	1,570.26	7,975.94
		<u>2,012,105.29</u>	<u>2,345,555.37</u>
		<u>20,960,142.92</u>	<u>14,082,278.44</u>
Federal and State Grant Fund:			
Cash	SA-1	84,839.34	151,526.94
State Grant Funds Receivable	SA-17	893,081.59	929,441.27
Due from Current Fund	SA-16	7,238.15	
Deferred Charge - Overexpenditure of Grant	A-3		36,856.00
		<u>985,159.08</u>	<u>1,117,824.21</u>
		<u>\$ 21,945,302.00</u>	<u>\$ 15,200,102.65</u>

(Continued)

**TOWNSHIP OF MEDFORD**  
**CURRENT FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
As of December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	(Restated) <u>2016</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE:</b>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3,SA-6	\$ 1,079,057.61	\$ 943,080.54
Reserve for Encumbrances	SA-15	930,653.68	841,800.97
Accounts Payable	SA-1,SA-6	43,808.35	39,565.19
Tax Overpayments	SA-7	35,185.52	66,681.69
Prepaid Taxes	SA-8	6,940,723.61	602,946.95
Due to State of New Jersey:			
Senior Citizens/Veterans Deductions	SA-9	101,326.60	98,076.75
Marriage Licenses	SA-14	425.00	625.00
Construction Code Fees	SA-14	10,643.00	8,215.00
Due County for Added and Omitted Taxes	SA-10	99,235.32	111,136.65
Due to Utility Operating Fund	SA-1		18,746.23
Due to Trust Other Fund	SB-5		9,029.72
Due to Federal and State Grant Fund	SA-16	7,238.15	
Due to Open Space Fund	SB-8	5,649.67	274,744.92
Special Emergency Note Payable	SA-1		139,999.51
Local District School Taxes Payable	SA-12	2,807,967.04	2,298,145.54
Regional High School Taxes Payable	SA-13	2,573,169.93	2,519,051.37
Reserve for:			
Election Workers	SA-14	2,251.66	2,251.66
FEMA Receipts	SA-14		110,670.17
Municipal Court -- POAA	SA-14		788.00
Purchase of Public Safety Equipment	SA-14	41,194.87	29,345.00
Auction	SA-14	4,292.41	4,292.41
Payment in Lieu of Taxes	SA-14	9,842.00	9,842.00
		<u>14,692,664.42</u>	<u>8,129,035.27</u>
Reserves for Receivables and Other Assets	A	2,012,105.29	2,345,555.37
Fund Balance	A-1	<u>4,255,373.21</u>	<u>3,607,687.80</u>
		<u>20,960,142.92</u>	<u>14,082,278.44</u>
Federal and State Grant Fund:			
Due to Current Fund	SA-16		172,185.93
Reserve for Encumbrances	SA-15	75,394.47	295,926.72
Unappropriated Reserves	SA-18	42,565.47	150,618.00
Appropriated Reserves	SA-19	867,199.14	499,093.56
		<u>985,159.08</u>	<u>1,117,824.21</u>
		<u>\$ 21,945,302.00</u>	<u>\$ 15,200,102.65</u>

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

**TOWNSHIP OF MEDFORD**  
**CURRENT FUND**  
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>REVENUE AND OTHER INCOME REALIZED:</b>		
Fund Balance Utilized	\$ 1,944,000.00	\$ 1,017,604.00
Miscellaneous Revenues Anticipated	6,425,082.02	6,654,501.00
Receipts from Delinquent Taxes and Tax Title Liens	965,332.98	892,357.00
Receipts from Current Taxes	93,126,657.72	92,054,528.00
Non-Budget Revenue	606,163.89	182,998.00
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	870,855.27	889,894.00
Cancellation of Accounts Payable	16,041.14	
Cancellation of Appropriated Grants	1,092.02	
Cancellation of Reserves		53,226.00
Liquidation of Interfunds	8,591.61	875,326.00
	<u>103,963,816.65</u>	<u>102,620,434.00</u>
Total Income		
<b>EXPENDITURES:</b>		
Budget Appropriations:		
Within "CAPS":		
Operations:		
Salaries and Wages	5,685,566.00	5,459,367.00
Other Expenses	7,554,519.00	7,405,458.00
Deferred Charges and Statutory Expenditures	1,507,400.00	1,485,205.00
Excluded from "CAPS":		
Operations:		
Salaries and Wages	713,593.25	539,169.00
Other Expenses	821,583.17	787,945.00
Capital Improvement Fund	169,000.00	217,432.00
Deferred Charges and Statutory Expenditures		534,949.00
Municipal Debt Service	3,651,454.37	3,665,858.00
Regional High School Tax	22,180,297.00	22,072,060.00
Local District School Tax	44,745,931.00	43,726,288.00
County Taxes	13,402,178.19	13,309,832.00
Due County for Added and Omitted Taxes	99,235.32	111,137.00
Municipal Open Space Trust Fund Tax	751,924.67	903,007.00
Creation of Interfund and Other Assets		43,211.00
Added Tax Overpayments	48,655.31	
Refund of Prior Year Revenue	36,155.68	
Other	2,610.17	
Prior Year Senior Citizens and Veterans' Deductions Disallowed	2,028.11	
	<u>101,372,131.24</u>	<u>100,260,918.00</u>
Total Expenditures		
Statutory Excess to Fund Balance	2,591,685.41	2,359,516.00
<b>FUND BALANCE:</b>		
Balance January 1,	<u>3,607,687.80</u>	<u>2,265,775.80</u>
	6,199,373.21	4,625,291.80
Decreased by:		
Utilized as Revenue	<u>1,944,000.00</u>	<u>1,017,604.00</u>
Balance December 31,	<u>\$ 4,255,373.21</u>	<u>\$ 3,607,687.80</u>

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

**TOWNSHIP OF MEDFORD**  
**CURRENT FUND**  
 Statement of Revenues -- Regulatory Basis  
 For the Year Ended December 31, 2017

	<u>Budget</u>	<u>Anticipated</u> Special N.J.S. <u>40A: 4-87</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
Fund Balance Anticipated	\$ 1,944,000.00		\$ 1,944,000.00	
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	20,000.00		33,688.00	\$ 13,688.00
Fees and Permits:				
Other	157,810.00		175,570.86	17,760.86
Fines and Costs:				
Municipal Court	164,000.00		198,497.98	34,497.98
Interest and Costs on Taxes	220,000.00		234,491.01	14,491.01
Interest on Investments and Deposits	50,000.00		83,718.37	33,718.37
Tower Rental	9,000.00		8,800.00	(200.00)
Cable Television Fees	368,000.00		395,922.21	27,922.21
Emergency Medical Service Billing Income	580,000.00		612,048.70	32,048.70
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax	1,981,293.00		1,981,293.00	
Garden State Trust	9,842.00		9,842.00	
Dedicated Uniform Construction Code Fees Offset				
With Appropriations (N.J.S.40A:4-36 and N.J.A.C.5:23-4.17):				
Uniform Construction Code Fees	600,000.00		794,334.00	194,334.00
Special Items of General Revenue Anticipated with Prior Written Consent of				
Director of Local Government Services:				
Interlocal Municipal Service Agreements:				
Police Salaries - Lenape Regional High School District	518,520.00		576,670.90	58,150.90
Uniform Construction Code - Medford Lakes Borough	18,500.00			(18,500.00)
Municipal Court Administrator - Medford Lakes Borough	10,500.00			(10,500.00)
Assessor - Medford Lakes Borough	27,000.00		27,000.00	
Special Items of General Revenue Anticipated with Prior Written				
Consent of the Director of the Division of Local Government Services:				
Public and Private Revenue Off-Set with Appropriations:				
Medford Business Association - Annual Festival of Art, Wine & Music	431.00	\$ 2,750.00	3,181.00	
Bullet Proof Vest	5,697.00		5,697.00	
Body Worn Cameras (BWC) Assistance Program	16,500.00		16,500.00	
Clean Communities Program	21,874.00	64,037.77	85,911.77	

(Continued)

**TOWNSHIP OF MEDFORD**  
**CURRENT FUND**  
 Statement of Revenues -- Regulatory Basis  
 For the Year Ended December 31, 2017

	<u>Budget</u>	<u>Anticipated</u> Special N.J.S. 40A: 4-87	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of the Division of Local Government Services: Public and Private Revenue Off-Set with Appropriations (Cont'd):				
Community Development Block Grant		\$ 78,000.00	\$ 78,000.00	
Drive Sober or Get Pulled Over - 2017 Year End Crackdown		5,500.00	5,500.00	
Drive Sober or Get Pulled Over - Labor Day		5,500.00	5,500.00	
Flying W Airport and Resort - Annual Special Events		6,000.00	6,000.00	
Headwater Village Civic Association Inc. - Community Bonfire Program		950.00	950.00	
Medford Business Association - Oktoberfest Event at Freedom Park		4,000.00	4,000.00	
Medford Celebrates Foundation – Annual Independence Day Celebration		47,500.00	47,500.00	
Medford-Vincetown Rotary Club - Annual Halloween Parade		11,600.00	11,600.00	
Municipal Alliance on Alcoholism and Drug Abuse		15,111.25	15,111.25	
NJ DOT - Bicycle Network Plan		101,284.40	101,284.40	
NJ DOT - Skeet Road Phase II		210,000.00	210,000.00	
NJ Motor Vehicle Security and Customer Service Grant		99,962.00	99,962.00	
Recycling Tonnage Grant	\$ 152,459.00		152,459.00	
Sunrise Rotary - Annual Dickens Festival		9,000.00	9,000.00	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items:				
Liquidation of Interfund - Federal and State Grant Fund	170,000.00		170,000.00	
Reserve for FEMA Revenue	110,670.00		110,670.17	\$ 0.17
Payment in Lieu of Taxes	129,500.00		154,378.40	24,878.40
<b>Total Miscellaneous Revenues</b>	<b>5,341,596.00</b>	<b>661,195.42</b>	<b>6,425,082.02</b>	<b>422,290.60</b>
Receipts from Delinquent Taxes	940,000.00		965,332.98	25,332.98
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	12,238,907.00		12,968,209.54	729,302.54
<b>Budget Totals</b>	<b>20,464,503.00</b>	<b>661,195.42</b>	<b>22,302,624.54</b>	<b>1,176,926.12</b>
<b>Non-Budget Revenue</b>			<b>606,163.89</b>	<b>606,163.89</b>
	<b>\$ 20,464,503.00</b>	<b>\$ 661,195.42</b>	<b>\$ 22,908,788.43</b>	<b>\$ 1,783,090.01</b>

(Continued)



**TOWNSHIP OF MEDFORD**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2017

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue from Collections	\$	93,126,657.72
Allocated to:		
County, School and Municipal Open Space Taxes		81,179,566.18
Amount for Support of Municipal Budget Appropriations		11,947,091.54
Add: Appropriation "Reserve for Uncollected Taxes"		1,021,118.00
Amount for Support of Municipal Budget Appropriations	\$	12,968,209.54

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$	954,841.35
Tax Title Lien Collections		10,491.63
	\$	965,332.98

Analysis of Non-Budget Revenues

Miscellaneous Revenue not Anticipated:

Receipts:

Raffle Licenses	\$	1,460.00
Alarm Fees		9,030.00
Auction Proceeds		186.00
State Transportation Facility - Route 70		3,215.00
Copy Costs		12,561.37
Prior Year Refunds and Reimbursements		174,407.05
Driveway Cut Fees		225.00
Bid/Auction/Asset Sale		131,856.42
Miscellaneous FEMA Receipts		185,869.97
Clothing Bins		75.00
Sale of Chevy Tahoe		8,168.05
Senior Citizen and Veteran Administrative Fee		3,409.05
Homestead Rebate Administration Fee		878.40
Liquor License Settlement Agreement		35,000.00
Self Insurance Close Out Fees		23,716.09
Miscellaneous		12,775.21
Grass Cutting		3,331.28
	\$	606,163.89

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

**TOWNSHIP OF MEDFORD**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2017

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<b>OPERATIONS -- WITHIN "CAPS"</b>						
<b>General Government Functions</b>						
<b>Department of Administration:</b>						
Office of the Manager:						
Salaries and Wages	\$ 65,450.00	\$ 69,740.00	\$ 52,439.10		\$ 17,300.90	
Other Expenses	5,550.00	5,550.00	3,919.20	\$ 1,479.27	151.53	
Human Resources:						
Salaries and Wages	23,013.00	24,082.00	24,082.00			
Other Expenses	900.00	900.00	548.80	275.00	76.20	
Mayor and Council:						
Salaries and Wages	17,497.00	17,497.00	17,496.50		0.50	
Other Expenses	1,000.00	1,000.00	988.58		11.42	
Office of the Clerk:						
Salaries and Wages	71,372.00	73,355.00	73,279.67		75.33	
Other Expenses - Miscellaneous	45,950.00	46,112.00	30,279.27	5,682.11	10,150.62	
Other Expenses -- Elections	12,500.00	12,500.00	12,134.63		365.37	
<b>Department of Finance:</b>						
Office of the Treasurer:						
Salaries and Wages	68,241.00	74,839.00	62,303.28		12,535.72	
Other Expenses	32,970.00	33,440.00	24,770.74	7,222.29	1,446.97	
Audit Services	29,000.00	31,500.00		25,400.00	6,100.00	
Revenue Administration (Tax Collector):						
Salaries and Wages	64,456.00	64,456.00	60,760.70		3,695.30	
Other Expenses	13,000.00	13,000.00	8,229.71	1,198.53	3,571.76	
Division of Assessments (Tax Assessment Administration):						
Salaries and Wages	178,000.00	150,820.00	111,834.78		38,985.22	
Other Expenses	49,195.00	49,195.00	29,621.08	13,218.19	6,355.73	
Legal Services and Costs:						
Other Expenses	185,000.00	175,000.00	70,540.92	69,975.56	34,483.52	
Engineering Services:						
Other Expenses	30,000.00	36,000.00	29,918.73	1,920.37	4,160.90	
Economic Development Commission:						
Other Expenses	750.00	750.00			750.00	
Boards & Committees (Historical Sites Office):						
Other Expenses	1,900.00	1,900.00	677.51	96.74	1,125.75	
Planning Board:						
Salaries and Wages	120,165.00	120,165.00	109,396.44		10,768.56	
Other Expenses	54,625.00	54,625.00	10,625.06	16,316.72	27,683.22	
Division of Zoning (Zoning Board of Adjustment):						
Other Expenses	30,125.00	30,125.00	16,788.14	10,656.11	2,680.75	
Insurance:						
General Liability	263,339.00	265,002.00	255,629.00		9,373.00	
Worker's Compensaton	228,720.00	228,720.00	227,270.00		1,450.00	
Group Insurance for Employees	1,310,500.00	1,371,210.00	1,070,475.86		300,734.14	
Health Benefit Waiver	75,000.00	75,000.00	57,674.77		17,325.23	
Retiree Health Benefits	1,349,900.00	1,349,900.00	1,300,436.42		49,463.58	

(Continued)

**TOWNSHIP OF MEDFORD**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2017

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>Department of Public Safety:</u>						
Police:						
Salaries and Wages	\$ 3,407,065.00	\$ 3,319,565.00	\$ 3,243,919.74		\$ 75,645.26	
Other Expenses	283,140.00	363,140.00	215,235.36	\$ 144,858.67	3,045.97	
Fire:						
Other Expenses	138,672.00	138,672.00	91,751.51	45,914.89	1,005.60	
First Aid Organizations:						
Salaries and Wages	185,906.00	185,906.00	153,224.02		32,681.98	
Other Expenses	104,825.00	104,825.00	43,409.71	53,190.88	8,224.41	
Emergency Management Services:						
Other Expenses	5,500.00	5,500.00	3,052.40	1,461.61	985.99	
Uniform Fire Safety Act: (PL 1983 C. 383)						
Salaries and Wages	514,868.00	514,868.00	487,545.21		27,322.79	
Other Expenses	17,500.00	17,500.00	11,426.31	6,073.69	0.00	
Prosecutor						
Other Expenses -- Professional Services	18,000.00	18,000.00	15,083.30	2,791.70	125.00	
<u>Department of Public Works:</u>						
Road Repairs and Maintenance:						
Salaries and Wages	163,144.00	163,144.00	156,986.01		6,157.99	
Other Expenses	112,700.00	122,700.00	107,906.23	10,707.85	4,085.92	
Snow Removal (Streets & Roads Maintenance):						
Salaries and Wages	45,000.00	45,000.00	25,568.30		19,431.70	
Other Expenses	85,000.00	85,000.00	49,944.04	35,055.66	0.30	
Sanitation (Solid Waste Collection):						
Salaries and Wages	364,121.00	364,121.00	335,102.19		29,018.81	
Other Expenses	904,200.00	904,200.00	664,237.54	236,206.05	3,756.41	
Buildings and Grounds:						
Salaries and Wages	91,345.00	91,345.00	82,255.82		9,089.18	
Other Expenses	104,250.00	127,137.00	89,221.17	33,624.67	4,291.16	
Vehicle Maintenance:						
Salaries and Wages	89,222.00	89,222.00	85,397.12		3,824.88	
Other Expenses	276,500.00	277,595.00	172,066.48	90,775.39	14,753.13	
Community Services Act:						
Other Expenses	31,000.00	31,000.00	28,318.88		2,681.12	
<u>Health and Human Services:</u>						
Environmental Commission (NJS 40:56A-1):						
Other Expenses	400.00	400.00			400.00	
<u>Department of Parks, Recreation and Education:</u>						
Parks and Playgrounds:						
Salaries and Wages	32,675.00	32,675.00	28,067.31		4,607.69	
Other Expenses	675.00	675.00	546.04		128.96	
Landfill/Solid Waste Disposal Costs	778,350.00	778,350.00	737,018.17		41,331.83	
<u>Municipal Court:</u>						
Salaries and Wages	119,204.00	119,204.00	106,088.70		13,115.30	
Other Expenses	35,510.00	16,500.00	7,357.44	2,205.93	6,936.63	

(Continued)

**TOWNSHIP OF MEDFORD**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2017

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>Utilities:</u>						
Electricity and Natural Gas	\$ 150,000.00	\$ 159,653.00	\$ 104,881.73		\$ 54,771.27	
Street Lighting	240,000.00	240,000.00	239,947.08		52.92	
Telephone & Telegraph	79,000.00	80,633.00	43,819.93	\$ 22,099.65	14,713.42	
Heating Gas/Oil	65,000.00	67,134.00	27,669.75	1,941.38	37,522.87	
Gasoline/Diesel Fuel	200,000.00	200,000.00	124,776.72	13,406.53	61,816.75	
<u>Uniform Construction Code Appropriations Offset</u>						
<u>By Dedicated Revenues (NJAC 5:23-4.17):</u>						
Construction Code Official:						
Salaries and Wages	165,562.00	165,562.00	157,491.65		8,070.35	
Other Expenses:						
Direct Costs	78,210.00	7,500.00	2,950.71	3,601.79	947.50	
Indirect Costs	21,127.00					
<u>Unclassified:</u>						
Catastrophic Illness Fund (R.S. 26:2-48)	250.00	250.00	201.00		49.00	
Hepatitis Vaccination	500.00	500.00	453.55	46.45		
Safety Supplies	7,126.00	7,126.00	3,755.67	3,250.00	120.33	
Celebration of Public Events, Anniversary or Holiday	19,100.00	19,100.00	17,406.78		1,693.22	
<b>Total Operations -- Within "CAPS"</b>	<b>13,262,765.00</b>	<b>13,240,085.00</b>	<b>11,326,204.46</b>	<b>860,653.68</b>	<b>1,053,226.86</b>	
<u>Detail:</u>						
Salaries and Wages	5,786,306.00	5,685,566.00	5,373,238.54		312,327.46	
Other Expenses (Including Contingent)	7,476,459.00	7,554,519.00	5,952,965.92	860,653.68	740,899.40	
<u>Deferred Charges:</u>						
Overexpenditure of Grant	36,856.00	36,856.00	36,856.00			
<u>Statutory Expenditures:</u>						
Contribution to:						
Public Employees Retirement Service	176,399.00	182,399.00	181,954.31		444.69	
Social Security System (O.A.S.I.)	430,000.00	446,500.00	446,500.00			
Police and Fireman's Retirement System of N.J.	821,465.00	821,645.00	821,645.00			
Unemployment	20,000.00	20,000.00	10,000.00		10,000.00	
	1,447,864.00	1,470,544.00	1,460,099.31		10,444.69	
<b>Total Deferred Charges and Statutory Expenditures -- Municipal -- Within "CAPS"</b>	<b>1,484,720.00</b>	<b>1,507,400.00</b>	<b>1,496,955.31</b>		<b>10,444.69</b>	
<b>Total General Appropriations for Municipal Purposes Within -- "CAPS"</b>	<b>14,747,485.00</b>	<b>14,747,485.00</b>	<b>12,823,159.77</b>	<b>860,653.68</b>	<b>1,063,671.55</b>	

(Continued)

**TOWNSHIP OF MEDFORD**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2017

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<b>OPERATIONS -- EXCLUDED FROM "CAPS":</b>						
LOSAP	\$ 70,000.00	\$ 70,000.00		\$ 70,000.00		
Landfill Recycling Tax	32,500.00	32,500.00	\$ 27,613.94		\$ 4,886.06	
<b>Shared Municipal Service Agreements:</b>						
Interlocal Services Agreement - Police Salaries & Wages: Lenape Regional High School	518,520.00	518,520.00	518,520.00			
Interlocal Services Agreement - UCC - Salaries & Wages: Medford Lakes Borough	18,500.00	18,500.00	18,500.00			
Interlocal Services Agreement - Municipal Court - Salaries & Wages: Medford Lakes Borough	10,500.00	10,500.00			10,500.00	
Interlocal Services Agreement - Tax Assessment Administration Medford Lakes Borough	27,000.00	27,000.00	27,000.00			
<b>OPERATIONS -- EXCLUDED FROM "CAPS" (CONT'D)</b>						
<b>Public and Private Programs Offset by Revenue:</b>						
Medford Business Association - Annual Festival of Art, Wine & Music (N.J.S.A. 40A:4-87; \$2,750.00)	431.00	3,181.00	3,181.00			
Bullet Proof Vest	5,697.00	5,697.00	5,697.00			
Body Worn Cameras (BWC) Assistance Program	16,500.00	16,500.00	16,500.00			
Clean Communities (N.J.S.A. 40A:4-87; \$64,037.77)	21,874.00	85,911.77	85,911.77			
Community Development Block Grant (N.J.S.A. 40A:4-87; \$78,000.00)		78,000.00	78,000.00			
Drive Sober or Get Pulled Over - 2017 Year End Crackdown (N.J.S.A. 40A:4-87; \$5,500.00)		5,500.00	5,500.00			
Drive Sober or Get Pulled Over - Labor Day (N.J.S.A. 40A:4-87; \$5,500.00)		5,500.00	5,500.00			
Flying W Airport and Resort - Annual Special Events (N.J.S.A. 40A:4-87; \$6,000.00)		6,000.00	6,000.00			
Headwater Village Civic Association Inc.- Community Bonfire Program (N.J.S.A. 40A:4-87; \$950.00)		950.00	950.00			
Medford Celebrates Foundation -- Annual Independence Day Celebration (N.J.S.A. 40A:4-87; \$47,500.00)		47,500.00	47,500.00			
Medford-Vincetown Rotary Club - Annual Halloween Parade (N.J.S.A. 40A:4-87; \$11,600.00)		11,600.00	11,600.00			
Municipal Alliance Grant (N.J.S.A. 40A:4-87; \$15,111.25)		15,111.25	15,111.25			
NJ DOT - Bicycle Network Plan (N.J.S.A. 40A:4-87; \$101,284.40)		101,284.40	101,284.40			
NJ DOT - Skeet Road Phase II (N.J.S.A. 40A:4-87; \$210,000.00)		210,000.00	210,000.00			
NJ Motor Vehicle Security and Customer Service Grant Grant (N.J.S.A. 40A:4-87; \$99,962.00)		99,962.00	99,962.00			
Recycling Tonnage Grant	152,459.00	152,459.00	152,459.00			
Sunrise Rotary - Annual Dickens Festival (N.J.S.A. 40A:4-87; \$9,000.00)		9,000.00	9,000.00			
Medford Business Association - Oktoberfest Event at Freedom Park (N.J.S.A. 40A:4-87; \$4,000.00)		4,000.00	4,000.00			
<b>Total Operations -- Excluded from "CAPS"</b>	<b>873,981.00</b>	<b>1,535,176.42</b>	<b>1,449,790.36</b>	<b>70,000.00</b>	<b>15,386.06</b>	
<b>Detail:</b>						
Salaries and Wages	574,520.00	713,593.25	703,093.25		10,500.00	
Other Expenses	299,461.00	821,583.17	746,697.11	70,000.00	4,886.06	

(Continued)

**TOWNSHIP OF MEDFORD**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2017

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<b><u>CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS":</u></b>						
Capital Improvement Fund	\$ 169,000.00	\$ 169,000.00	\$ 169,000.00			
Total Capital Improvements -- Excluded from "CAPS"	169,000.00	169,000.00	169,000.00			
<b><u>MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS":</u></b>						
Payment of Bond Principal	3,080,676.00	3,080,676.00	3,080,676.00			
Interest on Bonds	516,243.00	516,243.00	516,243.00			
Interest on Notes	56,000.00	56,000.00	54,535.37			\$ 1,464.63
Total Municipal Debt Service -- Excluded from "CAPS"	3,652,919.00	3,652,919.00	3,651,454.37			1,464.63
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,695,900.00	5,357,095.42	5,270,244.73	\$ 70,000.00	\$ 15,386.06	1,464.63
Subtotal General Appropriations	19,443,385.00	20,104,580.42	18,093,404.50	930,653.68	1,079,057.61	1,464.63
Reserve for Uncollected Taxes	1,021,118.00	1,021,118.00	1,021,118.00			
<b>Total</b>	<b><u>\$ 20,464,503.00</u></b>	<b><u>\$ 21,125,698.42</u></b>	<b><u>\$ 19,114,522.50</u></b>	<b><u>\$ 930,653.68</u></b>	<b><u>\$ 1,079,057.61</u></b>	<b><u>\$ 1,464.63</u></b>
Budget		\$ 20,464,503.00				
Appropriation by 40A:4-87		661,195.42				
		<u>\$ 21,125,698.42</u>				
Reserve for Federal and State Grant Fund--Appropriated Disbursed			\$ 858,156.42			
Appropriation Refunds			17,653,932.25			
Reserve for Uncollected Taxes			(418,684.17)			
			<u>1,021,118.00</u>			
			<u>\$ 19,114,522.50</u>			

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

**TOWNSHIP OF MEDFORD**  
**TRUST FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2017 and 2016

ASSETS:	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Animal Control Fund:			
Cash	SB-1	\$ 31,807.89	\$ 26,491.44
Birchwood Lake Dam - Trust Assessment Fund:			
Cash	SB-1	439,892.16	396,696.79
Other Funds:			
Cash	SB-1	3,607,811.30	3,729,343.34
Investments - Length of Service Awards Program	SB-2	1,219,134.37	1,040,532.00
Due From Current Fund	SB-5		9,029.72
		<u>4,826,945.67</u>	<u>4,778,905.06</u>
Municipal Open Space Fund:			
Cash	SB-1	3,413,533.44	2,216,909.79
Due From Current Fund	SB-8	5,649.67	274,744.92
		<u>3,419,183.11</u>	<u>2,491,654.71</u>
		<u>\$ 8,717,828.83</u>	<u>\$ 7,693,748.00</u>

(Continued)

**TOWNSHIP OF MEDFORD**  
**TRUST FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE:</b>			
Animal Control Fund:			
Due to State of New Jersey	SB-4	\$ 1.20	
Reserve for Animal Control Expenditures	SB-3	<u>31,806.69</u>	<u>\$ 26,491.44</u>
		<u>31,807.89</u>	<u>26,491.44</u>
Birchwood Lake Dam - Trust Assessment Fund:			
Reserve for Homeowners Dam Restoration	SB-10	<u>439,892.16</u>	<u>396,696.79</u>
Other Funds:			
Due to Current Fund	SB-5	1,570.26	7,975.94
Due to General Capital Fund	SB-6, SC-6	33,750.00	
Reserve for:			
Length of Service Awards Program	SB-2	1,219,134.37	1,040,532.00
Outside Employment of Off-Duty Municipal Policemen	SB-6	6,938.34	14,775.01
Payroll Deductions Payable	SB-6	37,177.66	94,463.99
Flex Trust	SB-6	3,045.25	2,413.45
Net Payroll	SB-6	4,259.84	5,546.15
Special Law Enforcement	SB-6	41,215.50	38,740.82
Miscellaneous Deposits	SB-6	107,002.50	121,720.50
Road Improvement Escrows	SB-6	111,594.49	114,225.74
Fair Share Traffic Construction	SB-6	9,536.00	9,536.00
Redevelopment Project	SB-6	4,753.00	4,753.00
K-9 Unit Trust	SB-6	998.23	1,000.00
Planning Board Subdivision Escrow	SB-6	1,335,342.76	1,254,656.46
New Jersey Unemployment Compensation Insurance	SB-6	106,753.22	95,812.81
Sanitary Landfill Facility Closure and Contingency Fund	SB-6	13,648.13	13,648.13
Public Defender	SB-6	1,109.87	1,000.88
Police Officer Adjudication Act (POAA)	SB-6	796.00	
Housing	SB-6	488,518.22	488,330.11
Unclaimed Bail - Disposal of Forfeited Property	SB-6	13,434.02	13,434.02
Fire Safety Penalties	SB-6	724.77	301.90
Resale of Snow Removal Chemicals -			
Commodity Resale	SB-6	74,891.90	34,128.22
Snow Removal Trust Fund	SB-6	65,183.24	55,519.95
Federal Forfeiture Trust	SB-6	15.34	15.26
Recreation Programs Trust	SB-6		1,433.57
Tax Title Lien Redemption	SB-6	137,193.17	10,835.27
Tax Sale Premium	SB-6	880,200.00	1,206,900.00
Street Opening Trust	SB-6	92,793.11	103,030.35
Accumulated Absences	SB-6	31,816.56	34,267.78
Miscellaneous	SB-6	3,377.82	3,377.82
Self Insurance Programs	SB-6		6,281.31
Sunshine Trust	SB-6	<u>172.10</u>	<u>248.62</u>
		<u>4,826,945.67</u>	<u>4,778,905.06</u>
Municipal Open Space Fund:			
Accounts Payable	SB-11	8,961.75	14.30
Encumbrances	B-3,SB-9	33,272.17	44,949.35
Appropriation Reserves	B-3,SB-9	141,607.08	24,540.59
Reserve for Future Use	B-1,SB-7	<u>3,235,342.11</u>	<u>2,422,150.47</u>
		<u>3,419,183.11</u>	<u>2,491,654.71</u>
		<u>\$ 8,717,828.83</u>	<u>\$ 7,693,748.00</u>

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



**TOWNSHIP OF MEDFORD**  
**MUNICIPAL OPEN SPACE TRUST FUND**  
 Statements of Operations and Changes in Reserve for Future Use -- Regulatory Basis  
 For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>REVENUE REALIZED:</b>		
Amount to be Raised by Taxation	\$ 751,924.67	\$ 903,007.00
Interest Income	12,755.29	7,292.00
Miscellaneous	731,520.00	509,480.00
Unexpended Balance of Appropriation Reserves	<u>24,134.98</u>	<u>67,645.00</u>
 Total Income	 <u>1,520,334.94</u>	 <u>1,487,424.00</u>
<b>EXPENDITURES:</b>		
Budget Appropriations:		
Salary and Wages	113,307.00	140,177.00
Other Expenses	162,134.00	124,800.00
Acquisition of Farmland	60,000.00	68,000.00
Downpayments on Improvements	100,000.00	
Debt Service	<u>271,702.30</u>	<u>471,504.00</u>
 Total Expenditures	 <u>707,143.30</u>	 <u>804,481.00</u>
 Statutory Excess to Reserve	 813,191.64	 682,943.00
<b>RESERVE FOR FUTURE USE:</b>		
Balance January 1,	<u>2,422,150.47</u>	<u>1,739,207.47</u>
 Balance December 31,	 <u>\$ 3,235,342.11</u>	 <u>\$ 2,422,150.47</u>

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

**TOWNSHIP OF MEDFORD**  
**MUNICIPAL OPEN SPACE TRUST FUND**  
 Statement of Revenues -- Regulatory Basis  
 For the Year Ended December 31, 2017

	Anticipated Budget	Realized	Excess or (Deficit)
Amount to be Raised by Taxation	\$ 746,275.00	\$ 751,924.67	\$ 5,649.67
Interest Income	7,000.00	12,755.29	5,755.29
Miscellaneous	<u>                    </u>	<u>731,520.00</u>	<u>731,520.00</u>
	<u>\$ 753,275.00</u>	<u>\$ 1,496,199.96</u>	<u>\$ 742,924.96</u>

Analysis of Realized Revenues

Receipts:

Interest on Deposits	\$ 12,755.29	
Miscellaneous - County	177,520.00	
Due State - Reserve for Payment of Debt Service	550,000.00	
Miscellaneous - Other	<u>4,000.00</u>	
		\$ 744,275.29
Current Year Levy Due Current Fund		746,275.00
Added and Omitted Taxes - Current Year		<u>5,649.67</u>
		<u>\$ 1,496,199.96</u>

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

**TOWNSHIP OF MEDFORD**  
**MUNICIPAL OPEN SPACE TRUST FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2017

	Appropriations		Expended			
	Original Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
Maintenance of Lands for Recreation and Conservation:						
Salary and Wages	\$ 113,307.00	\$ 113,307.00	\$ 113,062.80		\$ 244.20	
Other Expenses	<u>162,134.00</u>	<u>162,134.00</u>	<u>131,398.70</u>	\$ 23,790.18	<u>6,945.12</u>	
	<u>275,441.00</u>	<u>275,441.00</u>	<u>244,461.50</u>	<u>23,790.18</u>	<u>7,189.32</u>	
Capital Improvements:						
Acquisition of Farmland	60,000.00	60,000.00	16,100.25	9,481.99	34,417.76	
Down Payment on Improvements	<u>100,000.00</u>	<u>100,000.00</u>			<u>100,000.00</u>	
	<u>160,000.00</u>	<u>160,000.00</u>	<u>16,100.25</u>	<u>9,481.99</u>	<u>134,417.76</u>	
Debt Service:						
Payment of Bond Principal	253,679.00	253,679.00	253,677.42			\$ 1.58
Interest on Bonds	<u>18,628.00</u>	<u>18,628.00</u>	<u>18,024.88</u>			<u>603.12</u>
	<u>272,307.00</u>	<u>272,307.00</u>	<u>271,702.30</u>			<u>604.70</u>
Reserve for Future Use	<u>45,527.00</u>	<u>45,527.00</u>				<u>45,527.00</u>
	<u>\$ 753,275.00</u>	<u>\$ 753,275.00</u>	<u>\$ 532,264.05</u>	<u>\$ 33,272.17</u>	<u>\$ 141,607.08</u>	<u>\$ 46,131.70</u>
Disbursed			\$ 540,563.36			
Reimbursed			<u>(8,299.31)</u>			
			<u>\$ 532,264.05</u>			

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

**TOWNSHIP OF MEDFORD**  
**GENERAL CAPITAL FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2017 and 2016

ASSETS:	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Cash	SC-1	\$ 2,107,694.55	\$ 2,120,333.22
Due from County of Burlington:	SC-8		
Receivables offset with Reserves	SC-8	222,147.00	222,147.00
Receivables Funding Improvement Authorizations	SC-6, SC-8	328,000.00	
Due from Trust Other:			
Reserve for Sidewalk Construction	SC-6	33,750.00	
Deferred Charges to Future Taxation:			
Funded	SC-3	15,982,863.98	19,317,217.40
Unfunded	SC-4	8,901,585.76	5,926,852.00
		<u>\$ 27,576,041.29</u>	<u>\$ 27,586,549.62</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE:</b>			
General Serial Bonds	SC-10	\$ 15,889,400.00	\$ 19,102,400.00
Loans Payable	SC-9	93,463.98	214,817.40
Bond Anticipation Notes	SC-11	5,821,742.00	2,657,150.00
Improvement Authorizations:			
Funded	SC-6	783,961.12	1,360,813.50
Unfunded	SC-6	2,700,041.21	2,747,886.69
Reserve for Encumbrances	SC-7	1,491,144.05	858,424.61
Reserve for Payment of Debt Service	SC-12	153,966.20	140,968.03
Reserves for Receivables	C	222,147.00	222,147.00
Capital Improvement Fund	SC-5	70,024.00	77,582.00
Fund Balance	C-1	350,151.73	204,360.39
		<u>\$ 27,576,041.29</u>	<u>\$ 27,586,549.62</u>

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

**TOWNSHIP OF MEDFORD**  
**GENERAL CAPITAL FUND**  
Statement of Fund Balance -- Regulatory Basis  
For the Year Ended December 31, 2017

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Balance December 31, 2016		\$ 204,362.22
Increased by:		
Premium on Sale of Notes	\$ 66,136.00	
Cancellation of Funded Improvement Authorizations	<u>79,653.51</u>	
		<u>145,789.51</u>
Balance December 31, 2017		<u><u>\$ 350,151.73</u></u>

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

**TOWNSHIP OF MEDFORD**  
**WATER AND SEWER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2017 and 2016

ASSETS:	<u>Ref.</u>	<u>2017</u>	<u>(Restated)</u> <u>2016</u>
<b>Operating Fund:</b>			
Cash	SD-1	\$ 2,812,645.77	\$ 5,819,428.86
Insurance Claims	SD-20	12,232.49	11,077.47
Due from Connection Fee Trust Fund	SD-21	195,452.65	210,452.65
Due from Current Fund	SD-19		18,746.23
Due from Utility Capital Fund	SD-18	389,939.00	
		<u>3,410,269.91</u>	<u>6,059,705.21</u>
<b>Receivables with Full Reserves:</b>			
Water and Sewer Liens Receivable	SD-15	3,258.36	
Water and Sewer Rents Receivable	SD-3	190,541.59	214,036.23
		<u>193,799.95</u>	<u>214,036.23</u>
<b>Deferred Charged:</b>			
Operating Deficit	D-1	19,766.67	
		<u>3,623,836.53</u>	<u>6,273,741.44</u>
<b>Assessment Trust Fund:</b>			
Cash	SD-1	666.00	666.00
<b>Sewer Connection Trust Fund:</b>			
Cash	SD-1	195,452.65	210,452.65
		<u>195,452.65</u>	<u>210,452.65</u>
<b>Capital Fund:</b>			
Cash	SD-1	3,415,866.70	1,401,706.02
Fixed Capital	SD-6	29,354,912.81	29,234,878.39
Fixed Capital Authorized and Uncompleted	SD-5	52,485,257.03	49,465,457.03
Due from Water and Sewer Operating Fund	SD-1		1,571,485.00
		<u>85,256,036.54</u>	<u>81,673,526.44</u>
		<u>\$ 89,075,991.72</u>	<u>\$ 88,158,386.53</u>

(Continued)

**TOWNSHIP OF MEDFORD**  
**WATER AND SEWER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>(Restated)</u> <u>2016</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE:</b>			
Operating Fund:			
Liabilities:			
Reserves for Encumbrances	SD-4;D-3	\$ 291,579.51	\$ 358,087.47
Prepaid Rents	SD-16	818,038.42	587,459.04
Appropriation Reserves	SD-4;D-3	317,226.21	96,845.01
Accounts Payable	D	22,412.36	17,172.36
Overpayments	SD-14	4,057.34	2,870.96
Accrued Interest on Bonds and Notes	SD-7	238,327.63	266,164.90
Reserve for Payment of Debt Service	D		0.36
Due to Water and Sewer Capital Fund	SD-18		1,571,485.00
		<u>1,691,641.47</u>	<u>2,900,085.10</u>
Reserve for Receivables	D	193,799.95	214,036.23
Fund Balance	D-1	<u>1,738,395.11</u>	<u>3,159,620.11</u>
		<u>3,623,836.53</u>	<u>6,273,741.44</u>
Assessment Trust Fund:			
Fund Balance	D	<u>666.00</u>	<u>666.00</u>
Sewer Connection Trust Fund:			
Due to Water and Sewer Utility Operating Fund	SD-21	<u>195,452.65</u>	<u>210,452.65</u>
		<u>195,452.65</u>	<u>210,452.65</u>
Capital Fund:			
Serial Bonds	SD-11	9,584,600.00	10,603,600.00
Loans Payable	SD-12	13,753,432.59	14,824,770.93
Improvement Authorizations:			
Funded	SD-8	70,439.07	301,654.55
Unfunded	SD-8	2,094,338.70	1,043,691.00
Capital Improvement Fund	SD-13	506,399.00	1,848,749.00
Due Water and Sewer Operating Fund	SD-18	389,939.00	
Reserve for Encumbrances	SD-9	457,271.04	209,921.94
Reserve for Amortization	SD-10	52,792,458.51	50,254,545.75
Deferred Reserve for Amortization	SD-17	5,242,880.17	2,223,080.17
Reserve for Payment of Debt Service	D	355,488.73	355,488.73
Fund Balance	D-4	<u>8,789.73</u>	<u>8,024.37</u>
		<u>85,256,036.54</u>	<u>81,673,526.44</u>
		<u>\$ 89,075,991.72</u>	<u>\$ 88,158,386.53</u>

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

**TOWNSHIP OF MEDFORD**  
**WATER AND SEWER UTILITY OPERATING FUND**  
 Statements of Operations and Changes in Operating Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>REVENUE AND OTHER INCOME REALIZED:</b>		
Operating Surplus Anticipated	\$ 1,421,225.00	\$ 901,173.00
Water and Sewer Rents	6,062,704.07	6,473,180.00
Miscellaneous	970,138.41	1,072,589.00
Other Credits to Income:		
Other	0.51	
Unexpended Balance of Appropriation Reserves	163,914.65	252,710.00
	8,617,982.64	8,699,652.00
Total Income		
<b>EXPENDITURES:</b>		
Operating	3,674,399.00	3,691,104.00
Capital Improvements	1,771,450.00	1,671,350.00
Debt Service	2,611,898.91	2,784,546.00
Deferred Charges and Statutory Expenditures	570,551.00	226,619.00
Refund of Prior Year Revenue	9,450.40	
	8,637,749.31	8,373,619.00
Total Expenditures		
Operating Deficit	<u>\$ (19,766.67)</u>	
Statutory Excess to Fund Balance		326,033.00
<b>FUND BALANCE:</b>		
Balance January 1 (As Restated)	3,159,620.11	3,734,760.11
		4,060,793.11
Decreased by:		
Utilized as Revenue	1,421,225.00	901,173.00
Balance December 31	<u>\$ 1,738,395.11</u>	<u>\$ 3,159,620.11</u>

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



**TOWNSHIP OF MEDFORD**  
**WATER AND SEWER UTILITY OPERATING FUND**  
 Statement of Revenues -- Regulatory Basis  
 For the Year Ended December 31, 2017

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	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess</u>
Surplus Anticipated	\$ 1,421,225.00	\$ 1,421,225.00	
Water and Sewer Rents	6,300,000.00	6,062,704.07	\$ (237,295.93)
Miscellaneous	<u>1,045,000.00</u>	<u>970,138.41</u>	<u>(74,861.59)</u>
	<u>\$ 8,766,225.00</u>	<u>\$ 8,454,067.48</u>	<u>\$ (312,157.52)</u>

Analysis of Realized Revenues

Miscellaneous:

Receipts:

Interest on Deposits	\$	33,929.57
Connection Fees		874,316.27
Penalties		29,721.43
Refunds and Reimbursements		410.20
Other		<u>31,760.94</u>
		<u>\$ 970,138.41</u>

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

**TOWNSHIP OF MEDFORD**  
**WATER AND SEWER UTILITY OPERATING FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances</u>	<u>Reserved</u>	
<b>Operating:</b>						
Salaries and Wages	\$ 777,469.00	\$ 777,469.00	\$ 735,209.82		\$ 42,259.18	
Other Expenses	2,914,931.00	2,896,930.00	2,400,511.88	\$ 272,491.73	223,926.39	
Total Operating	<u>3,692,400.00</u>	<u>3,674,399.00</u>	<u>3,135,721.70</u>	<u>272,491.73</u>	<u>266,185.57</u>	
<b>Capital Improvements:</b>						
Capital Improvement Fund	1,677,450.00	1,677,450.00	1,677,450.00			
Capital Outlay	94,000.00	94,000.00	66,257.42	19,087.78	8,654.80	
Total Capital Improvements	<u>1,771,450.00</u>	<u>1,771,450.00</u>	<u>1,743,707.42</u>	<u>19,087.78</u>	<u>8,654.80</u>	
<b>Debt Service:</b>						
Payment of Bond and Loan Principal	2,031,338.00	2,049,339.00	2,049,338.34			\$ 0.66
Interest on Bonds and Loans	700,486.00	700,486.00	562,560.57			137,925.43
Total Debt Service	<u>2,731,824.00</u>	<u>2,749,825.00</u>	<u>2,611,898.91</u>			<u>137,926.09</u>
<b>Deferred Charges and Statutory Expenditures:</b>						
<b>Deferred Charges - Unfunded Ordinances:</b>						
Ordinance 1998-14	8,004.00	8,004.00	8,004.00			
Ordinance 2002-19	50,291.00	50,291.00	50,291.00			
Ordinance 2007-09	267.00	267.00	267.00			
Ordinance 2007-11	618.00	618.00	618.00			
Ordinance 2008-20	89,631.00	89,631.00	89,631.00			
Ordinance 2009-12	95,689.00	95,689.00	95,689.00			
Ordinance 2010-21	83,040.00	83,040.00	83,040.00			
	<u>327,540.00</u>	<u>327,540.00</u>	<u>327,540.00</u>			
<b>Statutory Expenditures:</b>						
Public Employees Retirement System	83,011.00	83,011.00	83,011.00			
Retiree Health Benefits	100,000.00	100,000.00	61,095.84		38,904.16	
Contributions to Social Security System (O.A.S.I.)	60,000.00	60,000.00	56,518.32		3,481.68	
	<u>243,011.00</u>	<u>243,011.00</u>	<u>200,625.16</u>		<u>42,385.84</u>	
Total Deferred Charges and Statutory Expenditures	<u>570,551.00</u>	<u>570,551.00</u>	<u>528,165.16</u>		<u>42,385.84</u>	
	<u>\$ 8,766,225.00</u>	<u>\$ 8,766,225.00</u>	<u>\$ 8,019,493.19</u>	<u>\$ 291,579.51</u>	<u>\$ 317,226.21</u>	<u>\$ 137,926.09</u>
Accrued Interest on Bonds and Loans			\$ 562,560.57			
Due Water and Sewer Utility Capital Fund - Unfunded Ordinances			327,540.00			
Disbursed			7,158,078.02			
Appropriations Refunded			(28,685.40)			
			<u>\$ 8,019,493.19</u>			

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

**TOWNSHIP OF MEDFORD**  
**WATER AND SEWER UTILITY CAPITAL FUND**  
**Statement of Fund Balance -- Regulatory Basis**  
**For the Year Ended December 31, 2017**

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Balance December 31, 2016	\$	8,024.37
Increased by:		
Premium on Sale of Refunding Bonds		765.36
Balance December 31, 2017	\$	8,789.73

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

**TOWNSHIP OF MEDFORD**  
Notes to Financial Statements  
For the Year Ended December 31, 2017

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

**Description of Financial Reporting Entity** - The Township of Medford (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature on February 4, 1847 from portions of Evesham Township. The Township, located in Burlington County, New Jersey, has a total area of approximately forty square miles, and is located approximately twenty miles from the City of Philadelphia. The Township borders Evesham Township, Tabernacle Township, Mount Laurel Township, Southampton Township, Shamong Township, and Fostertown Township. According to the 2010 census, the population is 23,033.

The Township has a Council - Manager form of government known as the Council - Manager Plan E under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. There are four Township Council Members who are elected to four-year terms. The Mayor is elected at large to a four-year term. Administrative responsibilities fall under the Township Manager, who is appointed by Council. Executive responsibilities rest with the Township Council.

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

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

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

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

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

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

**Water and Sewer Utility Operating and Capital Funds** - The water and sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned sewer operations.

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

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

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

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

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded. Investments recorded in the trust fund for the Township's length of service awards program, however, are stated at fair value.

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

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

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

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

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

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

**General Fixed Assets** - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$1,000.00. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

**Utility Fixed Assets** - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements, and contributed capital.

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

**Deferred Charges** - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

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

**Fund Balance** - Fund balances included in the current fund and water and sewer utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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

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

**Property Tax Revenues** - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Burlington, the Township of Medford School District and the Lenape Regional High School District.

**School Taxes** - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Medford School District and the Lenape Regional High School District. For both school districts, operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2016 and decreased by the amount deferred at December 31, 2017.

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

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

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

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

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

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

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

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

**Pensions** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Police and Firemen's Retirement System (PFRS) and the Public Employees' Retirement System (PERS), and additions to/deductions from PFRS' and PERS' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Note 2: CASH AND CASH EQUIVALENTS**

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

As of December 31, 2017, the Township's bank balances of \$34,045,772.06 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 32,614,374.50
Uninsured and Uncollateralized	<u>1,431,397.56</u>
Total	<u><u>\$ 34,045,772.06</u></u>



**Note 3: PROPERTY TAXES**

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

	<u>Year Ended</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	<u>\$ 3.102</u>	<u>\$ 3.092</u>	<u>\$ 3.046</u>	<u>\$ 2.953</u>	<u>\$ 2.856</u>
Apportionment of Tax Rate:					
Municipal	\$ .406	\$ .410	\$ .411	\$ .411	\$ .412
Municipal Open Space	.024	.030	.030	.030	.029
County	.446	.447	.435	.403	.395
Regional High School	.738	.740	.720	.687	.646
Local School	1.488	1.465	1.450	1.422	1.374

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2017	\$ 3,008,189,389.00
2016	2,985,099,633.00
2015	2,972,790,205.00
2014	2,970,853,153.00
2013	2,975,894,377.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2017	\$ 94,028,113.02	\$ 93,126,657.72	99.04%
2016	93,069,111.00	92,054,528.00	98.91%
2015	91,626,530.00	90,516,057.00	98.79%
2014	88,484,212.00	87,367,500.00	98.74%
2013	85,590,324.00	84,333,575.00	98.53%

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

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

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2017	\$ 95,091.06	\$ 825,592.16	\$ 920,683.22	0.98%
2016	82,620.80	1,001,198.00	1,083,818.80	1.16%
2015	275,481.00	898,511.00	1,173,992.00	1.28%
2014	441,535.00	1,021,763.00	1,463,298.00	1.65%
2013	414,969.00	813,231.00	1,228,200.00	1.43%

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

<u>Year</u>	<u>Number</u>
2017	41
2016	64
2015	41
2014	20
2013	19

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

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

<u>Year</u>	<u>Amount</u>
2017	\$ 1,071,200.00
2016	1,071,200.00
2015	962,500.00
2014	371,400.00
2013	371,400.00

**Note 5: WATER AND SEWER UTILITY SERVICE CHARGES**

The following is a five-year comparison of water and sewer utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balance Beginning of Year Receivable</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
2017	\$ 214,036.23	\$ 6,042,467.79	\$ 6,256,504.02	\$ 6,062,704.07
2016	198,754.00	6,493,484.00	6,692,238.00	6,478,202.00
2015	226,610.00	5,819,922.00	6,046,532.00	5,847,778.00
2014	227,322.00	6,369,967.00	6,597,289.00	6,370,679.00
2013	351,047.00	6,136,053.00	6,487,100.00	6,259,778.00

**Note 6: FUND BALANCES APPROPRIATED**

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

**Current Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2017	\$ 4,254,577.21	\$ 2,498,500.00	58.72%
2016	3,607,687.80	1,944,000.00	53.88%
2015	2,265,775.00	1,017,604.00	44.91%
2014	2,440,314.00	1,169,582.00	47.93%
2013	1,955,432.00	1,100,000.00	56.25%

**Water and Sewer Utility Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2017	\$ 1,738,395.11	\$ 1,000,000.00	57.52%
2016	3,159,620.11	1,421,225.00	44.98%
2015	3,524,974.00	901,173.00	25.57%
2014	2,392,745.00	700,693.00	29.28%
2013	1,778,579.00	40,206.00	2.26%

**Note 7: INTERFUND RECEIVABLES AND PAYABLES**

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 1,570.26	\$ 12,887.82
Federal and State Grant	7,238.15	
Municipal Open Space	5,649.67	
Trust - Other		35,320.26
General Capital	33,750.00	
Water and Sewer Utility - Operating	585,391.65	
Water and Sewer Utility - Capital		389,939.00
Water and Sewer Utility - Sewer Connection Trust		195,452.65
Totals	<u>\$ 633,599.73</u>	<u>\$ 633,599.73</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2018, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 8: PENSION PLANS**

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

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

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

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

**Note 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

**Police and Firemen's Retirement System** - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Township. The PFRS's Board of Trustees is primarily responsible for the administration of the PFRS.

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

**Vesting and Benefit Provisions**

**Public Employees' Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

**Tier Definition**

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

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

**Note 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

**Police and Firemen's Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

**Tier Definition**

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

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

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

**Contributions**

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) was 10% in State fiscal year 2017. Employers' contribution are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2017 was 12.25% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

**Note 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** - Based on the most recent PERS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$287,794.00, and is payable by April 1, 2018. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$258,621.00, which was paid on April 1, 2017. Employee contributions to the Plan during the year ended December 31, 2017 were \$172,640.07.

**Police and Firemen's Retirement System** - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was 10% in State fiscal year 2017. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

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

The Township's contractually required contribution rate for the year ended December 31, 2017 was 26.96% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$949,656.00, and is payable by April 1, 2018. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$821,645.00, which was paid on April 1, 2017. Employee contributions to the Plan during the year ended December 31, 2017 were \$355,340.80.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2017 was 2.63% of the Township's covered payroll.

**Note 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Police and Firemen's Retirement System (Cont'd)** - Based on the most recent PFRS measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2017 is \$92,782.00, and is payable by April 1, 2018. Based on the PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2016 was \$61,941.00, which was paid on April 1, 2017.

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

For the year ended December 31, 2017, employee contributions totaled \$7,878.99, and the Township's contributions were \$1,731.55. There were no forfeitures during the year.

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

**Public Employees' Retirement System** - At December 31, 2017, the Township's proportionate share of the PERS net pension liability was \$7,231,686.00. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2017 measurement date, the Township's proportion was .0310660743%, which was an increase of .0019547328% from its proportion measured as of June 30, 2016.

At December 31, 2017, the Township's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2017 measurement date is \$399,929.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2017, the Township's contribution to PERS was \$258,621.00, and was paid on April 1, 2017.

**Police and Firemen's Retirement System** - At December 31, 2017, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 16,565,590.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>1,855,486.00</u>
	<u>\$ 18,421,076.00</u>



**Note 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Police and Firemen's Retirement System (Cont'd)** - The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2017 measurement date, the Township's proportion was .1073035247%, which was an increase of .0065302910% from its proportion measured as of June 30, 2016. Likewise, at June 30, 2017, the State of New Jersey's proportion, on-behalf of the Township, was .1073035247%, which was an increase of .0065302910% from its proportion, on-behalf of the Township, measured as of June 30, 2016.

At December 31, 2017, the Township's proportionate share of the PFRS pension expense, calculated by the Plan as of the June 30, 2017 measurement date is \$1,729,311.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2017, the Township's contribution to PFRS was \$821,645.00, and was paid on April 1, 2017.

At December 31, 2017, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the Plan as of the June 30, 2017 measurement date is \$226,968.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

**Deferred Outflows of Resources and Deferred Inflows of Resources** - At December 31, 2017, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 170,281.00	\$ 107,468.00	\$ 277,749.00	\$ -	\$ 97,226.00	\$ 97,226.00
Changes of Assumptions	1,456,935.00	2,042,722.00	3,499,657.00	1,451,594.00	2,712,959.00	4,164,553.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	49,243.00	316,110.00	365,353.00	-	-	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	365,756.00	941,803.00	1,307,559.00	662,669.00	14,226.00	676,895.00
Township Contributions Subsequent to the Measurement Date	143,897.00	474,828.00	618,725.00	-	-	-
	<u>\$ 2,186,112.00</u>	<u>\$ 3,882,931.00</u>	<u>\$ 6,069,043.00</u>	<u>\$ 2,114,263.00</u>	<u>\$ 2,824,411.00</u>	<u>\$ 4,938,674.00</u>

\$143,897.00 and \$474,828.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2018. These amounts were based on an estimated April 1, 2019 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2017 to the Township's year end of December 31, 2017.

**Note 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

	<u>PERS</u>		<u>PFRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	-	5.00	-	5.00
June 30, 2016	5.00	-	5.00	-
June 30, 2017	5.00	-	5.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59

**Note 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

<b><u>Year Ending Dec 31,</u></b>	<b><u>PERS</u></b>	<b><u>PFRS</u></b>	<b><u>Total</u></b>
2018	\$ 45,842.00	\$ 428,500.00	\$ 474,342.00
2019	132,499.00	772,851.00	905,350.00
2020	70,041.00	193,000.00	263,041.00
2021	(206,855.00)	(580,813.00)	(787,668.00)
2022	(113,575.00)	(229,846.00)	(343,421.00)
	<u>\$ (72,048.00)</u>	<u>\$ 583,692.00</u>	<u>\$ 511,644.00</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<b><u>PERS</u></b>	<b><u>PFRS</u></b>
Inflation Rate	2.25%	2.25%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	2.10% - 8.98% Based on Age
Thereafter	2.65% - 5.15% Based on Age	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013

**Note 8: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

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

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

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

**Note 8: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability at June 30, 2017 was 5.00% for PERS and 6.14% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension Plan investments of 7.00%, and a municipal bond rate of 3.58% 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 rates assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 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 for PERS and through 2057 for PFRS; therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2040 for PERS and through 2057 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

**Note 8: PENSION PLANS (CONT'D)****Sensitivity of Township's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Public Employees' Retirement System (PERS)** - The following presents the Township's proportionate share of the net pension liability at June 30, 2017, the Plan's measurement date, calculated using a discount rate of 5.00%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>PERS</b>		
	<b>1% Decrease (4.00%)</b>	<b>Current Discount Rate (5.00%)</b>	<b>1% Increase (6.00%)</b>
Township's Proportionate Share of the Net Pension Liability	\$ 8,971,397.00	\$ 7,231,686.00	\$ 5,782,291.00

**Police and Firemen's Retirement System (PFRS)** - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Township's annual required contribution. As such, the net pension liability as of June 30, 2017, the Plan's measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 6.14%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>PFRS</b>		
	<b>1% Decrease (5.14%)</b>	<b>Current Discount Rate (6.14%)</b>	<b>1% Increase (7.14%)</b>
Township's Proportionate Share of the Net Pension Liability	\$ 21,826,529.00	\$ 16,565,590.00	\$ 12,243,130.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	2,444,755.61	1,855,486.00	1,371,334.01
	<u>\$ 24,271,284.61</u>	<u>\$ 18,421,076.00</u>	<u>\$ 13,614,464.01</u>

**Pension Plan Fiduciary Net Position**

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

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information**

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

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

	<u>Measurement Date Ended June 30,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township's Proportion of the Net Pension Liability	0.0310660743%	0.0291113415%	0.0329284085%
Township's Proportionate Share of the Net Pension Liability	\$ 7,231,686.00	\$ 8,621,944.00	\$ 7,391,768.00
Township's Covered Payroll (Plan Measurement Period)	\$ 2,242,464.00	\$ 2,028,732.00	\$ 2,227,412.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	322.49%	424.99%	331.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%
	<u>Measurement Date Ended June 30,</u>		
	<u>2014</u>	<u>2013</u>	
Township's Proportion of the Net Pension Liability	0.0327388066%	0.0351794539%	
Township's Proportionate Share of the Net Pension Liability	\$ 6,129,600.00	\$ 6,723,493.00	
Township's Covered Payroll (Plan Measurement Period)	\$ 2,258,416.00	\$ 2,513,128.00	
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	271.41%	267.53%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%	

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Township's Contributions - Public Employees' Retirement System (PERS) (Last Five Years)***

	<u>Year Ended December 31,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township's Contractually Required Contribution	\$ 287,794.00	\$ 258,621.00	\$ 283,096.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(287,794.00)</u>	<u>(258,621.00)</u>	<u>(283,096.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 2,348,900.00	\$ 2,218,222.00	\$ 2,008,847.00
Township's Contributions as a Percentage of Covered Payroll	12.25%	11.66%	14.09%
	<u>Year Ended December 31,</u>		
	<u>2014</u>	<u>2013</u>	
Township's Contractually Required Contribution	\$ 269,894.00	\$ 265,070.00	
Township's Contribution in Relation to the Contractually Required Contribution	<u>(269,894.00)</u>	<u>(265,070.00)</u>	
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	
Township's Covered Payroll (Calendar Year)	\$ 2,162,377.00	\$ 2,215,793.00	
Township's Contributions as a Percentage of Covered Payroll	12.48%	11.96%	



**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Township's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Five Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township's Proportion of the Net Pension Liability	0.1073035247%	0.1007732337%	0.1009314324%
Township's Proportionate Share of the Net Pension Liability	\$ 16,565,590.00	\$ 19,250,263.00	\$ 16,811,658.00
State's Proportionate Share of the Net Pension Liability associated with the Township	1,855,486.00	1,616,545.00	1,474,326.00
Total	<u>\$ 18,421,076.00</u>	<u>\$ 20,866,808.00</u>	<u>\$ 18,285,984.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 3,443,384.00	\$ 3,175,960.00	\$ 3,196,312.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	481.08%	606.12%	525.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.60%	52.01%	56.31%
	<u>Measurement Date Ended June 30,</u>		
	<u>2014</u>	<u>2013</u>	
Township's Proportion of the Net Pension Liability	0.0998063889%	0.0986190991%	
Township's Proportionate Share of the Net Pension Liability	\$ 12,554,718.00	\$ 13,110,519.00	
State's Proportionate Share of the Net Pension Liability associated with the Township	1,351,932.00	1,222,060.00	
Total	<u>\$ 13,906,650.00</u>	<u>\$ 14,332,579.00</u>	
Township's Covered Payroll (Plan Measurement Period)	\$ 3,152,368.00	\$ 3,093,556.00	
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	398.26%	423.80%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.41%	58.70%	

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Township's Contributions - Police and Firemen's Retirement System (PFRS)  
(Last Five Years)***

	<u>Year Ended December 31,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township's Contractually Required Contribution	\$ 949,656.00	\$ 821,645.00	\$ 820,422.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(949,656.00)</u>	<u>(821,645.00)</u>	<u>(820,422.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 3,522,176.00	\$ 3,416,079.00	\$ 3,244,888.00
Township's Contributions as a Percentage of Covered Payroll	26.96%	24.05%	25.28%
	<u>Year Ended December 31,</u>		
	<u>2014</u>	<u>2013</u>	
Township's Contractually Required Contribution	\$ 766,582.00	\$ 719,503.00	
Township's Contribution in Relation to the Contractually Required Contribution	<u>(766,582.00)</u>	<u>(719,503.00)</u>	
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	
Township's Covered Payroll (Calendar Year)	\$ 3,203,629.00	\$ 3,152,433.00	
Township's Contributions as a Percentage of Covered Payroll	23.93%	22.82%	

**Note 8: PENSION PLANS (CONT'D)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

Changes in Assumptions - For 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65% from 7.90%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the Plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

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

Changes in Benefit Terms - In 2017, Chapter 26, P.L. 2016 increased the accidental death benefit payable to children if there is no surviving spouse to 70% of final compensation.

Changes in Assumptions - For 2017, the discount rate changed to 6.14% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 5.55%, the long-term expected rate of return changed to 7.65% from 7.90%, and the mortality improvement scale incorporated the Plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 5.79% and demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study. For 2014, the discount rate was 6.32%.

**Note 9: LENGTH OF SERVICE AWARDS PROGRAM**

**Plan Description** - The Township's length of service awards program (the "Plan"), which is a defined contribution plan reported in the Township's trust fund, was created by a Township Ordinance adopted on August 27, 2002 pursuant to Section 457(e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The voters of the Township approved the adoption of the Plan at the general election held on November 6, 2001, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2002. The Plan provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel, and is administered by Lincoln National Life Insurance Company ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The Township's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

The tax deferred income benefits for emergency service volunteers of the Medford Fire Department and Township Emergency Squad, consisting of the volunteer fire department and the first aid organization, come from contributions made solely by the governing body of the Township, on behalf of those volunteers who meet the criteria of the Plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**Note 9: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)**

**Plan Amendments** - The Township may make minor amendments to the provisions of the Plan at any time, provided, however, that no amendment affects the rights of participants or their beneficiaries regarding vested accumulated deferrals at the time of the amendment. The Plan can only be amended by resolution of the governing body of the Township, and the following procedures must be followed: (a) any amendment to the Plan shall be submitted for review and approval by the Director of Local Government Services, State of New Jersey (the "Director") prior to implementation by the Township's governing body, provided, however, that any amendment required by the IRS, may be adopted by the Township's governing body without the advance approval of the Director (although such amendment shall be filed with the Director); (b) the documentation submitted to the Director shall identify the regulatory authority for the amendment and the specific language of the change; and (c) the Township shall adopt the amendment by resolution of the governing body, and a certified copy of the resolution shall be forwarded to the Director. The Township may amend the Plan agreement to accommodate changes in the Internal Revenue Code, Federal statutes, state laws or rules or operational experience. In cases of all amendments to the Plan, the Township shall notify all participants in writing prior to making any amendment to the Plan.

**Contributions** - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100.00 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually.

The Township elected to contribute between \$300.00 and \$1,150.00 for the year ended December 31, 2017, per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The Township has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator.

For the year ended December 31, 2017, the Township's total expenditure to the Plan was \$43,000.00.

**Participant Accounts** - Each participant's account is credited with the Township's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Township has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the Plan participants and their beneficiaries. The contributions from the Township to the Plan, and the related earnings, are not irrevocable, and such funds are not legally protected from the creditors of the Township. These funds, however, are not available for funding the operations of the Township.

**Vesting** - The Township, in accordance with N.J.S.A. 40A:14-188 and N.J.A.C. 5:30-11.63 may make a yearly contribution to the length of service awards program account in the deferred income program for an active volunteer who has satisfied the requirements for receipt of an award, but the volunteer shall not be able to receive a distribution of the funds until the completion of a five year vesting period or be in accordance with changes to vesting conveyed through the issuance of a Local Finance Notice and/or publication of a public notice in the New Jersey Register, with payment of that benefit only being as otherwise permitted by the Plan.

**Note 9: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)**

**Payment of Benefits** - Upon separation from volunteer service, retirement or disability, termination of the Plan, participants may select various payout options of vested accumulated deferrals, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate.

In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals.

**Forfeited Accounts** - For the year ended December 31, 2017, no accounts were forfeited.

**Investments** - The investments of the length of service awards program reported in the trust - other funds on the statements of assets, liabilities, reserves, and fund balance - regulatory basis are recorded at fair value.

**Plan Information** - Additional information about the Township's length of service awards program can be obtained by contacting the Plan Administrator.

**Supplementary Length of Service Award Program Information**

In accordance with GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, the following schedule of Township contributions to the length of service award program is presented.

	<u>Year Ended December 31,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Plan Calculated Contribution	\$ 43,000.00	\$ 66,300.00	\$ 58,450.00	\$ 62,150.00	\$ 65,400.00
Township's Contributions in Relation to the Plan Calculated Contribution	<u>(43,000.00)</u>	<u>(66,300.00)</u>	<u>(58,450.00)</u>	<u>(62,150.00)</u>	<u>(65,400.00)</u>
Township's Plan Calculated Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Township's Plan Calculated Contribution	\$ 65,050.00	\$ 76,500.00	\$ 64,150.00	\$ 72,150.00	\$ 67,750.00
Township's Contributions in Relation to the Plan Calculated Contribution	<u>(65,050.00)</u>	<u>(76,500.00)</u>	<u>(64,150.00)</u>	<u>(72,150.00)</u>	<u>(67,750.00)</u>
Township's Plan Calculated Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

**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 Pensions and Benefits. 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. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**Plan Description (Cont'd)** - The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2015, the Township authorized participation in the SHBP's post-retirement benefit program through resolution number 15-2015. The Township provides postemployment health care benefits, at its cost, to all Township retirees who at the date of retirement have not less than twenty-five (25) years of service credit in a State locally administered retirement system and have served at least twenty (20) years as an employee of the Township. Benefits provided include health insurance and prescription coverage for retirees and their dependents only during the retired employees' life.

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

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. The Township funds these benefits on a pay-as-you-go basis and, therefore, does not record accrued expenses related to these benefits. The Township's contributions to SHBP for the years ended December 31, 2017, 2016, and 2015, were \$1,361,532.26, \$1,368,924.99, and \$1,084,282.35, respectively, which equaled the required contributions each year. There were 59 retired participants eligible at December 31, 2017.

**Note 11: COMPENSATED ABSENCES**

The Township does not have a policy for compensating all employees for unused sick, vacation or personal leave days upon retirement. However, policies negotiated in the union contracts of the public works, utility, fire and police departments exist. Per the Township handbook non-aligned employees will be compensated in the same manner as employees in the public works union.

In accordance with all union negotiated contracts of the Township employees are entitled to be paid for vacation and comp time upon termination at their current hourly rates.

Additionally, in accordance with the Township's Officer's Association, up to 45 days of accumulated sick time will be compensated at current hourly rates upon termination, and in accordance with Township's Police Superior Officers Association contract, sick time will be compensated upon termination as follows:

- Hours 1 -1,040 – 55% of the Officer's Hourly Rate
- Hours 1,041 – 1,500 50% of the Officer's Hourly Rate
- Hours 1,501+ 45% of the Officer's Hourly Rate

**Note 11: COMPENSATED ABSENCES (CONT'D)**

The following table represents a detail of compensated absence activity during 2017:

<b>Balance December 31, 2016 (Restated)</b>	<b><u>Additions</u></b>	<b><u>Deductions</u></b>	<b>Balance December 31, 2017</b>
\$ 957,442.05	\$ 644,479.74	\$ 632,959.40	\$ 968,962.39

The Township has established a compensated absences trust fund to set aside funds for future payments of compensated absences. At December 31, 2017, the balance of the fund was \$31,816.56.

**Note 12: DEFERRED COMPENSATION SALARY ACCOUNT**

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

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

**Note 13: SANITARY LANDFILL ESCROW CLOSURE FUND**

The Township previously operated a municipal landfill located in the Township. The Sanitary Landfill Facility Closure and Contingency Fund Act of 1981 was enacted to provide funding, during the life of the landfill, of costs associated with the closure of sanitary landfills. The Act requires the owner or operator of every sanitary landfill to establish an escrow account for closure and deposit, on a monthly basis, an amount equal to \$1.00 per ton of solid waste accepted for disposal. No withdrawals may be made from the fund without written approval from the State Department of Environmental Protection and Energy.

Under the provisions of N.J.S.A.13:1E-1 et seq., known as the Solid Waste Management Act, approval was granted on November 2, 1995 by the State of New Jersey, Department of Environmental Protection (NJDEP) for a closure and post closure plan. On February 24, 2000, the NJDEP accepted the Township's As-Built Documents for the closure of the landfill as complete.

The Township presently holds funds in escrow in accordance with the post closure financial plan approved by the NJDEP on November 2, 1995.

**Note 14: CAPITAL DEBT****General Improvement Bonds**

General Improvement Bonds, Series 2008 - On July 15, 2008, the Township issued \$12,187,000.00 of general improvement bonds, with interest rates ranging from 3.5% - 4.0%. The bonds were issued for the purpose of funding the following Ordinances: 2007-10, 2007-15, 2007-28 and 2008-18. The final maturity of the bonds is July 15, 2018.

**Note 14: CAPITAL DEBT (CONT'D)****General Improvement Bonds (Cont'd)**

Refunding Bonds, Series 2011 – November 21, 2011, the Township issued \$1,251,800.00 of refunding bonds, with interest rates ranging from 2.0% - 3.0%. The bonds were issued to refund \$755,000.00 of General Obligation Bonds, Series 1998 and to advance refund \$1,996,000.00 of principal of General Obligation Bonds, Series 2002. The final maturity of the bonds is July 1, 2019.

General Improvement Bonds, Series 2013 - On May 9, 2013, the Township issued \$11,470,000.00 of general improvement bonds, with interest rates ranging from 2.0% - 3.25%. The bonds were issued to fund ordinances 2008-11 and 2009-19. The final maturity of the bonds is May 1, 2033.

Refunding Bonds, Series 2013 - On May 9, 2013, the Township issued \$3,510,000.00 of refunding bonds, with interest rates ranging from 1.0% – 2.5%. The bonds were issued to refund \$796,000.00 of General Obligation Bonds, Series 2004. The final maturity of the bonds is August 1, 2020.

General Improvement Bonds, Series 2015 - On December 17, 2015, the Township issued \$3,420,000.00 of general improvement bonds, with interest rates ranging from 2.0% – 2.25%. The bonds were issued for the purpose of funding the following Ordinances 2010-15, 2013-16, 2014-1 and 2015-15. The final maturity of the bonds is June 1, 2025.

The following schedule represents the remaining debt service, through maturity, for the General Improvement Bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 3,225,800.00	\$ 418,615.76	\$ 3,644,415.76
2019	1,318,600.00	313,799.76	1,632,399.76
2020	1,255,000.00	286,868.76	1,541,868.76
2021	870,000.00	261,418.76	1,131,418.76
2022	910,000.00	243,618.76	1,153,618.76
2023-2027	4,210,000.00	890,706.30	5,100,706.30
2028-2032	3,360,000.00	382,721.92	3,742,721.92
2033	740,000.00	12,025.00	752,025.00
Totals	<u>\$ 15,889,400.00</u>	<u>\$ 2,809,775.02</u>	<u>\$ 18,699,175.02</u>

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

On October 23, 1999, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection at an interest rate of 2.0%. The proceeds were used to fund the redevelopment of the Distefano Tract. Semiannual debt payments are due through 2019.

On September 6, 2000, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection at an interest rate of 2.0%. The proceeds were used to fund the redevelopment of the Distefano Tract Phase II. Semiannual debt payments are due through 2019.



**Note 14: CAPITAL DEBT (CONT'D)****General Debt - New Jersey Green Acres Loans (Cont'd)**

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 61,998.81	\$ 1,560.82	\$ 63,559.63
2019	<u>31,465.17</u>	<u>314.65</u>	<u>31,779.82</u>
Totals	<u>\$ 93,463.98</u>	<u>\$ 1,875.47</u>	<u>\$ 95,339.45</u>

**Water and Sewer Improvement Bonds**

General Improvement Bonds, Series 2008 - On July 15, 2008, the Township issued \$4,563,000.00 of general improvement bonds, with interest rates ranging from 4.0% - 4.5%. The bonds were issued for the purpose of funding the following Ordinances: 2007-09, 2007-15, 2007-14 and 2008-19. The final maturity of the bonds is July 15, 2028.

Refunding Bonds, Series 2011 – November 21, 2011, the Township issued \$1,593,200.00 of refunding bonds, with interest rates ranging from 2.0% - 3.0%. The bonds were issued to refund \$152,132.50 of Refunding Bonds, Series 1998 and to refund \$1,396,000.00 of principal of General Obligation Bonds, Series 2002. The final maturity of the bonds is July 1, 2019.

General Improvement Bonds, Series 2013 - On May 17, 2013, the Township issued \$1,305,000.00 of general improvement bonds, with interest rates ranging from 2.0% - 3.25%. The bonds were issued to fund ordinance 2009-20. The final maturity of the bonds is May 1, 2033.

Refunding Bonds, Series 2013 - On May 17, 2013, the Township issued \$5,140,000.00 of refunding bonds, with interest rates ranging from 1.0% – 2.5%. The bonds were issued to refund \$4,750,000.00 of General Obligation Bonds, Series 2004 and to advance refund \$2,963,000.00 of General Obligation Bonds, Series 2005. The final maturity of the bonds is August 1, 2025.

General Improvement Bonds, Series 2015 - On December 17, 2015, the Township issued \$1,470,000.00 of general improvement bonds, with interest rates ranging from 2.0% – 2.25%. The bonds were issued for the purpose of funding the following Ordinances 2008-20, 2010-16, 2010-21 and 2015-16. The final maturity of the bonds is June 1, 2035.

On March 28, 2017, the Burlington County Bridge Commission issued, on behalf of the Township, \$905,000.00 in county guaranteed pooled loan revenue refunding bonds with interest rates from 3.0% to 4.0% to advance refund \$946,000.00 of outstanding 2006 series bonds. The final maturity of the bonds is February 15, 2026.

**Note 14: CAPITAL DEBT (CONT'D)****Water and Sewer Improvement Bonds (Cont'd)**

The following schedule represents the remaining debt service, through maturity, for the Water and Sewer Improvement Bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 977,200.00	\$ 291,820.50	\$ 1,269,020.50
2019	1,050,400.00	267,496.50	1,317,896.50
2020	983,000.00	238,702.50	1,221,702.50
2021	856,000.00	213,222.50	1,069,222.50
2022	850,000.00	189,020.00	1,039,020.00
2023-2027	3,383,000.00	571,025.00	3,954,025.00
2028-2032	1,100,000.00	134,712.50	1,234,712.50
2033-2035	<u>385,000.00</u>	<u>15,481.25</u>	<u>400,481.25</u>
Totals	<u>\$ 9,584,600.00</u>	<u>\$ 1,921,480.75</u>	<u>\$ 11,506,080.75</u>

**Water and Sewer Debt - New Jersey Environmental Infrastructure Loans**

On October 30, 2002, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$880,709.00, at no interest, from the fund loan, and \$835,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund improvements to the water and sewer systems. Semiannual debt payments are due February 1st and August 1st through 2022.

On November 8, 2007, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,106,200.00, at no interest, from the fund loan, and \$1,100,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund improvements to the water and sewer systems. Semiannual debt payments are due February 1st and August 1st through 2027.

On November 6, 2008, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$3,141,145.00, at no interest, from the fund loan, and \$3,785,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund improvements to the water and sewer systems. Semiannual debt payments are due February 1st and August 1st through 2028.

On November 19, 2009, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,857,000.00, at no interest, from the fund loan, and \$1,965,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund improvements to the water and sewer systems. Semiannual debt payments are due February 1st and August 1st through 2029.

On March 10, 2010, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$2,252,000.00, at no interest, from the fund loan, and \$735,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund improvements to the water and sewer systems. Semiannual debt payments are due February 1st and August 1st through 2029.

**Note 14: CAPITAL DEBT (CONT'D)****Water and Sewer Debt - New Jersey Environmental Infrastructure Loans (Cont'd)**

On December 2, 2010, the Township entered into a loan agreement (Part A and Part B) with the New Jersey Environmental Infrastructure Trust to provide \$4,186,000.00, at no interest, from the fund loan, and \$2,370,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund improvements to the water and sewer systems. Semiannual debt payments are due February 1st and August 1st through 2030.

The following schedule represents the remaining debt service, through maturity, for the Water and Sewer Improvement Bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,089,280.83	\$ 351,587.50	\$ 1,440,868.33
2019	1,114,449.90	325,337.50	1,439,787.40
2020	1,139,376.21	299,312.50	1,438,688.71
2021	1,171,874.23	271,162.50	1,443,036.73
2022	1,194,378.46	241,712.50	1,436,090.96
2023-2027	5,885,313.69	759,350.00	6,644,663.69
2028-2030	<u>2,158,759.27</u>	<u>92,850.00</u>	<u>2,251,609.27</u>
Totals	<u>\$ 13,753,432.59</u>	<u>\$ 2,341,312.50</u>	<u>\$ 16,094,745.09</u>

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>Issued</u></b>			
General:			
Bonds, Loans and Notes	\$ 21,804,605.98	\$ 21,974,367.40	\$ 22,831,382.00
Water and Sewer Utility:			
Bonds, Loans and Notes	<u>23,338,032.59</u>	<u>25,428,370.93</u>	<u>27,502,632.00</u>
Total Issued	<u>45,142,638.57</u>	<u>47,402,738.33</u>	<u>50,334,014.00</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds, Loans and Notes	3,200,837.56	3,269,702.00	3,309,838.00
Water and Sewer Utility:			
Bonds, Loans and Notes	<u>466,798.57</u>	<u>794,338.57</u>	<u>794,339.00</u>
Total Authorized but not Issued	<u>3,667,636.13</u>	<u>4,064,040.57</u>	<u>4,104,177.00</u>
Total Issued and Authorized but not Issued	<u>48,810,274.70</u>	<u>51,466,778.90</u>	<u>54,438,191.00</u>
<b><u>Deductions</u></b>			
General:			
Reserve for Payment of Debt Service	153,966.20	140,968.03	
Water and Sewer Utility:			
Self-Liquidating	<u>23,804,831.16</u>	<u>26,222,709.50</u>	<u>28,296,971.00</u>
Total Deductions	<u>23,958,797.36</u>	<u>26,363,677.53</u>	<u>28,296,971.00</u>
<b>Net Debt</b>	<u>\$ 24,851,477.34</u>	<u>\$ 25,103,101.37</u>	<u>\$ 26,141,220.00</u>

**Note 14: CAPITAL DEBT (CONT'D)****Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of .758%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Purposes	\$ 16,885,000.00	\$ 16,885,000.00	
Regional School Purposes	10,139,812.00	10,139,812.00	
Self-Liquidating	23,804,831.16	23,804,831.16	
General	25,005,443.54	153,966.20	\$ 24,851,477.34
	<u>\$ 75,835,086.70</u>	<u>\$ 50,983,609.36</u>	<u>\$ 24,851,477.34</u>

Net debt \$24,851,477.34 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$3,277,905,586.67, equals .758%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 114,726,695.53
Less: Net Debt	<u>24,851,477.34</u>
Remaining Borrowing Power	<u>\$ 89,875,218.19</u>

**Calculation of "Self-Liquidating Purpose,"  
Water and Sewer Utility Per N.J.S.A. 40:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 8,454,067.48
Deductions:	
Operating and Maintenance Costs	\$ 3,917,410.00
Debt Service	<u>2,611,898.91</u>
Total Deductions	<u>6,529,308.91</u>
Excess in Revenue	<u>\$ 1,924,758.57</u>

A revised annual debt statement should be filed by the Chief Financial Officer.

**Note 15: CAPITAL DEBT REFUNDING**

On March 28, 2017, the Burlington County Bridge Commission issued, on behalf of the Township, \$905,000.00 in county guaranteed pooled loan revenue refunding bonds with interest rates from 3.0% to 4.0% to advance refund \$946,000.00 of outstanding 2006 series bonds with interest rates from 4.125% to 5.0%. As a result of the refunding, the Township will reduce its total debt service payments over the next ten years by over \$75,935.50, which results in an economic gain (difference between the present values of the debt service payments of the old and new debt) of \$71,815.39 of the principal amount being refunded.

**Note 16: ARBITRAGE REBATE**

The Tax Reform Act of 1986 placed restriction on investments of the proceeds of certain tax-exempt bonds issued after December 31, 1986. Specifically, investment earnings which are above arbitrage bond yield are required to be rebated to the United States Treasury Department within sixty days of the end of the fifth bond year. A bond year is defined, at the option of the issuing entity, as either the date of the first anniversary of bond settlement or the issuing entity's year end.

Medford Township has the following bond issues outstanding at December 31, 2017 which require a rebate calculation:

<u>Issue Date</u>	<u>Amount</u>	<u>Liability</u>
July 15, 2008	\$ 16,750,000.00	(1)
May 9, 2013	11,600,500.00	(1)

(1) The Township never determined if an exemption existed or completed an arbitrage calculation to determine if a rebate was due as noted in Finding 2017-004.

**Note 17: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

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

<u>Description</u>	<u>Balance December 31, 2017</u>	<u>2018 Budget Appropriation</u>
Water and Sewer Utility Fund:		
Operating Deficit	\$ 19,766.67	\$ 19,767.00

The appropriations in the 2018 Budget as adopted are not less than that required by the statutes.

**Note 18: SCHOOL TAXES**

The Township of Medford School District tax and Lenape Regional High School tax have been raised and the liabilities deferred by statutes, resulting in the school taxes payable set forth in the current fund liabilities as follows:

	<u>Local School District Balance December 31,</u>		<u>Regional School District Balance December 31,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Balance of Tax	\$ 22,315,846.48	\$ 21,806,024.98	\$ 11,090,147.21	\$ 11,036,028.65
Deferred	<u>19,507,879.44</u>	<u>19,507,879.44</u>	<u>8,516,977.28</u>	<u>8,516,977.28</u>
Taxes Payable	<u>\$ 2,807,967.04</u>	<u>\$ 2,298,145.54</u>	<u>\$ 2,573,169.93</u>	<u>\$ 2,519,051.37</u>

**Note 19: GUARANTOR OF DEBT**

In 2006, the Township became co-borrower of various loans for the reconstruction of several dams located within the Township. All of the loans were made from the New Jersey Department of Environmental Protection, Dam Restoration Loan Program. In the event the original borrower defaults on a loan the Township will be required to make the remaining payments. The terms of the loans are as follows:

<u>Borrower</u>	<u>Agreement Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Term</u>
Old Tauton Colony Club	01/10/06	\$ 433,440.00	2.00%	20 Years
YMCA Camp Ockanickon Inc.	01/10/06	1,809,000.00	2.00%	20 Years
Birchwood Lake Colony Club	01/24/06	2,340,000.00	2.00%	20 Years
Jewish Federation of Southern NJ	01/24/06	227,500.00	2.00%	20 Years

In addition, the Township acts as a fiduciary for the Birchwood Lakes Colony Club with regards to collecting the annual billings of their association for the repayment of their loan and then pays their debt service payments with the collections.

**Note 20: RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**New Jersey Unemployment Compensation Insurance** - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State.

The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	\$ 10,000.00	\$ 3,297.27	\$ 491.50	\$ 2,848.36	\$ 106,753.22
2016	20,000.00	3,781.37	26.05	13,739.74	95,812.81
2015	30,000.00	3,386.51	78.17	43,083.55	85,745.13

It is estimated that unreimbursed payments on behalf of the Township at December 31, 2017 are \$123.34.

**Note 20: RISK MANAGEMENT (CONT'D)**

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

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

Contributions to the JIF and MEL, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the each of the fund's actuaries. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Funds publish their own financial reports, which can be obtained from:

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

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

**Note 21: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST**

On November 4, 1997, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township authorized the establishment of the Township of Medford Open Space, Recreation and Farmland Preservation Trust Fund effective July 1, 1998, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the two referendums, the Township levies a tax not to exceed three cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Medford Open Space, Recreation and Farmland Preservation Trust Funds.

**Note 22: CONTINGENCIES**

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

**Litigation** - The Township is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Township, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

**Note 23: CONCENTRATIONS**

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

**Note 24: PRIOR PERIOD ADJUSTMENTS**

**Current Fund** - During 2016, the Township foreclosed on nineteen properties, however, the Township failed to transfer the individual block and lots from tax title liens receivable to the foreclosed property. Likewise, the values of those block and lots were not properly increased to their assessed valuations. The net effect of the foreclosures is as follows:

	Balance Dec. 31, 2016 As Previously Reported	Prior Period Adjustment	Balance Dec. 31, 2016 As Restated
Tax Title Leins Receivable	\$ 302,712.90	\$ (220,092.10)	\$ 82,620.80
Property Acquired for Taxes -- Assessed Valuation	688,300.00	382,900.00	1,071,200.00
Reserves for Receivables and Other Assets	(2,182,747.47)	(162,807.90)	(2,345,555.37)

**Water and Sewer Utility Operating Fund** - The Township's December 31, 2016 Water and Sewer Utility Operating Fund bank reconciliation allocated \$666.00 of cash to the Utility Assessment Fund, however, the audit balance as of this date reported the total balance including the \$666.00. As a result, cash in the Water and Sewer Utility Operating Fund was overstated by that amount. Additionally, in prior years the Township failed to recognize \$210,452.65 of prepaid sewer connection permits as revenue when a Certificate of Occupancy was issued. An adjustment was recorded to properly show the revenue in prior years, see detailed description below. The net effect of the adjustments are the following:

	Balance Dec. 31, 2016 As Previously Reported	Prior Period Adjustment	Balance Dec. 31, 2016 As Restated
Cash	\$ 5,820,094.86	\$ (666.00)	\$ 5,819,428.86
Due from Connection Fee Trust Fund	-	210,452.65	210,452.65
Fund Balance	(2,949,833.46)	(209,786.65)	(3,159,620.11)



**Note 24: PRIOR PERIOD ADJUSTMENTS (CONT'D)**

**Sewer Connection Trust Fund** - In prior years, a sewer connection trust fund was established by the Township as a program where developers could prepay for a sewer connection service prior to developing land. Once each of these properties were developed and a Certificate of Occupancy was issued by the Township, the Township would then recognize such prepaid permits as revenues in the Water and Sewer Utility Operating Fund. It was determined that all prepaid permits were issued Certificates of Occupancy between the years of 2011 and 2016, however the revenues had failed to be recognized. As a result, the prior period adjustment was recorded to recognize revenues:

	Balance Dec. 31, 2016 As Previously Reported	Prior Period Adjustment	Balance Dec. 31, 2016 As Restated
Due to Water and Sewer Utility Operating Fund Reserve for Sewer Connection Fees	\$ - (210,452.65)	\$ (210,452.65) 210,452.65	\$ (210,452.65) -

**Notes to the Financial Statements Restatement** - When the Township prepared the 2016 compensated absence listing, the balances of police sick leave were inadvertently omitted from the listing. The net effect of the change is as follows:

	Balance Dec. 31, 2016 As Previously Reported	Prior Period Adjustment	Balance Dec. 31, 2016 As Restated
Compensated Absences	\$ 417,065.82	\$ 540,376.22	\$ 957,442.05

**Note 25: OTHER ADJUSTMENTS AND RECLASSIFICATIONS**

In addition to the financial statements, certain prior year supplementary statements have also been corrected for prior period errors.

**General Capital Fund** – Various balances on the Statement of General Capital Cash and Investments (Exhibit SC-2) were improperly reported. The beginning balances on the statement were revised to properly reflect the correct balances. The following was restated:

	Balance (Deficit) Dec. 31, 2016 As Previously Reported	Prior Period Adjustment	Balance (Deficit) Dec. 31, 2016 As Restated
Due to County of Burlington Reserve for Debt Service	\$ (222,147.00) 321,447.03	\$ 222,147.00 (180,479.00)	\$ - 140,968.03
Ord. 2009-19 Various Capital Improvements	(5,295.00)	(27,631.86)	(32,926.86)
Ord. 2009-28 Improvements to Public Safety and Related Expenses	(490,808.00)	27,631.86	(463,176.14)
Ord. 2014-10 Various Capital Improvements	270,367.15	(41,668.00)	228,699.15

**Note 25: OTHER ADJUSTMENTS AND RECLASSIFICATIONS (CONT'D)**

**Federal and State Grant Fund** - On the December 31, 2016 supplemental statements of Federal and State Grants Appropriated, Unappropriated and Receivable (SA-17, SA-18 and SA-19), the funding sources of various grants were misclassified. For the year ended December 31, 2017, the Township re-classified grants to properly show the source of each grant's funding, i.e. federal, state, or local.

**Note 26: SUBSEQUENT EVENTS**

**Authorization of Debt** - Subsequent to December 31, the Township authorized additional bonds and notes as follows:

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
<b>General Improvements</b>		
Purchase of land at 51 Union Street, Block 1601, Lot 2	03/20/18	\$ 617,500.00
Various General Capital Improvements and Related Expenses	06/06/18	9,069,545.00
<b>Water and Sewer Utility Improvements</b>		
Various Utility Capital Improvements and Related Expenses	06/06/18	946,932.00

**SUPPLEMENTAL EXHIBITS**

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

**TOWNSHIP OF MEDFORD**  
**CURRENT FUND**  
Statement of Current Cash -- Treasurer  
For the Year Ended December 31, 2017

	<u>Regular</u>		<u>Federal and State Grant Fund</u>
Balance December 31, 2016	\$ 11,736,173.07		\$ 151,526.94
Increased by Receipts:			
Taxes Receivable	\$ 93,214,936.31		
Tax Overpayments	93,061.04		
Prepaid Taxes	6,940,723.61		
Tax Title Liens	10,491.63		
Due State of New Jersey:			
Marriage License Fees	1,775.00		
Senior Citizens and Veterans' Deductions	170,452.74		
Construction Code Fees	46,779.00		
Miscellaneous Revenue Anticipated	5,456,255.43		
Miscellaneous Revenue Not Anticipated	606,163.89		
Refunds of Current Year Appropriations	418,684.17		
Petty Cash Funds	300.00		
Due Federal and State Grant Fund	60,516.10		
Reserve for:			
Election Funds	680.00		
Municipal Court POAA	8.00		
Public Safety Equipment	11,849.87		
Contra	6,827,536.90		
Federal and State Grants Receivable		\$ 636,234.46	
Federal and State Grants Unappropriated		42,565.47	
Reimbursements of Appropriations		3,852.81	
Due Current Fund		<u>86,856.00</u>	
	<u>113,860,213.69</u>		<u>769,508.74</u>
	125,596,386.76		921,035.68
Decreased by Disbursements:			
2017 Appropriations	17,653,932.25		
2016 Appropriation Reserves	890,741.94		
Due County -- Added and Omitted Taxes	111,136.65		
County Taxes Payable	13,402,178.19		
Local School Taxes Payable	44,236,109.50		
Regional High School Taxes Payable	22,126,178.44		
Due State of New Jersey:			
Marriage License Fees	1,975.00		
Construction Code Fees	44,351.00		
Petty Cash Funds	300.00		
Special Emergency Note Payable	140,000.00		
Reserve for:			
Election Funds	680.00		
Due Utility Operating Fund	18,746.23		
Due Federal and State Grant Fund	50,000.00		
Due Trust Other Fund	9,029.72		
Due Municipal Open Space Trust Fund:			
Current Year Levy	746,275.00		
Interfunds Liquidated	274,744.92		
Refund of Tax Overpayments	78,827.71		
Contra	6,827,536.90		
Refund of Prior Year Revenue	36,155.68		
Due Current Fund - Liquidation of Interfund:			
Anticipated as Revenue in Current Fund		170,000.00	
Other		60,516.10	
Federal and State Grants Appropriated		<u>605,680.24</u>	
	<u>106,648,899.13</u>		<u>836,196.34</u>
Balance December 31, 2017	<u>\$ 18,947,487.63</u>		<u>\$ 84,839.34</u>

**TOWNSHIP OF MEDFORD**  
CURRENT FUND  
Schedule of Change Funds  
As of December 31, 2017

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<u>Office</u>	<u>Amount</u>
Tax Office	\$ 350.00
Municipal Court	<u>200.00</u>
	<u>\$ 550.00</u>

**TOWNSHIP OF MEDFORD**  
**CURRENT FUND**  
 Statement of Taxes Receivable and Analysis of Property Tax Levy  
 For the Year Ended December 31, 2017

	Balance Dec. 31, 2016	2017 Levy	Added Taxes	C o l l e c t e d		Due from State of New Jersey	Overpayments Applied	Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2017
				2016	2017					
Arrears	\$ 48,948.63				\$ 9,279.90					\$ 39,668.73
2016	952,249.65		\$ 2,028.11		944,580.45	\$ 981.00		\$ 2,102.71	\$ 5,389.72	1,223.88
	1,001,198.28		2,028.11		953,860.35	981.00		2,102.71	5,389.72	40,892.61
2017		\$ 94,028,113.02		\$ 602,946.95	92,261,075.96	168,250.00	\$ 94,384.81	100,450.36	16,305.39	784,699.55
	<u>\$ 1,001,198.28</u>	<u>\$ 94,028,113.02</u>	<u>\$ 2,028.11</u>	<u>\$ 602,946.95</u>	<u>\$ 93,214,936.31</u>	<u>\$ 169,231.00</u>	<u>\$ 94,384.81</u>	<u>\$ 102,553.07</u>	<u>\$ 21,695.11</u>	<u>\$ 825,592.16</u>

Analysis of 2017 Property Tax Levy

Tax Yield:		
General Purpose		\$ 93,313,588.19
Added / Omitted Taxes		714,524.83
		<u>\$ 94,028,113.02</u>
Tax Levy:		
Local District School Tax		\$ 44,745,931.00
Regional High School Tax		22,180,297.00
County Taxes:		
County Tax	\$ 11,061,444.46	
County Library Tax	1,022,206.43	
County Open Space Preservation	1,318,527.30	
Due County for Added and Omitted Taxes	<u>99,235.32</u>	
		13,501,413.51
Local Open Space Tax	746,275.00	
Due Open Space Trust Fund for Added and Omitted Taxes	5,649.67	
Local Tax for Municipal Purposes	12,238,907.00	
Add: Additional Tax Levied	<u>609,639.84</u>	
		<u>13,600,471.51</u>
		<u>\$ 94,028,113.02</u>

**TOWNSHIP OF MEDFORD**  
CURRENT FUND  
Statement of Tax Title Liens  
For the Year Ended December 31, 2017

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Balance December 31, 2016 (As Restated)		\$ 82,620.80
Increased by:		
Transfers from Taxes Receivable	\$ 21,695.11	
Interest and Costs on Tax Sale	<u>1,266.78</u>	
		<u>22,961.89</u>
		105,582.69
Decreased by:		
Collections		<u>10,491.63</u>
Balance December 31, 2017		<u><u>\$ 95,091.06</u></u>



**TOWNSHIP OF MEDFORD**  
**CURRENT FUND**  
Statement of Revenue Accounts Receivable  
For the Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Accrued in</u> <u>2017</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages		\$ 33,688.00	\$ 33,688.00	
Fees and Permits:				
Other		175,570.86	175,570.86	
Fines and Costs:				
Municipal Court	\$ 10,374.42	206,775.37	198,497.98	\$ 18,651.81
Interest and Costs on Taxes		234,491.01	234,491.01	
Interest on Investments and Deposits		83,718.37	83,718.37	
Tower Rental		8,800.00	8,800.00	
Cable Television Fees		395,922.21	395,922.21	
Emergency Medical Service Billing Income		612,048.70	612,048.70	
Energy Receipts Tax		1,981,293.00	1,981,293.00	
Reserve for Payment in Lieu of Taxes - Garden State Trust		9,842.00	9,842.00	
Dedicated Uniform Construction Code Fees Offset				
With Appropriations (N.J.S.40A:4-36 and N.J.A.C.5:23-4.17):				
Uniform Construction Code Fees		794,334.00	794,334.00	
Interlocal Services Agreements:				
Police Salaries - Lenape Regional High School District		576,670.90	576,670.90	
Assessor - Medford Lakes Borough		27,000.00	27,000.00	
Liquidation of Interfund - Federal and State Grant Fund		170,000.00	170,000.00	
Reserve for FEMA Revenue		110,670.17	110,670.17	
Payment in Lieu of Taxes		154,378.40	154,378.40	
	<u>\$ 22,855.65</u>	<u>\$ 5,575,202.99</u>	<u>\$ 5,566,925.60</u>	<u>\$ 18,651.81</u>
Cash Receipts			\$ 5,456,255.43	
Reserve for FEMA Receipts			110,670.17	
			<u>\$ 5,566,925.60</u>	

**TOWNSHIP OF MEDFORD**  
**CURRENT FUND**  
**STATEMENT OF APPROPRIATION RESERVES**  
For the Year Ended December 31, 2017

	Balance December 31, 2016		Balance After Modification	Disbursed	Transferred to Accounts Payable	Lapsed to Fund Balance
	Encumbered	Reserved				
<u>OPERATIONS -- WITHIN "CAPS"</u>						
<u>General Government Functions</u>						
<u>Department of Administration:</u>						
Office of the Manager:						
Salaries and Wages		\$ 9,658.77	\$ 9,658.77	\$ 4,033.45		\$ 5,625.32
Other Expenses	\$ 658.46	1,959.03	2,617.49	758.46		1,859.03
Human Resources:						
Other Expenses	64.00	102.41	166.41	64.00		102.41
Mayor and Council:						
Salaries and Wages		0.50	0.50			0.50
Other Expenses	957.00	0.85	957.85	957.00		0.85
Office of the Clerk:						
Salaries and Wages		166.16	166.16	166.16		
Other Expenses	1,287.21	17,598.32	18,885.53	1,347.01		17,538.52
<u>Department of Finance:</u>						
Office of the Treasurer:						
Salaries and Wages		20,634.49	20,634.49	1,724.31		18,910.18
Other Expenses	5,732.74	6,066.22	11,798.96	4,976.18	\$ 802.50	6,020.28
Audit Services	23,900.00	7,850.00	31,750.00	26,100.00		5,650.00
Revenue Administration:						
Salaries and Wages		2,023.47	2,023.47	1,956.96		66.51
Other Expenses	452.85	417.01	869.86	452.85		417.01
Division of Assessments:						
Salaries and Wages		2,187.16	2,187.16	2,187.16		
Other Expenses	6,356.63	41,419.90	47,776.53	7,084.91		40,691.62
Legal Services and Costs:						
Other Expenses	60,215.32	4,363.72	64,579.04	36,737.32		27,841.72
Engineering Services and Costs:						
Other Expenses	17,555.90	5,020.78	22,576.68	15,112.44	5,515.10	1,949.14
Economic Development Commission						
Other Expenses		750.00	750.00			750.00
Division of Planning:						
Salaries and Wages		6,754.46	6,754.46	2,436.82		4,317.64
Other Expenses	18,009.49	3,442.00	21,451.49	5,614.35	1,353.50	14,483.64

(Continued)

**TOWNSHIP OF MEDFORD**  
**CURRENT FUND**  
**STATEMENT OF APPROPRIATION RESERVES**  
For the Year Ended December 31, 2017

	Balance December 31, 2016		Balance After Modification	Disbursed	Transferred to Accounts Payable	Lapsed to Fund Balance
	Encumbered	Reserved				
<u>OPERATIONS -- WITHIN "CAPS" (CONT'D)</u>						
Boards & Committees						
Other Expenses	\$ 149.75	\$ 1,129.68	\$ 1,279.43	\$ 133.78		\$ 1,145.65
Division of Zoning:						
Other Expenses	6,505.51	3,846.06	10,351.57	2,598.05		7,753.52
<u>Department of Public Safety:</u>						
Police:						
Salaries and Wages		58,083.36	58,083.36	29,740.21		28,343.15
Other Expenses	133,864.77	3,329.82	137,194.59	117,982.35	\$ 13,428.89	5,783.35
Fire:						
Other Expenses	30,470.37	219.38	30,689.75	21,683.81		9,005.94
First Aid Organizations:						
Salaries and Wages		15,062.69	15,062.69	1,832.48		13,230.21
Other Expenses	32,655.66	5,860.52	38,516.18	20,791.76		17,724.42
Emergency Management Services:						
Other Expenses	907.95	586.42	1,494.37	578.01		916.36
Uniform Fire Safety Act: (PL 1983 C. 383)						
Salaries and Wages		17,380.11	17,380.11	8,636.97		8,743.14
Other Expenses	3,922.86	68.68	3,991.54	3,701.39		290.15
Prosecutor						
Other Expenses -- Professional Services	2,979.18	125.00	3,104.18	2,979.16		125.02
<u>Department of Public Works:</u>						
Road Repairs and Maintenance:						
Salaries and Wages		19,702.01	19,702.01	4,963.32		14,738.69
Other Expenses	29,930.60	2,023.30	31,953.90	22,295.42		9,658.48
Snow Removal:						
Salaries and Wages		26,740.60	26,740.60	26,740.60		
Other Expenses	15,936.20	32,555.96	48,492.16	48,492.16		
Sanitation:						
Salaries and Wages		55,559.38	55,559.38	6,278.62		49,280.76
Other Expenses	243,917.40	18,835.37	262,752.77	219,127.22	479.33	43,146.22
Buildings and Grounds:						
Salaries and Wages		11,234.40	11,234.40	1,460.65		9,773.75
Other Expenses	11,756.66	7,599.74	19,356.40	8,074.61		11,281.79

(Continued)

**TOWNSHIP OF MEDFORD**  
**CURRENT FUND**  
**STATEMENT OF APPROPRIATION RESERVES**  
For the Year Ended December 31, 2017

	Balance December 31, 2016		Balance After Modification	Disbursed	Transferred to Accounts Payable	Lapsed to Fund Balance
	Encumbered	Reserved				
<u>OPERATIONS -- WITHIN "CAPS" (CONT'D)</u>						
<u>Department of Public Works (Cont'd):</u>						
Vehicle Maintenance:						
Salaries and Wages		\$ 30.41	\$ 30.41			\$ 30.41
Other Expenses	\$ 46,195.06	22,759.31	68,954.37	\$ 19,775.98	\$ 1,704.98	47,473.41
<u>Health and Human Services:</u>						
Environmental Commission (NJS 40:56A-1):						
Other Expenses		400.00	400.00			400.00
<u>Department of Parks, Recreation and Education:</u>						
Parks and Playgrounds:						
Salaries and Wages		4,937.04	4,937.04	1,817.31		3,119.73
Other Expenses	205.00	363.62	568.62	205.00		363.62
Landfill/Solid Waste Disposal	118.54	78,503.12	78,621.66	60,694.01		17,927.65
Community Services						
Other Expenses		2,181.12	2,181.12			2,181.12
<u>Municipal Court:</u>						
Salaries and Wages		30,963.12	30,963.12	2,115.40		28,847.72
Other Expenses	690.25	3,570.14	4,260.39	712.20		3,548.19
<u>Insurance:</u>						
General Liability		4,990.00	4,990.00			4,990.00
Employee Group Insurance		157,839.41	157,839.41			157,839.41
<u>Uniform Construction Code Appropriations Offset</u>						
<u>By Dedicated Revenues (NJAC 5:23-4.17):</u>						
Construction Code Official:						
Salaries and Wages		7,118.62	7,118.62	2,973.82		4,144.80
Other Expenses:						
Direct Costs	228.79	2,335.85	2,564.64	228.79		2,335.85

(Continued)

**TOWNSHIP OF MEDFORD**  
**CURRENT FUND**  
**STATEMENT OF APPROPRIATION RESERVES**  
For the Year Ended December 31, 2017

	Balance December 31, 2016		Balance After Modification	Disbursed	Transferred to Accounts Payable	Lapsed to Fund Balance
	Encumbered	Reserved				
<u>OPERATIONS -- WITHIN "CAPS" (CONT'D)</u>						
<u>Unclassified:</u>						
Utilities:						
Electric	\$ 9,745.99	\$ 9,807.93	\$ 19,553.92	\$ 8,337.60		\$ 11,216.32
Street Lighting	26,463.81	12,698.64	39,162.45	19,190.73		19,971.72
Telephone	150.00	30,079.22	30,229.22	11,058.71		19,170.51
Water and Sewer						
Heating Gas / Oil	1,200.00	48,510.72	49,710.72	1,401.34		48,309.38
Gasoline / Diesel Fuel	33,487.50	30,103.78	63,591.28	7,668.66		55,922.62
Safety Supplies	1,312.40		1,312.40	1,312.40		
Catastrophic Illness Fund (R.S. 26:2-48)		28.00	28.00			28.00
Hepatitis Vaccination		500.00	500.00			500.00
<u>Statutory Expenditures:</u>						
Contribution to:						
Public Employees Retirement System		214.15	214.15	214.15		
Social Security System (O.A.S.I.)		26,488.04	26,488.04	10,538.13		15,949.91
Unemployment		20,000.00	20,000.00			20,000.00
<u>OPERATIONS -- EXCLUDED FROM "CAPS":</u>						
Landfill Fees - Recycling Tax	3,817.12	937.65	4,754.77	2,335.20		2,419.57
LOSAP	70,000.00		70,000.00	43,000.00		27,000.00
Interlocal Service Agreements:						
Police Salaries - Lenape Regional High School		37,362.92	37,362.92	37,362.56		0.36
Total	<u>\$ 841,800.97</u>	<u>\$ 943,080.54</u>	<u>\$ 1,784,881.51</u>	<u>\$ 890,741.94</u>	<u>\$ 23,284.30</u>	<u>\$ 870,855.27</u>

**TOWNSHIP OF MEDFORD**  
**CURRENT FUND**  
Statement of Tax Overpayments  
For the Year Ended December 31, 2017

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Balance December 31, 2016		\$	66,681.69
Increased by:			
Overpayments Created in 2017:			
Added Tax Overpayments	\$	48,655.31	
2017 Taxes		85,615.06	
Prior Year Taxes		7,445.98	
		141,716.35	141,716.35
			208,398.04
Decreased by:			
Overpayments Applied		94,384.81	
Refunded		78,827.71	
		173,212.52	173,212.52
Balance December 31, 2017		\$	35,185.52

**CURRENT FUND**  
Statement of Prepaid Taxes  
For the Year Ended December 31, 2017

---

Balance December 31, 2016 (2017 Taxes)		\$	602,946.95
Increased by:			
Collections -- 2018 Taxes			6,940,723.61
			7,543,670.56
Decreased by:			
Application to 2017 Taxes Receivable			602,946.95
Balance December 31, 2017 (2018 Taxes)		\$	6,940,723.61

**TOWNSHIP OF MEDFORD**  
**CURRENT FUND**  
 Statement of Due to State of New Jersey  
 Senior Citizens' and Veterans' Deductions  
 For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 98,076.75
Increased by:		
2016 Veterans and Senior Citizens' Disallowed by Tax Collector	\$ 2,028.11	
Cash Received	<u>170,452.74</u>	
		<u>172,480.85</u>
Decreased by:		270,557.60
2017 Levy -- Deductions per Tax Billing	165,500.00	
2017 Veterans and Senior Citizens' Granted by Tax Collector	<u>4,000.00</u>	
	169,500.00	
2017 Veterans and Senior Citizens' Disallowed by Tax Collector	<u>(1,250.00)</u>	
	168,250.00	
2016 Veterans and Senior Citizens' Allowed by Tax Collector	<u>981.00</u>	
		<u>169,231.00</u>
Balance December 31, 2017		<u>\$ 101,326.60</u>

**TOWNSHIP OF MEDFORD**  
**CURRENT FUND**  
Statement of Due County for Added and Omitted Taxes  
For the Year Ended December 31, 2017

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Balance December 31, 2016		\$ 111,136.65
Increased by:		
2015 Rollback Assessments	\$ 10,107.76	
2016 Rollback Assessments	9,995.23	
2017 Rollback Assessments	9,971.79	
2016 Added Assessments	1,645.95	
2017 Added Assessments	67,397.14	
2016 Omitted Assessments	117.45	
		99,235.32
		210,371.97
Decreased by:		
Payments		111,136.65
Balance December 31, 2017		\$ 99,235.32

Exhibit SA-11

**CURRENT FUND**  
Statement of Due County Taxes  
For the Year Ended December 31, 2017

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Increased by:		
2017 Levy:		
County Tax	\$ 11,061,444.46	
County Library Tax	1,022,206.43	
County Open Space Tax	1,318,527.30	
		\$ 13,402,178.19
Decreased by:		
Payments		\$ 13,402,178.19



**TOWNSHIP OF MEDFORD**  
**CURRENT FUND**  
Statement of Local District School Tax  
For the Year Ended December 31, 2017

<hr/>		
Balance December 31, 2016		
School Tax Payable	\$ 2,298,145.54	
School Tax Deferred	<u>19,507,879.44</u>	\$ 21,806,024.98
Increased by:		
Levy -- School Year July 1, 2017 to June 30, 2018		<u>44,745,931.00</u>
		66,551,955.98
Decreased by:		
Payments		<u>44,236,109.50</u>
Balance December 31, 2017		
School Tax Payable	2,807,967.04	
School Tax Deferred	<u>19,507,879.44</u>	<u>\$ 22,315,846.48</u>
2017 Liability for Local District School Tax:		
Tax Paid		\$ 44,236,109.50
Tax Payable December 31, 2017		<u>2,807,967.04</u>
		47,044,076.54
Less: Tax Payable December 31, 2016		<u>2,298,145.54</u>
Amount Charged to 2017 Operations		<u>\$ 44,745,931.00</u>

**TOWNSHIP OF MEDFORD**  
**CURRENT FUND**  
 Statement of Regional High School Tax  
 For the Year Ended December 31, 2017

Balance December 31, 2016		
School Tax Payable	\$ 2,519,051.37	
School Tax Deferred	<u>8,516,977.28</u>	
		\$ 11,036,028.65
Increased by:		
Levy -- School Year July 1, 2017 to June 30, 2018		<u>22,180,297.00</u>
		33,216,325.65
Decreased by:		
Payments		<u>22,126,178.44</u>
Balance December 31, 2017		
School Tax Payable	2,573,169.93	
School Tax Deferred	<u>8,516,977.28</u>	
		<u>\$ 11,090,147.21</u>
2017 Liability for Regional High School Tax:		
Tax Paid		\$ 22,126,178.44
Tax Payable December 31, 2017		<u>2,573,169.93</u>
		24,699,348.37
Less: Tax Payable December 31, 2016		<u>2,519,051.37</u>
Amount Charged to 2017 Operations		<u>\$ 22,180,297.00</u>

**TOWNSHIP OF MEDFORD**  
**CURRENT FUND**  
Statement of Changes in (Assets), Liabilities and Reserves  
For the Year Ended December 31, 2017

<u>Description</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Increased by</u>		<u>Decreased by</u>		<u>Balance</u> <u>Dec. 31, 2017</u>
		<u>Receipts</u>	<u>Disbursements</u>	<u>Due</u> <u>Trust Other</u> <u>Fund</u>	<u>Realized as</u> <u>Anticipated</u> <u>Revenue</u>	
Due to State of New Jersey:						
Marriage License Fees	\$ 625.00	\$ 1,775.00	\$ 1,975.00			\$ 425.00
State Training Fees Surcharge	8,215.00	46,779.00	44,351.00			10,643.00
Reserve For:						
Election Workers	2,251.66	680.00	680.00			2,251.66
FEMA Receipts	110,670.17				\$ 110,670.17	
Municipal Court POAA	788.00	8.00		\$ 796.00		
Purchase of Public Safety Equipment	29,345.00	11,849.87				41,194.87
Auction	4,292.41					4,292.41
Payment in Lieu of Taxes	9,842.00					9,842.00
	<u>\$ 166,029.24</u>	<u>\$ 61,091.87</u>	<u>\$ 47,006.00</u>	<u>\$ 796.00</u>	<u>\$ 110,670.17</u>	<u>\$ 68,648.94</u>

**TOWNSHIP OF MEDFORD**  
**CURRENT FUND**  
 Statement of Reserve for Encumbrances  
 For the Year Ended December 31, 2017

Balance December 31, 2016:		
Current Fund	\$ 841,800.97	
Federal and State Grant Fund	<u>295,926.72</u>	
		\$ 1,137,727.69
Increased by:		
Current Year Encumbrances:		
Current Fund - Appropriations	930,653.68	
Federal and State Grant Fund - Appropriated Grant Reserves	<u>75,394.47</u>	
		<u>1,006,048.15</u>
		2,143,775.84
Decreased by:		
Prior Year Encumbrances Reclassified:		
Current Fund - Appropriations	841,800.97	
Federal and State Grant Fund - Appropriated Grant Reserves	<u>295,926.72</u>	
		<u>1,137,727.69</u>
Balance December 31, 2017		<u><u>\$ 1,006,048.15</u></u>

Analysis of Balance, December 31, 2017

Current Fund:	\$ 930,653.68
Federal and State Grant Fund	<u>75,394.47</u>
	<u><u>\$ 1,006,048.15</u></u>

**TOWNSHIP OF MEDFORD**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Due To / (From) Current Fund  
For the Year Ended December 31, 2017

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Balance December 31, 2016 - Due to		\$ 172,185.93
Increased by:		
Appropriated Grants Canceled	\$ 1,092.02	
Receipts:		
Budget Appropriation - Overexpenditure of Grant	36,856.00	
Interfund Loan Advanced	50,000.00	
		87,948.02
		260,133.95
Decreased by:		
Disbursements - Interfund Liquidated:		
Anticipated Revenue in Current Fund	170,000.00	
Other	60,516.10	
Budget Appropriation - Overexpenditure of Grant	36,856.00	
		267,372.10
Balance December 31, 2017 - (Due from)		\$ (7,238.15)

**TOWNSHIP OF MEDFORD**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Federal and State Grants Receivable  
For the Year Ended December 31, 2017

<u>Program</u>	<u>Balance Dec. 31, 2016</u>	<u>Accrued</u>	<u>Received</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2017</u>
<b>Federal Grants:</b>					
Emergency Management Assistance Grant		\$ 5,697.00	\$ 5,697.00		
Bulletproof Vest Partnership Grant		78,000.00		78,000.00	65,000.00
Community Development Block Grant	\$ 65,000.00	101,284.40			101,284.40
NJ DOT - Bicycle Network Plan		16,500.00	16,500.00		
Body Worn Cameras (BWC) Assistance Grant		11,000.00	1,618.32	8,901.68	8,336.00
Drive Sober or Get Pulled Over Grant	7,856.00				
	<u>72,856.00</u>	<u>212,481.40</u>	<u>23,815.32</u>	<u>86,901.68</u>	<u>174,620.40</u>
<b>State Grants:</b>					
National Priority Safety Programs (Drunk Driving Enforcement)	20,487.00				20,487.00
Clean Communities Program		85,911.77	85,911.77		
Municipal Alliance on Alcohol and Drug Abuse	22,919.00	15,111.25	6,724.30		31,305.95
Recycling Tonnage Grant	11,279.00	152,459.00	163,738.00		
NJDEP Recreational Trails Program	24,000.00				24,000.00
NJ DOT - 2015 Municipal Aid Program	196,000.00				196,000.00
NJ DOT - 2017 Municipal Aid Program		210,000.00			210,000.00
NJ Motor Vehicles Security and Customer Service Grant	46,761.00	99,962.00	108,292.21		38,430.79
NJ Historic Preservation Trust Fund Grant	3,095.00				3,095.00
	<u>324,541.00</u>	<u>563,444.02</u>	<u>364,666.28</u>		<u>523,318.74</u>
<b>Local Grants:</b>					
Burlington County Municipal Park Development Grant	507,500.00		327,500.00		180,000.00
Medford-Vincentown Rotary Club - Annual Halloween Parade	12,265.00	11,600.00	17,562.50	58.54	6,243.96
Sunrise Rotary - Annual Dickens Festival	6,649.27	9,000.00	10,560.96	5,088.31	
Medford Celebrates Foundation – Annual Independence Day Celebration		47,500.00	36,938.11	10,561.89	
Medford Business Association - Oktoberfest Event at Freedom Park	3,500.00	4,000.00	2,147.82	3,500.00	1,852.18
Headwater Village Civic Association Inc. - Community Bonfire Program		950.00		950.00	
Flying W Airport and Resort - Annual Special Events	2,130.00	6,000.00	1,083.69		7,046.31
Medford Business Association - Annual Festival of Art, Wine & Music		3,181.00	2,577.78	603.22	
	<u>532,044.27</u>	<u>82,231.00</u>	<u>398,370.86</u>	<u>20,761.96</u>	<u>195,142.45</u>
	<u>\$ 929,441.27</u>	<u>\$ 858,156.42</u>	<u>\$ 786,852.46</u>	<u>\$ 107,663.64</u>	<u>\$ 893,081.59</u>
Original Budget		\$ 196,961.00			
Chapter 159 - 40A:4-87		661,195.42			
Unappropriated Grants Realized as Revenue			\$ 150,618.00		
Receipts			<u>636,234.46</u>		
		<u>\$ 858,156.42</u>	<u>\$ 786,852.46</u>		

**TOWNSHIP OF MEDFORD**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserve for Federal and State Grants -- Unappropriated  
For the Year Ended December 31, 2017

	<u>Balance Dec. 31, 2016</u>	<u>Realized in Budget</u>	<u>Cash Received</u>	<u>Balance Dec. 31, 2017</u>
Federal Grants:				
Bulletproof Vest Partnership Grant	\$ 5,697.00	\$ 5,697.00		
Total Federal Grants:	<u>5,697.00</u>	<u>5,697.00</u>		
State Grants:				
National Priority Safety Programs (Drunk Driving Enforcement)			\$ 4,087.80	\$ 4,087.80
Clean Communities Program	21,874.00	21,874.00		
Recycling Tonnage Grant	122,616.00	122,616.00	35,245.94	35,245.94
Body Armor Grant			<u>3,231.73</u>	<u>3,231.73</u>
Total State Grants	<u>144,490.00</u>	<u>144,490.00</u>	<u>42,565.47</u>	<u>42,565.47</u>
Local Grants:				
Medford Business Association - Annual Festival of Art, Wine & Music	<u>431.00</u>	<u>431.00</u>		
	<u>\$ 150,618.00</u>	<u>\$ 150,618.00</u>	<u>\$ 42,565.47</u>	<u>\$ 42,565.47</u>

**TOWNSHIP OF MEDFORD**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserve for Federal and State Grants -- Appropriated  
For the Year Ended December 31, 2017

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Transferred</u> <u>from 2017</u> <u>Budget</u> <u>Appropriation</u>	<u>Prior Year</u> <u>Encumbrances</u> <u>Reclassified</u>	<u>Expended</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Federal Grants:						
Emergency Management Assistance Grant	\$ 2,862.38			\$ 2,658.52		\$ 203.86
Bulletproof Vest Partnership Grant	2,956.50	\$ 5,697.00				8,653.50
Community Development Block Grant Over the Limit Under Arrest	27,300.00 3,007.85	78,000.00			\$ 78,000.00	27,300.00 3,007.85
NJ DEP National Recreation Trails Program	218.55					218.55
Body Worn Cameras (BWC) Assistance Grant		16,500.00		16,500.00		
Assistance to Firefighters Grant	6,151.00		\$ 80,631.00	80,631.00		6,151.00
NJ DOT - Bicycle Network Plan		101,284.40				101,284.40
Drive Sober or Get Pulled Over	5,485.16	11,000.00		2,200.16	8,901.68	5,383.32
<b>Total Federal Grants</b>	<b>47,981.44</b>	<b>212,481.40</b>	<b>80,631.00</b>	<b>101,989.68</b>	<b>86,901.68</b>	<b>152,202.48</b>
State Grants:						
National Priority Safety Programs (Drunk Driving Enforcement)	42,948.00		254.00	1,862.33		41,339.67
Advanced Training Award	1,500.00					1,500.00
Clean Communities Program	17,141.32	85,911.77	4,860.72	68,612.85		39,300.96
Municipal Alliance on Alcohol and Drug Abuse	15,022.83	15,111.25		9,239.46		20,894.62
Recycling Tonnage Grant		152,459.00	14,168.00	46,979.39		119,647.61
Recreational Trails	24,000.00			2,092.42		21,907.58
Body Armor Grant	11,078.44			5,580.00		5,498.44
NJ DOT - 2015 Municipal Aid Program			196,000.00	180,075.76		15,924.24
NJ DOT - 2017 Municipal Aid Program		210,000.00				210,000.00
NJ Motor Vehicles Security and Customer Service Grant	133,861.00	99,962.00		36,330.32		197,492.68
<b>Total State Grants</b>	<b>245,551.59</b>	<b>563,444.02</b>	<b>215,282.72</b>	<b>350,772.53</b>		<b>673,505.80</b>

(Continued)



**TOWNSHIP OF MEDFORD**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserve for Federal and State Grants -- Appropriated  
For the Year Ended December 31, 2017

<u>Program</u>	<u>Balance Dec. 31, 2016</u>	<u>Transferred from 2017 Budget Appropriation</u>	<u>Prior Year Encumbrances Reclassified</u>	<u>Expended</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2017</u>
Local Grants:						
Burlington County Municipal Park Development Grant	\$ 195,298.00		\$ 13.00	\$ 161,463.18		\$ 33,847.82
Wal-Mart Foundation Grant	582.20					582.20
Medford-Vincetown Rotary Club - Annual Halloween Parade		\$ 11,600.00		11,541.46	\$ 58.54	
Sunrise Rotary - Annual Dickens Festival	6,180.33	9,000.00		5,093.00	6,180.33	3,907.00
Medford Business Association - Annual Festival of Art, Wine & Music		3,181.00		2,146.78	603.22	431.00
Medford Celebrates Foundation – Annual Independence Day Celebration		47,500.00		36,938.11	10,561.89	
Medford Business Association - Oktoberfest Event at Freedom Park	3,500.00	4,000.00		2,147.82	3,500.00	1,852.18
Flying W Airport and Resort - Annual Special Events		6,000.00		5,129.34		870.66
Headwater Village Civic Association Inc. - Community Bonfire Program		950.00			950.00	
	<u>205,560.53</u>	<u>82,231.00</u>	<u>13.00</u>	<u>224,459.69</u>	<u>21,853.98</u>	<u>41,490.86</u>
	<u>\$ 499,093.56</u>	<u>\$ 858,156.42</u>	<u>\$ 295,926.72</u>	<u>\$ 677,221.90</u>	<u>\$ 108,755.66</u>	<u>\$ 867,199.14</u>
Original Budget		\$ 196,961.00				
Appropriation by 40A:4-87		661,195.42				
Canceled - Grants Receivable					\$ 107,663.64	
Due Current Fund - Surplus					1,092.02	
Disbursed				\$ 605,680.24		
Reimbursed				(3,852.81)		
Reserve for Encumbrances				75,394.47		
		<u>\$ 858,156.42</u>		<u>\$ 677,221.90</u>	<u>\$ 108,755.66</u>	

**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**

**TOWNSHIP OF MEDFORD**  
**TRUST FUND**  
 Statement of Trust Cash - Treasurer  
 For the Year Ended December 31, 2017

	<u>Animal Control</u>	<u>Other</u>	<u>Birchwood Lake Dam - Trust Assessment</u>	<u>Municipal Open Space</u>
Balance December 31, 2016	\$ 26,491.44	\$ 3,729,343.34	\$ 396,695.79	\$ 2,216,909.79
Increased by Receipts:				
Dog License Fees Collected	\$ 16,750.95			
Due to State Department of Health	1,948.80			
Due Current Fund		\$ 80,837.04		\$ 1,021,019.92
Reserve for Future Use				744,275.29
Appropriation Refunds				8,299.31
Due General Capital Fund				700,000.00
Reserve for Miscellaneous Trust Other Reserves:				
Interest Earnings		10,410.24	\$ 2,107.59	
Budget Appropriations		10,000.00		
Other Receipts		18,286,153.66	207,202.94	
Contra			1,647.76	
	18,699.75	18,387,400.94	210,958.29	2,473,594.52
	45,191.19	22,116,744.28	607,654.08	4,690,504.31
Decreased by Disbursements:				
Due State Department of Health	1,947.60			
Expenditures Under R.S. 4:19-15.11	11,435.70			
Current Year Appropriations				540,563.36
Appropriation Reserves				36,407.51
Due General Capital Fund				700,000.00
Due Current Fund		77,417.00		
Reserve for Miscellaneous Trust Other Reserves		18,431,515.98	166,114.16	
Contra			1,647.76	
	13,383.30	18,508,932.98	167,761.92	1,276,970.87
Balance December 31, 2017	\$ 31,807.89	\$ 3,607,811.30	\$ 439,892.16	\$ 3,413,533.44

**TOWNSHIP OF MEDFORD**  
**TRUST OTHER FUND**  
Statement of Investments - Length of Service Awards Program  
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 1,040,532.00
Increased by:		
Township Contributions	\$ 43,000.00	
Unrealized Gain on Investments	<u>163,582.92</u>	
		<u>206,582.92</u>
		1,247,114.92
Decreased by:		
Benefits Paid to Participants	25,005.55	
Administration Expenses	<u>2,975.00</u>	
		<u>27,980.55</u>
Balance December 31, 2017		<u><u>\$ 1,219,134.37</u></u>

Schedule of Investments, December 31, 2017

<u>Description</u>	<u>Amount</u>
Fixed Annuity Contract	\$ 278,260.97
Mutual Funds:	
Large Cap Value Funds	35,040.45
Large Cap Blended Funds	523,166.94
Large Cap Growth Funds	88,114.24
Mid Cap Value Funds	70,754.43
Mid Cap Growth Funds	128,436.74
Small Cap Growth Funds	68,823.75
Bonds	25,201.33
Target Date Funds	<u>1,335.52</u>
	<u><u>\$ 1,219,134.37</u></u>

**TOWNSHIP OF MEDFORD**  
**ANIMAL CONTROL FUND**  
 Statement of Reserve for Animal Control Expenditures  
 For the Year Ended December 31, 2017

Balance December 31, 2016	\$	26,491.44
Increased by:		
Dog License Fees Collected		16,750.95
		43,242.39
Decreased by:		
Expenditures Under R.S.4:19- 15.11:		
Disbursed		11,435.70
Balance December 31, 2017	\$	31,806.69

License Fees Collected

<u>Year</u>		<u>Amount</u>
2016	\$	18,635.00
2015		19,361.00
	\$	37,996.00

**TOWNSHIP OF MEDFORD**  
**ANIMAL CONTROL FUND**  
Statement of Due to State of New Jersey  
For the Year Ended December 31, 2017

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Balance December 31, 2016		\$ -
Increased by:		
Collections		1,948.80
Decreased by:		
Disbursed to State		1,947.60
		1,947.60
Balance December 31, 2017		\$ 1.20

## Exhibit SB-5

**TRUST OTHER FUND**  
Statement of Due Current Fund  
For the Year Ended December 31, 2017

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Balance December 31, 2016 - (Due From)		\$ (1,053.78)
Increased by:		
Receipts:		
Interest Earned on Deposits	\$ 9,800.77	
Revenues Anticipated - Planning and Zoning Fees	62,006.55	
Interfunds Liquidated	9,029.72	
		80,837.04
		79,783.26
Decreased by:		
Police Officers Adjudication Act (POAA) Reclassified from Current Fund To Trust Other Fund	796.00	
Disbursements		
Interest Earnings Turned Over	9,800.77	
Disbursements - Prior Year Interfund Liquidated	67,616.23	
		78,213.00
Balance December 31, 2017 - Due to		\$ 1,570.26
<u>Analysis of Balance Dec. 31, 2017</u>		
Police Officers Adjudication Act (POAA)		\$ (796.00)
Planning Board Escrow		2,366.26
		\$1,570.26

**TOWNSHIP OF MEDFORD**  
**TRUST OTHER FUND**  
Statement of Changes in Miscellaneous Trust Other Reserves  
For the Year Ended December 31, 2017

	Balance Dec. 31, 2016	Increased by			Decreased by		Balance Dec. 31, 2017
		Interest Earnings	Other	Due Current Fund	Budget Appropriation	Disbursements	
Reserve for:							
Outside Employment of Off-Duty Municipal Policemen	\$ 14,775.01		\$ 200,421.69			\$ 208,258.36	\$ 6,938.34
Payroll Deductions Payable	94,463.99		7,729,234.06			7,786,520.39	37,177.66
Flex Trust	2,413.45		10,417.62			9,785.82	3,045.25
Retirement Trust			232.32			232.32	
Net Payroll	5,546.15		6,989,114.79			6,990,401.10	4,259.84
Special Law Enforcement	38,740.82	\$ 206.18	3,935.17			1,666.67	41,215.50
Miscellaneous Deposits:							
Recreation Improvements	10,973.42		500.00				11,473.42
Reserve for Street Opening Escrow's	9,942.00						9,942.00
Village Parking Improvements	5,940.00						5,940.00
Sidewalk Construction	82,764.77		18,532.00				67,546.77
Park Pump Station	0.31						0.31
Off-Site Fire Hydrant	6,100.00						6,100.00
Bond Street Apron	1,000.00						1,000.00
Pedestrian Barrier - Jennings Road	5,000.00						5,000.00
Redevelopment Projects			55,000.00			55,000.00	
Road Improvement Escrows	114,225.74		13,743.75			16,375.00	111,594.49
Fair Share Traffic Construction	9,536.00						9,536.00
Redevelopment Project	4,753.00						4,753.00
K-9 Unit Trust	1,000.00		2,650.00			2,651.77	998.23
Planning Board Subdivision Escrow	1,254,656.46	6,257.68	609,811.73			535,383.11	1,335,342.76
New Jersey Unemployment Compensation Insurance	95,812.81	491.50	3,297.27		\$ 10,000.00	2,848.36	106,753.22
Sanitary Landfill Facility Closure and Contingency Fund	13,648.13						13,648.13
Public Defender	1,000.88	8.52	8,791.00			8,690.53	1,109.87
Police Officer Adjudication Act (POAA)				\$ 796.00			796.00
Housing	488,330.11	2,450.38	75,531.04			77,793.31	488,518.22
Unclaimed Bail - Disposal of Forfeited Property	13,434.02						13,434.02
Fire Safety Penalties	301.90	2.87	420.00				724.77
Resale of Snow Removal Chemicals - Commodity Resale	34,128.22		60,004.49			19,240.81	74,891.90
Snow Removal Trust Fund	55,519.95	358.57	59,247.42			49,942.70	65,183.24
Federal Forfeiture Trust	15.26	0.08					15.34
Recreation Programs Trust	1,433.57	4.02				1,437.59	
Tax Title Lien Redemption	10,835.27		1,523,531.99			1,397,174.09	137,193.17
Tax Sale Premium	1,206,900.00		912,600.00			1,239,300.00	880,200.00
Street Opening Trust	103,030.35	465.57	7,186.60			17,889.41	92,793.11
Accumulated Absences	34,267.78	163.48				2,614.70	31,816.56
Miscellaneous	3,377.82						3,377.82
Self Insurance Programs:							
Health Benefits	6,281.31		1,367.72			7,649.03	
Sunshine Trust	248.62	1.39	583.00			660.91	172.10
	<u>\$ 3,730,397.12</u>	<u>\$ 10,410.24</u>	<u>\$ 18,286,153.66</u>	<u>\$ 796.00</u>	<u>\$ 10,000.00</u>	<u>\$ 18,431,515.98</u>	<u>\$ 3,572,491.04</u>

**TOWNSHIP OF MEDFORD**  
**MUNICIPAL OPEN SPACE TRUST FUND**  
 Statement of Reserve for Future Use  
 For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 2,422,150.47
Increased by:		
Receipts:		
County of Burlington	\$ 177,520.00	
Interest on Deposits	12,755.29	
Due State - Reserve for Payment of Debt Service	550,000.00	
Other	<u>4,000.00</u>	
		\$ 744,275.29
Due from Current Fund:		
Current Year Levy		746,275.00
Added and Omitted Taxes - Current Year		5,649.67
Cancellation of Prior Year Appropriation Reserves		<u>24,134.98</u>
		<u>1,520,334.94</u>
		3,942,485.41
Decreased by:		
Current Year Appropriations		<u>707,143.30</u>
Balance December 31, 2017		<u><u>\$ 3,235,342.11</u></u>

**MUNICIPAL OPEN SPACE TRUST FUND**  
**Statement of Due From Current Fund**  
 For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 274,744.92
Increased by:		
2017 Tax Levy	\$ 746,275.00	
2017 Added and Omitted Levy	<u>5,649.67</u>	
		<u>751,924.67</u>
Decreased by:		
Receipts		<u>1,021,019.92</u>
Balance December 31, 2017		<u><u>\$ 5,649.67</u></u>



**TOWNSHIP OF MEDFORD**  
**MUNICIPAL OPEN SPACE TRUST FUND**  
 Statement of Appropriation Reserves  
 For the Year Ended December 31, 2017

	<u>Balance Dec. 31, 2016</u>		<u>Balance After Modification</u>	<u>Disbursed</u>	<u>Transferred to Accounts Payable</u>	<u>Lapsed to Fund Balance</u>
	<u>Reserved</u>	<u>Encumbered</u>				
Salary & Wages	\$ 14,032.87		\$ 14,032.87			\$ 14,032.87
Other Expenses	433.00	\$ 18,964.11	19,397.11	\$ 9,295.00		10,102.11
Acquisition of Farmland	10,074.72	25,985.24	36,059.96	27,112.51	\$ 8,947.45	
	<u>\$ 24,540.59</u>	<u>\$ 44,949.35</u>	<u>\$ 69,489.94</u>	<u>\$ 36,407.51</u>	<u>\$ 8,947.45</u>	<u>\$ 24,134.98</u>

**TOWNSHIP OF MEDFORD**  
**BIRCHWOOD LAKE DAM TRUST ASSESSMENT FUND**  
Statement of Reserve for Dam Restoration  
For the Year Ended December 31, 2017

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Balance December 31, 2016		\$ 396,695.79
Increased by:		
Receipts - Homeowner Payments	\$ 207,202.94	
Interest	<u>2,107.59</u>	
		<u>209,310.53</u>
		606,006.32
Decreased by:		
Disbursed - Current Year Expenditures		<u>166,114.16</u>
Balance December 31, 2017		<u><u>\$ 439,892.16</u></u>

**TOWNSHIP OF MEDFORD**  
MUNICIPAL OPEN SPACE TRUST FUND  
Statement of Accounts Payable  
For the Year Ended December 31, 2017

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Balance December 31, 2016	\$	14.30
Increased by:		
Transfers from Appropriation Reserves		<u>8,947.45</u>
Balance December 31, 2017	\$	<u><u>8,961.75</u></u>

**SUPPLEMENTAL EXHIBITS**

**GENERAL CAPITAL FUND**

**TOWNSHIP OF MEDFORD**  
**GENERAL CAPITAL FUND**  
Statement of General Capital Cash  
For the Year Ended December 31, 2017

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Balance December 31, 2016		\$ 2,120,333.22
Increased by Receipts:		
Capital Improvement Fund	\$ 169,000.00	
Bond Anticipation Notes	3,164,592.00	
Premium on Sale of Notes	66,136.00	
Reserve for Payment of Debt Service:		
Turf Field Donations	13,000.00	
Due Municipal Open Space Trust Fund	700,000.00	
	4,112,728.00	4,112,728.00
		6,233,061.22
Decreased by Disbursements:		
Improvement Authorizations	3,425,366.67	
Due Municipal Open Space Trust Fund	700,000.00	
	4,125,366.67	4,125,366.67
Balance December 31, 2017		\$ 2,107,694.55

**TOWNSHIP OF MEDFORD**  
**GENERAL CAPITAL FUND**  
Statement of General Capital Cash and Investments  
For the Year Ended December 31, 2017

	(Restated) Balance (Deficit) Dec. 31, 2016	Receipts		Disbursements		Transfers		Balance (Deficit) Dec. 31, 2017
		Bond Anticipation	Miscellaneous	Improvement	Miscellaneous	From	To	
		Notes		Authorizations				
Fund Balance	\$ 204,360.39		\$ 66,136.00			\$ 79,653.51		\$ 350,149.90
Capital Improvement Fund	77,582.00		169,000.00				\$ 176,558.00	70,024.00
Reserve for Encumbrances	858,424.61					1,491,144.05	858,424.61	1,491,144.05
Due from County of Burlington							328,000.00	(328,000.00)
Due to Open Space Trust Fund			700,000.00		\$ 700,000.00			
Due from Trust Other Fund							33,750.00	(33,750.00)
Reserve for Payment of Debt Service	140,968.03		13,000.00					153,968.03
Excess Note Cash - Ordinance 2016-08						120,993.80		120,993.80
Improvement Authorizations:								
Ordinance								
<u>Number</u>								
1990-08 Construction of Bike Paths	27,646.00			\$ 27,646.00				
1995-05 Purchase of Various Equipment	5,845.00						5,845.00	
1999-36 Installation of Handicapped Accessible Tot Lot	15,204.00						15,204.00	
2001-10 Various General Capital Improvements	10,703.00						10,703.00	
2002-16 Various General Capital Improvements	41,000.00						41,000.00	
2002-29 Construction of Improvements to Various Municipal Buildings	42,529.00						42,529.00	
2003-14 Various Capital Improvements	1.00						1.00	
2003-16 Reconstruction and Resurfacing of Hopewell Road	300.00							300.00
2004-14 Various General Capital Improvements	300,000.00						300,000.00	
2004-25 Various General Capital Improvements	4,987.00						4,987.00	
2007-28 Repair, Reconstruction, and/or Restoration of Public Property Damaged by the Floods	52,584.50					5,930.99	58,515.49	
2008-11 Acquisition of Real Property - Cow Pointe	(426,100.00)							(426,100.00)
2008-18 Various Capital Improvements	(22.98)						1.02	(24.00)
2009-19 Various Capital Improvements	(32,926.86)			12,982.46		2,870.20	3,484.74	(46,523.86)
2009-28 Improvements to Public Safety Facilities and Related Expenses	(463,176.76)							(463,176.76)
2010-15 Various Capital Improvements	(2,032,837.08)			78,985.54		15,744.47	22,261.00	(2,118,339.15)
2013-16 Various Capital Improvements	487,720.79			47,180.95		42,120.72	50,034.15	432,626.41
2014-10 Various Capital Improvements	228,699.15			14,488.99		33,982.97	31,213.12	216,980.01
2015-15 Various Capital Improvements	143,593.04			537,889.02		477,827.10	9,481.42	74,049.70
2016-08 Various Capital Improvements	2,433,249.39			2,308,864.09		279,948.16	129,561.92	274,771.54
2017-06 Various Capital Improvements		\$ 3,164,592.00		397,329.62		538,308.00	1,026,974.50	2,278,595.88
2017-12 Improvements to Various Parks and Drainage						100,000.00	39,995.00	60,005.00
	<u>\$ 2,120,333.22</u>	<u>\$ 3,164,592.00</u>	<u>\$ 948,136.00</u>	<u>\$ 3,425,366.67</u>	<u>\$ 700,000.00</u>	<u>\$ 3,188,523.97</u>	<u>\$ 3,188,523.97</u>	<u>\$ 2,107,694.55</u>

**TOWNSHIP OF MEDFORD**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation -- Funded  
For the Year Ended December 31, 2017

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Balance December 31, 2016		\$ 19,317,217.40
Decreased by:		
2017 Budget Appropriations:		
Serial Bonds	\$ 3,213,000.00	
Green Acres Loans	<u>121,353.42</u>	
		<u>3,334,353.42</u>
Balance December 31, 2017		<u><u>\$ 15,982,863.98</u></u>

**TOWNSHIP OF MEDFORD**  
**GENERAL CAPITAL FUND**  
 Statement of Deferred Charges to Future Taxation -- Unfunded  
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	Increased by	Decreased by	Balance Dec. 31, 2017	Analysis of Balance December 31, 2017		
			2017 Authorizations	Improvement Authorizations Canceled		Financed by Bond Anticipation Notes	Unexpended Improvement Authorizations	
2008-11	Acquisition of Real Property - Cow Pointe	\$ 426,100.00			\$ 426,100.00		\$ 426,100.00	
2008-18	Various Capital Improvements	24.00			24.00		24.00	
2009-19	Various Capital Improvements	32,693.00			32,693.00		18,892.86	\$ 13,800.14
2009-28	Improvements to Public Safety Facilities	493,786.00		\$ 1,307.72	492,478.28		490,807.76	1,670.52
2010-15	Various Capital Improvements	2,317,099.00		67,556.72	2,249,542.28		2,118,339.15	131,203.13
2016-08	Various Capital Improvements	2,657,150.00		120,993.80	2,536,156.20	\$ 2,536,156.20		
2017-06	Various Capital Improvements		\$ 3,164,592.00		3,164,592.00	3,164,592.00		
		<u>\$ 5,926,852.00</u>	<u>\$ 3,164,592.00</u>	<u>\$ 189,858.24</u>	<u>\$ 8,901,585.76</u>	<u>5,700,748.20</u>	<u>\$ 3,054,163.77</u>	<u>\$ 146,673.79</u>
Excess Note Cash Pledged to Pay Bond Anticipation Note:								
Ordinance 2016-08						\$ 120,993.80		
Improvement Authorizations Unfunded								\$ 2,700,041.21
Less - Unexpended Proceeds of Bond Anticipation Notes Issued:								
Ordinance 2016-08								(274,771.54)
Ordinance 2017-06								(2,278,595.88)
						<u>\$ 5,821,742.00</u>		<u>\$ 146,673.79</u>



**TOWNSHIP OF MEDFORD**  
**GENERAL CAPITAL FUND**  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2017

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Balance December 31, 2016	\$ 77,582.00
Increased by:	
Budget Appropriation	<u>169,000.00</u>
	246,582.00
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>176,558.00</u>
Balance December 31, 2017	<u><u>\$ 70,024.00</u></u>

**TOWNSHIP OF MEDFORD**  
**GENERAL CAPITAL FUND**  
 Statement of Improvement Authorizations  
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2016		2017 Authorizations	Prior Year Encumbrances Reclassified	Paid or Charged	Canceled	Reappropriated	Balance Dec. 31, 2017	
		Date	Amount	Funded	Unfunded						Funded	Unfunded
General Improvements:												
1990-08	Construction of Bike Paths	05/21/90	\$ 71,000.00	\$ 27,646.00				\$ 27,646.00				
1995-05	Purchase of Various Equipment	05/01/95	1,116,000.00	5,845.00					\$ 5,845.00			
1999-36	Installation of Handicapped Accessible Tot Lot	10/06/99	25,000.00	15,204.00					15,204.00			
2001-10	Various General Capital Improvements	05/22/01	2,038,950.00	10,703.00					10,703.00			
2002-16	Various General Capital Improvements	04/09/02	1,462,725.00	41,000.00						\$ (41,000.00)		
2002-29	Construction of Improvements to Various Municipal Buildings	07/23/02	42,529.00	42,529.00					33,529.00	(9,000.00)		
2003-14	Various Capital Improvements	06/10/03	1,880,401.00	1.00					1.00			
2003-16	Reconstruction and Resurfacing of Hopewell Road	06/10/03	61,427.91	300.00							\$ 300.00	
2004-14	Various Capital Improvements	04/13/04	1,926,359.00	300,000.00				300,000.00				
2004-25	Various Capital Improvements	10/26/04	73,324.70	4,987.00					4,987.00			
2007-28	Repair, Reconstruction, and/or Restoration of Public Property Damaged by the Floods	11/27/07	1,200,000.00	52,584.50			\$ 5,930.99		8,515.49	(50,000.00)		
2008-18	Various Capital Improvements	05/27/08	4,890,026.00	1.02					1.02			
2009-19	Various Capital Improvements	06/09/09	3,739,144.00		\$ 27,397.14		2,870.20	16,467.20				\$ 13,800.14
2009-28	Improvements to Public Safety Facilities and Related Expenses	11/24/09	700,000.00		2,978.24							1,670.52
2010-15	Various Capital Improvements	05/25/10	3,975,169.00		284,261.92		15,744.47	101,246.54	67,556.72			131,203.13
2013-16	Various Capital Improvements	12/23/13	2,190,607.00	487,720.79			42,120.72	96,689.10	526.00		432,626.41	
2014-10	Various Capital Improvements	08/05/14	1,004,500.00	228,699.15			33,982.97	45,652.11	50.00		216,980.01	
2015-15	Various Capital Improvements	09/07/15	1,985,500.00	143,593.04			477,827.10	547,078.44	292.00		74,049.70	
2016-08	Various Capital Improvements	07/05/16	2,797,000.00		2,433,249.39		279,948.16	2,317,432.21	120,993.80			274,771.54
2017-06	Various Capital Improvements	05/02/17	3,702,900.00			\$ 3,702,900.00		1,424,304.12				2,278,595.88
2017-12	Improvements to Various Parks and Drainage	09/19/17	100,000.00					39,995.00		100,000.00		60,005.00
				<u>\$ 1,360,813.50</u>	<u>\$ 2,747,886.69</u>	<u>\$ 3,702,900.00</u>	<u>\$ 858,424.61</u>	<u>\$ 4,916,510.72</u>	<u>\$ 269,511.75</u>	<u>\$ -</u>	<u>\$ 783,961.12</u>	<u>\$ 2,700,041.21</u>
Capital Improvements Fund						\$ 176,558.00						
Due from Burlington County:												
Park Development Grant						250,000.00						
Community Development Block Grant						78,000.00						
Due from Trust Other Fund:												
Reserve for Sidewalk Construction						33,750.00						
Deferred Charges to Future Taxation - Unfunded						3,164,592.00						
Excess Note Cash							\$ 68,864.44					
Fund Balance							120,993.80					
Disbursed							79,653.51					
Encumbered							\$ 3,425,366.67					
							<u>1,491,144.05</u>					
						<u>\$ 3,702,900.00</u>	<u>\$ 4,916,510.72</u>					
							<u>\$ 269,511.75</u>					

**TOWNSHIP OF MEDFORD**  
**GENERAL CAPITAL FUND**  
Statement of Reserve for Encumbrances  
For the Year Ended December 31, 2017

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Balance December 31, 2016		\$ 858,424.61
Increased by:		
Charges to Improvement Authorizations		1,491,144.05
		2,349,568.66
Decreased by:		
Prior Year Balance Reappropriated		858,424.61
Balance December 31, 2017		\$ 1,491,144.05

## Exhibit SC-8

**GENERAL CAPITAL FUND**  
Statement of Due from Burlington County  
For the Year Ended December 31, 2017

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Balance December 31, 2016		\$ 222,147.00
Increased by:		
Grant Awards to Fund Ord 2017-6:		
Parks Grant	\$ 250,000.00	
Community Development Block Grant	78,000.00	
		328,000.00
Balance December 31, 2017		\$ 550,147.00

Analysis of Balance

Ord. 2009-19 - Burlington County Grant		\$ 25,000.00
Ord. 2010-15 - Burlington County Grant		150,000.00
Ord. 2015-15 - Burlington County Grant		37,147.00
Other Burlington County Grant		10,000.00
Ord. 2017-06:		
Parks Grant	\$ 250,000.00	
Community Development Block Grant	78,000.00	
		328,000.00
		\$ 550,147.00

**TOWNSHIP OF MEDFORD**  
**GENERAL CAPITAL FUND**  
 Statement of Green Acres Trust Loans Payable  
 For the Year Ended December 31, 2017

Date of Issue	Purpose	Maturities of Loans Outstanding Dec. 31, 2017		Interest Rate	Balance Dec. 31, 2016	Paid by Budget Appropriation	Balance Dec. 31, 2017
		Date	Amount				
11/10/97	Distefano Tract				\$ 60,576.22	\$ 60,576.22	
10/23/99	Distefano Tract	2018	\$ 30,328.08	2.00%	75,450.46	29,730.50	\$ 45,719.96
		2019	15,391.87	2.00%			
09/06/00	Distefano Tract Phase II	2018	31,670.73	2.00%	78,790.72	31,046.70	47,744.02
		2019	16,073.29	2.00%			
					<u>\$ 214,817.40</u>	<u>\$ 121,353.42</u>	<u>\$ 93,463.98</u>
Current Fund Budget						\$ -	
Municipal Open Space Trust Fund Budget						<u>121,353.42</u>	
						<u>\$ 121,353.42</u>	

**TOWNSHIP OF MEDFORD**  
**GENERAL CAPITAL FUND**  
 Statement of General Serial Bonds  
 For the Year Ended December 31, 2017

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2017</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Paid By Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
			<u>Date</u>	<u>Amount</u>				
2008 General Obligation Bonds	07/15/08	\$ 12,187,000.00	07/15/18	\$ 2,000,000.00	4.000%	\$ 4,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00
2011 Refunding Bonds	11/21/11	1,251,800.00	07/01/18	85,800.00	2.000%	257,400.00	88,000.00	169,400.00
			07/01/19	83,600.00	2.250%			
2013 General Obligation Bonds, Series A	05/09/13	11,470,000.00	05/01/18	495,000.00	2.000%	10,040,000.00	490,000.00	9,550,000.00
			05/01/19	500,000.00	2.000%			
			05/01/20	510,000.00	2.000%			
			05/01/21	520,000.00	2.000%			
			05/01/22	535,000.00	2.000%			
			05/01/23	545,000.00	2.000%			
			05/01/24	560,000.00	3.000%			
			05/01/25	580,000.00	3.000%			
			05/01/26	595,000.00	3.000%			
			05/01/27	610,000.00	3.000%			
			05/01/28	630,000.00	3.000%			
			05/01/29	650,000.00	3.000%			
			05/01/30	670,000.00	3.000%			
			05/01/31	695,000.00	3.000%			
			05/01/32	715,000.00	3.125%			
			05/01/33	740,000.00	3.250%			
2013 Refunding Bonds, Series B	05/09/13	3,510,000.00	08/01/18	370,000.00	2.000%	1,610,000.00	385,000.00	1,225,000.00
			08/01/19	435,000.00	2.000%			
			08/01/20	420,000.00	2.000%			
2015 General Obligation Bonds	12/17/15	3,420,000.00	06/01/18	275,000.00	2.000%	3,195,000.00	250,000.00	2,945,000.00
			06/01/19	300,000.00	2.000%			
			06/01/20	325,000.00	2.000%			
			06/01/21	350,000.00	2.000%			
			06/01/22	375,000.00	2.000%			
			06/01/23	420,000.00	2.000%			
			06/01/24	450,000.00	2.000%			
			06/01/25	450,000.00	2.250%			
						3,195,000.00	250,000.00	2,945,000.00
						\$ 19,102,400.00	\$ 3,213,000.00	\$ 15,889,400.00
						Current Fund Budget	\$ 3,080,676.00	
						Municipal Open Space Trust Fund Budget	132,324.00	
							\$ 3,213,000.00	

**TOWNSHIP OF MEDFORD**  
**GENERAL CAPITAL FUND**  
Statement of Bond Anticipation Notes  
For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2017</u>
2016-08	Various Capital Improvements	09/28/16	09/28/16	09/28/17	2.00%	\$ 2,657,150.00		\$ 2,657,150.00	
2016-08	Various Capital Improvements	09/28/16	09/26/17	09/25/18	2.25%		\$ 2,657,150.00		\$ 2,657,150.00
2017-06	Various Capital Improvements	09/26/17	09/26/17	09/25/18	2.25%		3,164,592.00		3,164,592.00
						<u>\$ 2,657,150.00</u>	<u>\$ 5,821,742.00</u>	<u>\$ 2,657,150.00</u>	<u>\$ 5,821,742.00</u>
					Renewed Issued for Cash		\$ 2,657,150.00	\$ 2,657,150.00	
							3,164,592.00		
							<u>\$ 5,821,742.00</u>	<u>\$ 2,657,150.00</u>	

**TOWNSHIP OF MEDFORD**  
**GENERAL CAPITAL FUND**  
Statement of Reserve for Payment of Debt Service  
For the Year Ended December 31, 2017

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Balance December 31, 2016	\$ 140,968.03
Increased by:	
Receipts - Turf Field Donations	<u>13,000.00</u>
	153,968.03
Decreased by:	
Miscellaneous Adjustment	<u>1.83</u>
Balance December 31, 2017	<u><u>\$ 153,966.20</u></u>

**TOWNSHIP OF MEDFORD**  
**GENERAL CAPITAL FUND**  
Statement of Bonds and Notes Authorized But Not Issued  
For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	Increased by		Decreased by		Balance Dec. 31, 2017
			2017 Authorizations	Notes Issued	Improvement Authorizations Canceled		
2008-11	Acquisition of Real Property - Cow Pointe	\$ 426,100.00					\$ 426,100.00
2008-18	Various Capital Improvements	24.00					24.00
2009-19	Various Capital Improvements	60,324.00					60,324.00
2009-28	Improvements to Public Safety Facilities	466,155.00			\$ 1,307.72		464,847.28
2010-15	Various Capital Improvements	2,317,099.00			67,556.72		2,249,542.28
2017-06	Various Capital Improvements		\$ 3,164,592.00	\$ 3,164,592.00			
		<u>\$ 3,269,702.00</u>	<u>\$ 3,164,592.00</u>	<u>\$ 3,164,592.00</u>	<u>\$ 68,864.44</u>		<u>\$ 3,200,837.56</u>



**SUPPLEMENTAL EXHIBITS**  
**WATER AND SEWER UTILITY FUND**

**TOWNSHIP OF MEDFORD**  
**WATER AND SEWER UTILITY FUND**  
Statement of Water and Sewer Utility Cash -- Treasurer  
For the Year Ended December 31, 2017

	<u>Operating</u>	<u>Sewer Connection Trust</u>	<u>Assessment</u>	<u>Capital</u>
Balance December 31, 2016 (Restated)	\$ 5,819,428.86	\$ 210,452.65	\$ 666.00	\$ 1,401,706.02
Increased by Receipts:				
Rents Receivable	\$ 5,475,245.03			
Rent Overpayments	6,186.38			
Prepaid Rents	818,038.42			
Petty Cash	100.00			
Miscellaneous Revenue	970,138.41			
Due Utility Operating Fund:				
Interfund Liquidated			\$ 1,571,485.00	
Budget Appropriation - Unfunded Ordinances			327,540.00	
Refunds of Appropriations	28,685.40			
Due Sewer Connection Trust Fund	15,000.00			
Due Current Fund	18,746.23			
Reserve for Insurance Claims	21,514.48			
Capital Improvement Fund				1,677,450.00
Premium on Sale of Refunding Bonds				765.36
Contra	49,523.09			
	7,403,177.44		-	3,577,240.36
	13,222,606.30	210,452.65	666.00	4,978,946.38
Decreased by Disbursements:				
2017 Budget Appropriations	7,158,078.02			
2016 Appropriation Reserves	285,777.58			
Rent Overpayment	5,000.00			
Reserve for Insurance Claims	22,669.50			
Accrued Interest on Bonds and Notes	590,397.94			
Petty Cash	100.00			
Due Utility Operating Fund		\$ 15,000.00		
Improvement Authorizations				1,563,079.68
Due Utility Capital Fund:				
Interfund Liquidated	1,571,485.00			
Budget Appropriation - Unfunded Ordinances	327,540.00			
Disbursed on Behalf of	389,939.00			
Refund of Prior Year Revenue	9,450.40			
Contra	49,523.09			
	10,409,960.53	15,000.00	-	1,563,079.68
Balance December 31, 2017	\$ 2,812,645.77	\$ 195,452.65	\$ 666.00	\$ 3,415,866.70

**TOWNSHIP OF MEDFORD**  
**WATER AND SEWER UTILITY CAPITAL FUND**  
 Analysis of Water and Sewer Capital Cash and Investments  
 For the Year Ended December 31, 2017

	Balance (Deficit) <u>Dec. 31, 2016</u>	Receipts		Disbursements		Balance (Deficit) <u>Dec. 31, 2017</u>	
		<u>Miscellaneous</u>	<u>Improvement Authorizations</u>	<u>Transfers</u>			
				<u>From</u>	<u>To</u>		
Capital Improvement Fund	\$ 1,848,749.00	\$ 1,677,450.00		\$ 3,019,800.00		\$ 506,399.00	
Due Utility Operating Fund	(1,571,485.00)	1,899,025.00		327,540.00	\$ 389,939.00	389,939.00	
Reserve for Payment of Debt Service	355,488.73					355,488.73	
Reserve for Encumbrances	209,921.94			209,921.94	457,271.04	457,271.04	
Fund Balance	8,024.37	765.36				8,789.73	
Improvement Authorizations:							
Ordinance							
<u>Number</u>							
1996-11	Construction of Various Utility Capital Improvements	14,285.27				14,285.27	
1997-06	Construction of Various Utility Capital Improvements	150.65				150.65	
1998-14	Construction of Various Utility Capital Improvements	(8,003.57)			8,004.00	0.43	
2001-11	Various Utility Capital Improvements	753.12				753.12	
2002-10	Various Utility Capital Improvements	23.31				23.31	
2002-19	Improvements to the Wastewater Treatment Plant	(50,291.00)			50,291.00		
2003-15	Various Utility Capital Improvements	39.63				39.63	
2003-17	Improvements to the Water Treatment Plant, and Rehabilitation of Wells 9, 10 and 15 and the Englishtown Well and to Improve Related Water Mains at Deerbrook	1,042.56				1,042.56	
2004-15	Various Utility Capital Improvements			2,746.00	2,746.00		
2004-19	Various Utility Capital Improvements				6,951.37	6,951.37	
2005-14	Various Utility Capital Improvements	912.01				912.01	
2006-10	Various Utility Capital Improvements	592.00			2,471.25	3,063.25	
2007-09	Various Utility Capital Improvements	(267.00)			1,811.05	1,544.05	
2007-11	Various Infrastructure Improvements to the Sewage Treatment Plant	(603.00)			618.00	15.00	
2008-20	Improvements for Phase II of the Sewer Plant Upgrade Project	(89,631.00)			89,631.00		
2009-12	Improvements for Wastewater Treatment Plant	(95,689.00)			95,689.00		
2009-20	Various Utility Capital Improvements	91,826.00	\$ 108,748.67	32,021.55	62,566.25	13,622.03	
2009-27	Improvements for Wastewater Treatment Plant	134.00				134.00	
2010-16	Various Utility Capital Improvements	25,316.00		55,327.81	34,016.79	(53,794.58)	
2010-21	Various Utility Capital Improvements	(83,040.00)			83,040.00		
2014-11	Various Utility Capital Improvements	191,896.00		210,191.42	65,577.82	111,791.06	
2015-16	Various Utility Capital Improvements	551,561.00		85,136.71	32,281.67	11,617.94	
2017-02	Various Utility Capital Improvements			1,046,479.01	414,933.30	1,587,350.00	
2017-05	Various Utility Capital Improvements			57,196.06	265,632.91	1,432,450.00	
		<u>\$ 1,401,706.02</u>	<u>\$ 3,577,240.36</u>	<u>\$ 1,563,079.68</u>	<u>\$ 4,404,471.98</u>	<u>\$ 4,404,471.98</u>	<u>\$ 3,415,866.70</u>

**TOWNSHIP OF MEDFORD**  
**WATER AND SEWER UTILITY OPERATING FUND**  
**Statement of Water and Sewer Rents Receivable**  
**For the Year Ended December 31, 2017**

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Balance December 31, 2016		\$ 214,036.23
Increased by:		
Water and Sewer Rents Levied		<u>6,042,467.79</u>
		6,256,504.02
Decreased by:		
Collected	\$ 5,475,245.03	
Prepayments Applied	<u>587,459.04</u>	
	6,062,704.07	
Transferred to Liens	<u>3,258.36</u>	
		<u>6,065,962.43</u>
Balance December 31, 2017		<u><u>\$ 190,541.59</u></u>

**TOWNSHIP OF MEDFORD**  
**WATER AND SEWER UTILITY OPERATING FUND**  
 Statement of Appropriation Reserves  
 For the Year Ended December 31, 2017

	<u>Balance Dec. 31, 2016</u>		<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Transferred to Accounts Payable</u>	<u>Canceled to Fund Balance</u>
	<u>Encumbered</u>	<u>Reserved</u>				
Operations:						
Salaries and Wages		\$ 32,398.86	\$ 32,398.86	\$ 9,477.50		\$ 22,921.36
Other Expenses	\$ 303,610.47	20,146.25	323,756.72	221,498.05	\$ 5,240.00	97,018.67
Capital Improvements:						
Capital Outlay	54,477.00	843.81	55,320.81	53,777.00		1,543.81
Statutory Expenditures:						
Retiree Health Benefits		38,366.92	38,366.92			38,366.92
Social Security System		5,088.92	5,088.92	1,025.03		4,063.89
	<u>\$ 358,087.47</u>	<u>\$ 96,844.76</u>	<u>\$ 454,932.23</u>	<u>\$ 285,777.58</u>	<u>\$ 5,240.00</u>	<u>\$ 163,914.65</u>
Disbursements				<u>\$ 285,777.58</u>		

**TOWNSHIP OF MEDFORD**  
**WATER AND SEWER UTILITY CAPITAL FUND**  
Statement of Fixed Capital Authorized and Uncompleted  
For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2016</u>	<u>2017 Authorizations</u>	<u>Balance Dec. 31, 2017</u>
1987-16	Construction of Water Storage Tank	08/04/87	\$ 1,440,000.00	\$ 3,349.00		\$ 3,349.00
1989-08	Rehabilitation and Upgrade of Elm Drive Pumping Station	04/18/89	220,000.00	16,247.00		16,247.00
1990-09	Acquisition of Seven Yard Dump Truck	06/04/90	57,000.00	538.00		538.00
1992-12	Various Utility Capital Improvements and Rehabilitation of Water Storage Tank and Pump Stations	07/20/92	325,000.00	246,258.00		246,258.00
1993-12	Rehabilitation of Various Water Supply Mains	05/17/93	835,208.00	835,208.00		835,208.00
1993-28	Rehabilitation of Water Treatment and Distribution System	12/06/93	489,585.00	489,585.00		489,585.00
1994-13	Rehabilitation of Various Water Supply Mains	03/07/94	475,000.00	478,844.00		478,844.00
1995-06	Rehabilitation of Water Mains; Various Improvements; Control System for Water Treatment Plant and Construction of Southside Water Tank	04/17/95	327,500.00	327,750.00		327,750.00
1995-11	Replacement of Pump Station Force Main; Reconstruction of Sewer Lines and Rehabilitation of Sewer Treatment System	07/17/95	466,184.00	466,184.00		466,184.00
1996-11	Construction of Various Utility Capital Improvements	06/17/96	1,349,000.00	1,264,127.00		1,264,127.00
1997-06	Construction of Various Utility Capital Improvements	03/17/97	1,357,000.00	607,000.00		607,000.00
1998-14	Construction of Various Utility Capital Improvements	06/03/98	1,750,000.00	1,741,996.00		1,741,996.00
2000-15	Various Utility Capital Improvements	05/17/00	1,209,000.00	1,209,000.00		1,209,000.00
2001-11	Various Utility Capital Improvements	05/22/01	1,635,000.00	1,635,000.00		1,635,000.00
2002-19	Improvements to the Wastewater Treatment Fund	04/23/02	1,766,000.00	1,765,985.00		1,765,985.00
2003-15	Various Utility Capital Improvements	06/10/03	370,000.00	370,000.00		370,000.00
2003-17	Improvements to the Water Treatment Plant, and Rehabilitation of Wells 9, 10 and 15 and the Englishtown Well and to Improve Related Water Mains at Deerbrook	06/10/03	188,794.03	188,794.03		188,794.03
2004-15	Various Utility Capital Improvements	05/11/04	995,000.00	508,210.00		508,210.00
2004-19	Various Utility Capital Improvements	08/24/04	2,900,000.00	2,950,000.00		2,950,000.00
2005-14	Various Utility Capital Improvements	05/24/05	1,540,000.00	1,590,000.00		1,590,000.00
2006-10	Various Utility Capital Improvements	05/23/06	1,665,000.00	1,665,000.00		1,665,000.00
2007-09	Various Utility Capital Improvements	05/08/07	3,478,658.00	3,478,658.00		3,478,658.00
2007-11	Various Infrastructure Improvements to the Sewage Treatment Plant	05/08/07	2,245,000.00	2,245,000.00		2,245,000.00
2007-14	Repair, Reconstruction and/or Restoration of the Sewer System Damaged by the Floods	06/26/07	500,000.00	500,000.00		500,000.00
2008-19	Various Utility Capital Improvements	05/27/08	569,000.00	464,165.00		464,165.00
2008-20	Improvements for Phase II of the Sewer Plant Upgrade Project	05/27/08	7,051,172.00	7,102,172.00		7,102,172.00
2009-11	Improvements for Phase II of the Sewer Plant Upgrade Project	04/28/09	3,939,262.00	3,939,262.00		3,939,262.00
2009-12	Improvements for Wastewater Treatment Plant	04/28/09	2,730,000.00	2,730,000.00		2,730,000.00
2009-20	Various Utility Capital Improvements	06/09/09	1,305,500.00	1,254,777.00		1,254,777.00
2009-27	Improvements for Wastewater Treatment Plant	11/10/09	3,500,000.00	3,500,000.00		3,500,000.00
2010-16	Various Utility Capital Improvements	06/22/10	1,050,000.00	1,010,848.00		1,010,848.00
2010-21	Various Utility Capital Improvements	07/31/10	3,470,000.00	3,470,000.00		3,470,000.00
2014-11	Various Utility Capital Improvements	08/25/14	681,500.00	681,500.00		681,500.00
2015-16	Various Utility Capital Improvements	09/07/15	730,000.00	730,000.00		730,000.00
2017-02	Various Utility Capital Improvements	02/21/17	1,587,350.00		\$ 1,587,350.00	1,587,350.00
2017-05	Various Utility Capital Improvements	05/02/17	1,432,450.00		1,432,450.00	1,432,450.00
				<u>\$ 49,465,457.03</u>	<u>\$ 3,019,800.00</u>	<u>\$ 52,485,257.03</u>

**TOWNSHIP OF MEDFORD**  
**WATER AND SEWER UTILITY CAPITAL FUND**  
 Statement of Fixed Capital  
 For the Year Ended December 31, 2017

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Increased by</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
		<u>Capital</u> <u>Outlay</u>	
Enlargement of Plant and Extension of Stokes Road Sewer Line	\$ 413,390.00		\$ 413,390.00
Sanitary Sewer System	12,954,162.00		12,954,162.00
Extension of Sewer Line on Christopher Mill Road	1,375.00		1,375.00
Extension of Sewer Line on Tuckerton Road	3,517.00		3,517.00
Extension of Sewer Line on Taunton Road	3,963.00		3,963.00
Site Work for Addition to Sewer Plant	6,111.00		6,111.00
Reconstruction of Oakwood Wastewater System and Installation of Southside Water Supply Wells	1,720,000.00		1,720,000.00
Rodding Machine	1,231.00		1,231.00
High Water Alarm System	1,815.00		1,815.00
Road and Drainage System	30,000.00		30,000.00
Manhole Covers	4,848.00		4,848.00
Extension of Sewer Line on Hoot Owl Section	207,450.00		207,450.00
Sludge De-Watering System	171,657.00		171,657.00
General System	328,668.00		328,668.00
Pick-up Truck	61,123.00		61,123.00
Meters and Hydrants	1,847,228.00		1,847,228.00
Lab Equipment and Furniture	9,165.00		9,165.00
Communications Equipment	2,558.00		2,558.00
Reconditioning of Wells	8,466.00		8,466.00
Fencing	1,565.00		1,565.00
Office Equipment and Furniture	47,773.28		47,773.28
Interim Upgrade of Sewer Plant	324,279.00		324,279.00
Feasibility Study of Waste Water Treatment Facility	26,287.00		26,287.00
Gate Valve Installation	10,898.00		10,898.00
Computer	28,149.00		28,149.00
Flow Control System	3,335.00		3,335.00
Gasoline Storage Tank	2,596.00		2,596.00
Safety Equipment	114,733.18		114,733.18
Manhole Inserts	22,974.00		22,974.00
Rehabilitation of Waste Water Treatment Tanks	100,000.00		100,000.00
Wastewater Jetter/Vector	130,000.00		130,000.00
Construction of Water Line in Vicinity of Jackson Road	46,000.00		46,000.00
Discount on Repayment of Loan from Farmers Home Administration	3,120,000.00		3,120,000.00
Installation of Water Line at Laurel Knoll Subdivision	53,000.00		53,000.00
Rehabilitation of Sewerage Treatment Tank #1	84,200.00		84,200.00
Trucks	619,469.81	\$ 65,000.00	684,469.81
Sewerage Treatment Plant and Extension of Sewer Line on Stokes Road	1,240,105.00		1,240,105.00
Rehabilitation and Upgrading of Elm Drive Pumping Station	139,128.00		139,128.00
Charles Street Water Main	33,234.00		33,234.00
Acquisition of Seven Yard Pickup Truck	50,462.00		50,462.00
Cost to Refinance Serial Bonds	432,497.00		432,497.00
Utility Equipment	676,135.31	55,034.42	731,169.73
Water Diversion Rights	1,107,422.33		1,107,422.33
Rehabilitation of Wells and Other Improvements to the Water and Sewer Utility System	1,250,930.00		1,250,930.00
Various Water and Sewer Capital Improvements and Upgrading and Rehabilitation of Utility System	872,100.00		872,100.00
Construction of Southside Water Supply Wells	474,050.00		474,050.00
Furniture and Equipment	8,225.69		8,225.69
Water and Sewer Improvements on Various Municipal Roadways	438,602.79		438,602.79
	<u>\$ 29,234,878.39</u>	<u>\$ 120,034.42</u>	<u>\$ 29,354,912.81</u>
Current Year Budget		\$ 66,257.42	
Appropriation Reserve		53,777.00	
		<u>\$ 120,034.42</u>	

**TOWNSHIP OF MEDFORD**  
**WATER AND SEWER UTILITY OPERATING FUND**  
Statement of Accrued Interest on Bonds, Loans and Notes  
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 266,165.00
Increased by:		
Charged to Budget Appropriation - Interest on Bonds and Loans		562,560.57
		828,725.57
Decreased by:		
Disbursed		590,397.94
Balance December 31, 2017		\$ 238,327.63

Analysis of Accrued Interest December 31, 2017

Principal Outstanding <u>Dec. 31, 2017</u>	Interest Rate	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:					
\$ 2,950,000.00	Various	07/15/17	12/31/17	5.5 Months	\$ 57,721.35
215,600.00	Various	07/01/17	12/31/17	6.0 Months	2,289.00
3,165,000.00	Various	08/01/17	12/31/17	5.0 Months	27,265.63
1,085,000.00	Various	11/01/17	12/31/17	2.0 Months	4,893.75
1,360,000.00	Various	12/01/17	12/31/17	1.0 Month	3,002.08
809,000.00	Various	08/15/17	12/31/17	4.5 Months	11,842.50
N.J. Environmental Infrastructure Trust Loan:					
300,000.00	Various	08/01/17	12/31/11	5.0 Months	5,604.99
690,000.00	Various	08/01/17	12/31/11	5.0 Months	12,604.17
2,610,000.00	Various	08/01/17	12/31/11	5.0 Months	47,612.50
1,420,000.00	Various	08/01/17	12/31/11	5.0 Months	22,945.83
530,000.00	Various	08/01/17	12/31/11	5.0 Months	8,562.50
610,000.00	Various	08/01/17	12/31/11	5.0 Months	11,233.33
1,235,000.00	Various	08/01/17	12/31/11	5.0 Months	22,750.00
					\$ 238,327.63



**TOWNSHIP OF MEDFORD**  
**WATER AND SEWER UTILITY CAPITAL FUND**  
 Statement of Improvement Authorizations  
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Date	Ordinance		Balance Dec. 31, 2016		2017 Authorizations	Prior Year Encumbrances Reclassified	Paid or Charged	Balance Dec. 31, 2017		
			Amount		Funded	Unfunded				Funded	Unfunded	
1996-11	Construction of Various Utility Capital Improvements	06/17/96	\$ 1,349,000.00		\$ 14,285.27					\$ 14,285.27		
1997-06	Construction of Various Utility Capital Improvements	04/21/97	1,357,000.00		150.65					150.65		
1998-14	Construction of Various Utility Capital Improvements	06/03/98	1,750,000.00			\$ 26,276.00					\$ 26,276.00	
2001-11	Various Utility Capital Improvements	05/22/01	1,635,000.00		753.12					753.12		
2002-10	Various Utility Capital Improvements	03/12/02	303,604.14		23.31					23.31		
2003-15	Various Utility Capital Improvements	06/10/03	370,000.00		39.63					39.63		
2003-17	Improvements to the Water Treatment Plant, and Rehabilitation of Wells 9, 10 and 15 and the Englishtown Well and to Improve Related Water Mains at Deerbrook	06/10/03	188,794.03		1,042.56					1,042.56		
2004-15	Various Utility Capital Improvements	05/11/04	995,000.00				\$ 2,746.00	\$ 2,746.00				
2004-19	Various Utility Capital Improvements	08/24/04	2,900,000.00				6,951.37			6,951.37		
2005-14	Various Utility Capital Improvements	05/24/05	1,540,000.00		912.01					912.01		
2006-10	Various Utility Capital Improvements	05/23/06	1,665,000.00		592.00			2,471.25		3,063.25		
2007-09	Various Utility Capital Improvements	05/08/07	3,478,658.00					1,544.05		1,544.05		
2007-11	Various Infrastructure Improvements to the Sewage Treatment Plant	05/08/07	2,245,000.00			181.94					181.94	
2008-20	Improvements for Phase II of the Sewer Plant Upgrade Project	05/27/08	7,051,172.00			396.00					396.00	
2009-20	Various Utility Capital Improvements	06/09/09	1,305,500.00	91,826.00		500.00		62,566.25	140,770.22	13,622.03	500.00	
2009-27	Improvements for Wastewater Treatment Plant	11/10/09	3,500,000.00	134.00						134.00		
2010-16	Various Utility Capital Improvements	06/22/10	1,050,000.00			460,316.00		10,234.02	89,344.60		381,205.42	
2010-21	Various Utility Capital Improvements	07/31/10	3,470,000.00			4,460.00					4,460.00	
2014-11	Various Utility Capital Improvements	08/25/14	681,500.00	191,896.00				111,791.06	275,769.24	27,917.82		
2015-16	Various Utility Capital Improvements	09/07/15	730,000.00			551,561.06		11,617.94	117,418.38		445,760.62	
2017-02	Various Utility Capital Improvements	02/21/17	1,587,350.00				\$ 1,587,350.00		1,461,412.31		125,937.69	
2017-05	Various Utility Capital Improvements	05/02/17	1,432,450.00				1,432,450.00		322,828.97		1,109,621.03	
					<u>\$ 301,654.55</u>	<u>\$ 1,043,691.00</u>	<u>\$ 3,019,800.00</u>	<u>\$ 209,921.94</u>	<u>\$ 2,410,289.72</u>	<u>\$ 70,439.07</u>	<u>\$ 2,094,338.70</u>	
Capital Improvement Fund							\$ 3,019,800.00					
Disbursed								\$ 1,563,079.68				
Due Water and Sewer Operating Fund								389,939.00				
Reserve for Encumbrances								457,271.04				
							<u>\$ 3,019,800.00</u>	<u>\$ 2,410,289.72</u>				

**TOWNSHIP OF MEDFORD**  
**WATER AND SEWER UTILITY CAPITAL FUND**  
**Statement of Reserve for Encumbrances**  
**For the Year Ended December 31, 2017**

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Balance December 31, 2016		\$ 209,921.94
Increased by:		
Charges to Improvement Authorizations		457,271.04
		667,192.98
Decreased by:		
Prior Year Balance Reappropriated		209,921.94
Balance December 31, 2017		\$ 457,271.04

## Exhibit SD-10

**WATER AND SEWER UTILITY CAPITAL FUND**  
**Statement of Reserve for Amortization**  
**For the Year Ended December 31, 2017**

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Balance December 31, 2016		\$ 50,254,545.75
Increased by:		
Paid by Utility Operating Fund:		
Serial Bonds	\$ 978,000.00	
Loans Payable	1,071,338.34	
Capital Outlay:		
2017 Budget Charges	120,034.42	
Budget Appropriation - Unfunded Ordinances	327,540.00	
Serial Bonds Defeased	946,000.00	
		3,442,912.76
		53,697,458.51
Decreased by:		
Refunding Serial Bonds Issued		905,000.00
Balance December 31, 2017		\$ 52,792,458.51

**TOWNSHIP OF MEDFORD**  
**WATER AND SEWER UTILITY CAPITAL FUND**  
**Statement of Water and Sewer Serial Bonds**  
**For the Year Ended December 31, 2017**

Purpose	Date of Issue	Original Issue	Maturity of Bonds		Interest Rate	Balance Dec. 31, 2016	Increased by:		Decreased by:		Balance Dec. 31, 2017
			Outstanding Date	Dec. 31, 2017 Amount			Issued	Defeased	Paid by Budget Appropriation		
General Obligation Bonds, Bridge Commission 2006	12/28/06	\$ 1,581,750.00				\$ 946,000.00		\$ 946,000.00			
General Obligation Bonds, Series 2008	07/15/08	4,563,000.00	07/15/18	\$ 200,000.00	4.000%						
			07/15/19-20	250,000.00	4.000%						
			07/15/21	250,000.00	4.125%						
			07/15/22-23	250,000.00	4.250%						
			07/15/24	300,000.00	4.250%						
			07/15/25	300,000.00	4.375%						
			07/15/26-28	300,000.00	4.500%	3,150,000.00			\$ 200,000.00		\$ 2,950,000.00
Refunding Bonds, Series 2011	11/21/11	1,593,200.00	07/01/18	109,200.00	2.000%						
			07/01/19	106,400.00	2.250%	327,600.00				112,000.00	215,600.00
General Obligation Bonds, Series 2013A	05/09/13	1,305,000.00	05/01/18-19	55,000.00	2.000%						
			05/01/20-23	60,000.00	2.000%						
			05/01/24-25	65,000.00	3.000%						
			05/01/26-28	70,000.00	3.000%						
			05/01/29-30	75,000.00	3.000%						
			05/01/31	80,000.00	3.000%						
			05/01/32	80,000.00	3.125%						
			05/01/33	85,000.00	3.250%	1,140,000.00				55,000.00	1,085,000.00
Refunding Bonds, Series 2013B	05/09/13	5,140,000.00	08/01/18	480,000.00	2.000%						
			08/01/19	505,000.00	2.000%						
			08/01/20	530,000.00	2.000%						
			08/01/21	400,000.00	2.000%						
			08/01/22	385,000.00	2.000%						
			08/01/23	295,000.00	2.000%						
			08/01/24	285,000.00	2.250%						
			08/01/25	285,000.00	2.500%	3,625,000.00				460,000.00	3,165,000.00
General Obligation Bonds, Series 2015	12/17/15	1,470,000.00	06/01/18-19	55,000.00	2.000%						
			06/01/20-21	60,000.00	2.000%						
			06/01/22-24	65,000.00	2.000%						
			06/01/25	70,000.00	2.250%						
			06/01/26	70,000.00	3.000%						
			06/01/27-28	75,000.00	3.000%						
			06/01/29	80,000.00	3.000%						
			06/01/30	85,000.00	3.000%						
			06/01/31-33	90,000.00	3.000%						
			06/01/34	100,000.00	3.000%						
			06/01/35	110,000.00	3.000%	1,415,000.00				55,000.00	1,360,000.00

(Continued)

**TOWNSHIP OF MEDFORD**  
**WATER AND SEWER UTILITY CAPITAL FUND**  
**Statement of Water and Sewer Serial Bonds**  
**For the Year Ended December 31, 2017**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturity of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Increased by:</u>		<u>Decreased by:</u>		<u>Balance Dec. 31, 2017</u>
			<u>Outstanding Date</u>	<u>Dec. 31, 2017 Amount</u>			<u>Issued</u>	<u>Defeased</u>	<u>Paid by Budget Appropriation</u>		
Refunding Bonds, Bridge Commission 2017	03/28/17	\$ 905,000.00	08/15/18	\$ 78,000.00	3.000%						
			08/15/19	79,000.00	4.000%						
			02/15/20	42,000.00	4.000%						
			08/15/20	41,000.00	4.000%						
			08/15/21	86,000.00	4.000%						
			08/15/22	90,000.00	4.000%						
			08/15/23	93,000.00	4.000%						
			08/15/24	97,000.00	4.000%						
			08/15/25	100,000.00	4.000%						
			02/15/26	103,000.00	4.000%						
							\$ 905,000.00		\$ 96,000.00		\$ 809,000.00
							<u>\$ 10,603,600.00</u>	<u>\$ 905,000.00</u>	<u>\$ 946,000.00</u>	<u>\$ 978,000.00</u>	<u>\$ 9,584,600.00</u>

**TOWNSHIP OF MEDFORD**  
**WATER AND SEWER UTILITY CAPITAL FUND**  
**Statement of New Jersey Environmental Infrastructure Loans Payable**  
**For the Year Ended December 31, 2017**

<u>Purpose</u>	<u>Loan Amount</u>	<u>Date of Loan</u>	<u>Maturity of Notes</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
			<u>Outstanding Date</u>	<u>Dec. 31, 2017 Amount</u>				
N.J. Environmental Infrastructure Trust Loan - 2002	\$ 835,000.00	10/30/02	08/01/18-19	\$ 55,000.00	5.000%			
			08/01/20	60,000.00	5.000%			
			08/01/21	65,000.00	5.000%			
			08/01/22	65,000.00	4.750%	\$ 350,000.00	\$ 50,000.00	\$ 300,000.00
N.J. Environmental Infrastructure Fund Loan - 2002	880,709.00	10/30/02	02/01/18	4,870.08	NIL			
			08/01/18	40,975.17	NIL			
			02/01/19	3,967.45	NIL			
			08/01/19	40,072.55	NIL			
			02/01/20	3,064.83	NIL			
			08/01/20	42,452.20	NIL			
			02/01/21	2,080.14	NIL			
			08/01/21	44,749.80	NIL			
			02/01/22	1,013.40	NIL			
			08/01/22	43,683.28	NIL	271,133.01	44,204.11	226,928.90
N.J. Environmental Infrastructure Trust Loan - 2007	1,100,000.00	11/08/07	08/01/18	55,000.00	5.000%			
			08/01/19-20	60,000.00	4.000%			
			08/01/21-22	65,000.00	5.000%			
			08/01/23	70,000.00	4.250%			
			08/01/24-25	75,000.00	4.500%			
			08/01/26	80,000.00	4.500%			
			08/01/27	85,000.00	4.250%	745,000.00	55,000.00	690,000.00
N.J. Environmental Infrastructure Fund Loan - 2007	1,106,200.00	11/08/07	02/01/18	10,093.09	NIL			
			08/01/18	45,921.76	NIL			
			02/01/19	9,197.38	NIL			
			08/01/19	48,283.20	NIL			
			02/01/20	8,415.66	NIL			
			08/01/20	47,501.48	NIL			
			02/01/21	7,633.94	NIL			
			08/01/21	49,976.91	NIL			
			02/01/22	6,575.37	NIL			
			08/01/22	48,918.34	NIL			
			02/01/23	5,516.80	NIL			
			08/01/23	51,116.92	NIL			
			02/01/24	4,547.79	NIL			
			08/01/24	53,405.07	NIL			
			02/01/25	3,448.50	NIL			
			08/01/25	52,305.78	NIL			
			02/01/26	2,349.22	NIL			
			08/01/26	54,463.64	NIL			
			02/01/27	1,176.64	NIL			
			08/01/27	56,548.43	NIL	625,202.21	57,806.29	567,395.92

(Continued)

**TOWNSHIP OF MEDFORD**  
**WATER AND SEWER UTILITY CAPITAL FUND**  
**Statement of New Jersey Environmental Infrastructure Loans Payable**  
**For the Year Ended December 31, 2017**

<u>Purpose</u>	<u>Loan Amount</u>	<u>Date of Loan</u>	<u>Maturity of Notes</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>					
			<u>Outstanding Date</u>	<u>Dec. 31, 2017 Amount</u>									
N.J. Environmental Infrastructure Trust Loan - 2008	\$ 3,785,000.00	11/06/08	08/01/18	\$ 180,000.00	5.000%								
			08/01/19	190,000.00	5.000%								
			08/01/20	200,000.00	4.000%								
			08/01/21	210,000.00	4.000%								
			08/01/22	225,000.00	5.000%								
			08/01/23	235,000.00	5.000%								
			08/01/24	250,000.00	4.250%								
			08/01/25	260,000.00	4.500%								
			08/01/26	275,000.00	4.500%								
			08/01/27	285,000.00	4.500%								
			08/01/28	300,000.00	4.250%								
											\$ 2,785,000.00	\$ 175,000.00	\$ 2,610,000.00
			N.J. Environmental Infrastructure Fund Loan - 2008	3,141,145.00	11/06/08				02/01/18	34,412.32	NIL		
08/01/18	125,958.15	NIL											
02/01/19	32,123.68	NIL											
08/01/19	128,755.38	NIL											
02/01/20	29,587.10	NIL											
08/01/20	131,304.68	NIL											
02/01/21	26,789.86	NIL											
08/01/21	133,593.32	NIL											
02/01/22	23,852.77	NIL											
08/01/22	138,285.04	NIL											
02/01/23	20,705.88	NIL											
08/01/23	140,224.04	NIL											
02/01/24	17,419.13	NIL											
08/01/24	144,566.11	NIL											
02/01/25	14,240.46	NIL											
08/01/25	146,473.31	NIL											
02/01/26	10,934.63	NIL											
08/01/26	150,796.31	NIL											
02/01/27	7,438.09	NIL											
08/01/27	152,385.64	NIL											
02/01/28	3,814.40	NIL											
08/01/28	156,390.97	NIL											
					1,932,328.95	162,277.68	1,770,051.27						
N.J. Environmental Infrastructure Trust Loan - 2009	1,965,000.00	11/19/09	08/01/18	95,000.00	5.000%								
			08/01/19-20	100,000.00	5.000%								
			08/01/21	105,000.00	4.000%								
			08/01/22	110,000.00	4.000%								
			08/01/23	115,000.00	5.000%								
			08/01/24	120,000.00	5.000%								
			08/01/25	125,000.00	4.250%								
			08/01/26	130,000.00	4.500%								
			08/01/27	135,000.00	4.500%								
			08/01/28	140,000.00	4.500%								
			08/01/29	145,000.00	4.250%								
											1,510,000.00	90,000.00	1,420,000.00
			N.J. Environmental Infrastructure Fund Loan - 2009	1,857,763.00	11/19/09				02/01/18-29	31,487.50	NIL		
08/01/18-28	62,975.01	NIL											
08/01/29	62,975.31	NIL											
					1,228,012.93	94,462.51	1,133,550.42						

(Continued)

**TOWNSHIP OF MEDFORD**  
**WATER AND SEWER UTILITY CAPITAL FUND**  
**Statement of New Jersey Environmental Infrastructure Loans Payable**  
**For the Year Ended December 31, 2017**

<u>Purpose</u>	<u>Loan Amount</u>	<u>Date of Loan</u>	<u>Maturity of Notes</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
			<u>Outstanding Dec. 31, 2017</u>	<u>Date</u>				
N.J. Environmental Infrastructure Trust Loan - 2010A	\$ 735,000.00	03/10/10	08/01/18-19	\$ 35,000.00	5.000%			
			08/01/20	40,000.00	5.000%			
			08/01/21-22	40,000.00	4.000%			
			08/01/23-24	45,000.00	5.000%			
			08/01/25	45,000.00	4.250%			
			08/01/26-28	50,000.00	4.500%			
			08/01/29	55,000.00	4.250%	\$ 565,000.00	\$ 35,000.00	\$ 530,000.00
N.J. Environmental Infrastructure Fund Loan - 2010A	2,252,000.00	03/10/10	02/01/18-29	12,711.86	NIL			
			08/01/18-28	25,423.72	NIL			
			08/01/29	25,423.98	NIL	495,762.80	38,135.58	457,627.22
N.J. Environmental Infrastructure Trust Loan - 2010B	785,000.00	12/02/10	08/01/18-19	35,000.00	5.000%			
			08/01/20-21	40,000.00	5.000%			
			08/01/22	40,000.00	4.000%			
			08/01/23	45,000.00	4.000%			
			08/01/24	45,000.00	5.000%			
			08/01/25	50,000.00	5.000%			
			08/01/26	50,000.00	4.250%			
			08/01/27-28	55,000.00	4.500%			
			08/01/29	60,000.00	4.500%			
			08/01/30	60,000.00	4.250%	645,000.00	35,000.00	610,000.00
N.J. Environmental Infrastructure Fund Loan - 2010B	2,478,810.00	12/02/10	02/01/18-30	42,013.72	NIL			
			08/01/18-29	84,027.45	NIL			
			08/01/30	84,027.77	NIL	1,764,576.70	126,041.17	1,638,535.53
N.J. Environmental Infrastructure Trust Loan - 2010B	1,585,000.00	12/02/10	08/01/18	70,000.00	5.000%			
			08/01/19-20	75,000.00	5.000%			
			08/01/21	80,000.00	5.000%			
			08/01/22	85,000.00	4.000%			
			08/01/23	90,000.00	4.000%			
			08/01/24	95,000.00	5.000%			
			08/01/25	100,000.00	5.000%			
			08/01/26	100,000.00	4.250%			
			08/01/27	105,000.00	4.500%			
			08/01/28	115,000.00	4.500%			
			08/01/29	120,000.00	4.500%			
			08/01/30	125,000.00	4.250%	1,300,000.00	65,000.00	1,235,000.00
N.J. Environmental Infrastructure Fund Loan - 2010B	1,707,500.00	12/02/10	02/01/18-30	14,470.33	NIL			
			08/01/18-29	28,940.67	NIL			
			08/01/30	28,941.00	NIL	607,754.33	43,411.00	564,343.33
						<u>\$ 14,824,770.93</u>	<u>\$ 1,071,338.34</u>	<u>\$ 13,753,432.59</u>

**TOWNSHIP OF MEDFORD**  
WATER AND SEWER UTILITY CAPITAL FUND  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2017

---

Balance December 31, 2016	\$ 1,848,749.00
Increased by:	
Budget Appropriation	<u>1,677,450.00</u>
	3,526,199.00
Decreased by:	
Appropriated to Fund Improvement Authorizations	<u>3,019,800.00</u>
Balance December 31, 2017	<u><u>\$ 506,399.00</u></u>



**TOWNSHIP OF MEDFORD**  
**WATER AND SEWER UTILITY OPERATING FUND**  
**Statement of Overpaid Sewer Service Charges**  
**For the Year Ended December 31, 2017**

---

Balance December 31, 2016	\$	2,870.96
Increased by:		
Receipts		6,186.38
		9,057.34
Decreased by:		
Overpayment Refunds		5,000.00
Balance December 31, 2017	\$	4,057.34

## Exhibit SD-15

**WATER AND SEWER UTILITY OPERATING FUND**  
**Statement of Sewer Liens Receivable**  
**For the Year Ended December 31, 2017**

---

Increased by:		
Transfers from Receivable	\$	3,258.36
Balance December 31, 2017	\$	3,258.36

## Exhibit SD-16

**WATER AND SEWER UTILITY OPERATING FUND**  
**Statement of Prepaid Sewer Charges**  
**For the Year Ended December 31, 2017**

---

Balance December 31, 2016	\$	587,459.04
Increased by:		
Collections - 2018 Rents		818,038.42
		1,405,497.46
Decreased by:		
Applied to 2017 Sewer Service Charges		587,459.04
Balance December 31, 2017	\$	818,038.42

**TOWNSHIP OF MEDFORD**  
**WATER AND SEWER UTILITY CAPITAL FUND**  
 Statement of Deferred Reserve for Amortization  
 For the Year Ended December 31, 2017

---

Balance December 31, 2016	\$ 2,223,080.17
Increased by:	
Authorizations	<u>3,019,800.00</u>
Balance December 31, 2017	<u><u>\$ 5,242,880.17</u></u>

## Exhibit SD-18

**WATER AND SEWER UTILITY CAPITAL FUND**  
 Statement of Due from / (to) Utility Operating Fund  
 For the Year Ended December 31, 2017

---

Balance December 31, 2016 - Due from	\$ 1,571,485.00
Increased by:	
Deferred Charged Raised in Operating Budget	<u>327,540.00</u>
	1,899,025.00
Decreased by:	
Receipts:	
Interfund Liquidated	\$ 1,571,485.00
Budget Appropriation - Unfunded Ordiances	<u>327,540.00</u>
Payments Made by Operating Fund on Behalf of Captital Fund	<u>\$ 1,899,025.00</u> <u>389,939.00</u>
	<u>2,288,964.00</u>
Balance December 31, 2017- (Due to)	<u><u>\$ (389,939.00)</u></u>

**TOWNSHIP OF MEDFORD**  
**WATER AND SEWER UTILITY OPERATING FUND**  
 Statement of Due from Current Fund  
 For the Year Ended December 31, 2017

---

Balance December 31, 2016	\$	18,746.23
Increased by:		
Receipts		18,746.23
Balance December 31, 2017	\$	-

## Exhibit SD-20

**WATER AND SEWER UTILITY OPERATING FUND**  
 Statement of Insurance Claims  
 For the Year Ended December 31, 2017

---

Balance December 31, 2016	\$	11,077.47
Increased by:		
Reimbursable Expenditures Paid		22,669.50
		33,746.97
Decreased by:		
Insurance Reimbursements Received		21,514.48
Balance December 31, 2017	\$	12,232.49

## Exhibit SD-21

**WATER AND SEWER UTILITY OPERATING FUND**  
 Statement of Due from Sewer Connection Trust Fund  
 For the Year Ended December 31, 2017

---

Balance December 31, 2016 (Restated)	\$	210,452.65
Decreased by:		
Receipts		15,000.00
Balance December 31, 2017	\$	195,452.65

**TOWNSHIP OF MEDFORD**  
**WATER AND SEWER UTILITY CAPITAL FUND**  
Statement of Water and Sewer Bonds and Notes Authorized But Not Issued  
For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2016</u>	<u>Budget Appropriations</u>	<u>Balance Dec. 31, 2017</u>
1998-14	Construction of Various Utility Capital Improvements	\$ 34,279.57	\$ 8,004.00	\$ 26,275.57
2002-19	Improvements to the Wastewater Treatment Fund	50,291.00	50,291.00	
2007-09	Various Utility Capital Improvements	267.00	267.00	
2007-11	Various Infrastructure Improvements to the Sewage Treatment Plant	785.00	618.00	167.00
2008-20	Improvements for Phase II of the Sewer Plant Upgrade Project	90,027.00	89,631.00	396.00
2009-12	Improvements for Wastewater Treatment Plant	95,689.00	95,689.00	
2009-20	Various Utility Capital Improvements	500.00		500.00
2010-16	Various Utility Capital Improvements	435,000.00		435,000.00
2010-21	Various Utility Capital Improvements	87,500.00	83,040.00	4,460.00
		<u>\$ 794,338.57</u>	<u>\$ 327,540.00</u>	<u>\$ 466,798.57</u>

**PART II**  
**SINGLE AUDIT**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Council  
Township of Medford  
Medford, New Jersey 08055

**Report on Compliance for the Major State Program**

We have audited the Township of Medford's, in the County of Burlington, State of New Jersey, compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on the Township of Medford's major state program for the year ended December 31, 2017. The Township of Medford's major state program is identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the Township of Medford's major state program 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; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and the State of New Jersey Circular 15-08-OMB 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 state program occurred. An audit includes examining, on a test basis, evidence about the Township of Medford'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 the major state program. However, our audit does not provide a legal determination of the Township of Medford's compliance.

**Opinion on the Major State Program**

In our opinion, the Township of Medford, in the County of Burlington, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major state program for the year ended December 31, 2017.

**Report on Internal Control over Compliance**

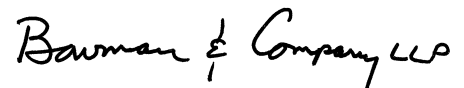
Management of the Township of Medford is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township of Medford's internal control over compliance with the types of requirements that could have a direct and material effect on the major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state program and to test and report on internal control over compliance in accordance with the State of New Jersey Circular 15-08-OMB, 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 of Medford'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 state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 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 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.

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 State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



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

Voorhees, New Jersey  
June 18, 2018

## TOWNSHIP OF MEDFORD

Schedule of Expenditures of State Financial Assistance  
For the Year Ended December 31, 2017

<u>State Grantor/Program Title</u>	<u>State GMIS Number</u>	<u>Program or Award Amount</u>	<u>Matching Contribution</u>	<u>Grant Period</u> <u>From</u> <u>To</u>	
N.J. Department of the Attorney General, Law and Public Safety:					
Body Armor Replacement Program:					
Body Armor Replacement	718-066-1020-001	Various	N/A	Prior Years	
Body Armor Replacement (Unappropriated Grant)	718-066-1020-001	\$ 3,231.73	N/A	01/01/18	12/31/18
Total Body Armor Replacement Program					
Drunk Driving Enforcement Fund:					
Drunk Driving Enforcement Fund	100-066-6400-xxx	35,413.00	N/A	07/01/13	06/30/14
Drunk Driving Enforcement Fund	100-066-6400-xxx	3,668.00	N/A	07/01/14	06/30/15
Drunk Driving Enforcement Fund	100-066-6400-xxx	3,972.00	N/A	07/01/15	06/30/16
Drunk Driving Enforcement Fund (Unappropriated Grant)	100-066-6400-xxx	4,087.80	N/A	07/01/17	06/30/18
Total Drunk Driving Enforcement Fund					
Total N.J. Department of the Attorney General, Law and Public Safety:					
N.J. Department of Labor:					
Advanced Training Award	Not Available	Unknown	N/A	Prior Years	
N.J. Motor Vehicle Commission:					
N.J. Motor Vehicles Security and Customer Service Grant	Not Available	Unknown	N/A	Prior Years	
N.J. Department of Environmental Protection:					
Municipality Road Mileage					
Clean Communities	765-042-4900-004	65,004.00	N/A	01/01/15	12/31/15
Clean Communities	765-042-4900-004	85,911.77	N/A	01/01/17	12/31/17
Total Municipality Road Mileage					
Green Acres - Administrative Operations Grant:					
Cow Pointe	533-042-4800-003	550,000.00	N/A	01/01/17	12/31/17
State Recycling:					
Recycling Tonnage Grant	100-042-4910-224	62,120.00	N/A	01/01/16	Completion
Recycling Tonnage Grant	100-042-4910-224	152,459.00	N/A	01/01/17	Completion
Recycling Tonnage Grant (Unappropriated Grant)	100-042-4910-224	35,245.94	N/A	01/01/18	12/31/18
Total State Recycling					
Recreation Trails Program	Unknown	24,000.00	N/A	Prior Years	Completion
Total N.J. Department of the Environmental Protection					
N.J. Department of Transportation:					
2015 Municipal Aid Program	Unknown	196,000.00	N/A	04/10/15	Completion
2017 Municipal Aid Program	Unknown	210,000.00	N/A	01/01/17	Completion
Total N.J. Department of Transportation					
N.J. Department of Treasury:					
Passed through the County of Burlington					
Municipal Alliance Grant	100-082-2000-044	15,111.00	N/A	01/01/16	12/31/16
Municipal Alliance Grant	100-082-2000-044	15,111.25	N/A	01/01/17	12/31/17
Total N.J. Department of Treasury					
Total State Financial Assistance					

Open Space Fund  
Federal and State Grant Fund

## Adjustments

- 1 Prior year encumbrances reclassified
- 2 Reimbursements

The accompanying Notes to the Financial Statements and Notes to the Schedule of Expenditures of State Financial Assistance are an integral part of this schedule.



<u>Balance Dec. 31, 2016</u>	<u>Receipts or Revenue Recognized</u>	<u>Adjustments</u>	<u>Disbursements/ Expenditures</u>	<u>Encumbrances</u>	<u>Balance Dec. 31, 2017</u>	<u>Cash Receipts</u>	<u>(Memo Only) Passed Through to Subrecipients</u>	<u>Accumulated Expenditures</u>
\$ 11,078.44			\$ 5,580.00		\$ 5,498.44	\$ 3,231.73		\$ 5,580.00
11,078.44			5,580.00		5,498.44	3,231.73		5,580.00
35,308.00 3,668.00 3,972.00		\$ 254.00 (1)	1,599.83	\$ 262.50	33,699.67 3,668.00 3,972.00			1,713.33
						4,087.80		
42,948.00		254.00	1,599.83	262.50	41,339.67	4,087.80		1,713.33
54,026.44		254.00	7,179.83	262.50	46,838.11	7,319.53		7,293.33
1,500.00					1,500.00			
133,861.00	\$ 99,962.00	3,852.81 (2)	40,183.13		197,492.68	108,292.21		40,183.13
17,141.32		4,860.72 (1)	22,002.04 29,730.55	16,880.26	39,300.96	64,037.77		65,004.00 29,730.55
	85,911.77							
17,141.32	85,911.77	4,860.72	51,732.59	16,880.26	39,300.96	64,037.77		94,734.55
	550,000.00		550,000.00			550,000.00		550,000.00
	152,459.00	14,168.00 (1)	14,168.00 25,420.89	7,390.50	119,647.61	41,122.00 35,245.94		62,120.00 25,420.89
	152,459.00	14,168.00	39,588.89	7,390.50	119,647.61	76,367.94		25,420.89
24,000.00			2,092.42		21,907.58			2,092.42
41,141.32	788,370.77	19,028.72	643,413.90	24,270.76	180,856.15	690,405.71		672,247.86
	210,000.00	196,000.00 (1)	176,316.61	3,759.15	15,924.24 210,000.00			180,075.76
	210,000.00	196,000.00	176,316.61	3,759.15	225,924.24			180,075.76
15,022.83	15,111.25		8,399.46	840.00	5,783.37 15,111.25	6,724.30		9,327.63
15,022.83	15,111.25		8,399.46	840.00	20,894.62	6,724.30		
\$ 245,551.59	\$ 1,113,444.02	\$ 219,135.53	\$ 875,492.93	\$ 29,132.41	\$ 673,505.80	\$ 812,741.75	\$ -	\$ 899,800.08
\$ 245,551.59	\$ 550,000.00 563,444.02	\$ 219,135.53	\$ 550,000.00 325,492.93	\$ 29,132.41	\$ 673,505.80	\$ 550,000.00 262,741.75		
\$ 245,551.59	\$ 1,113,444.02	\$ 219,135.53	\$ 875,492.93	\$ 29,132.41	\$ 673,505.80	\$ 812,741.75		

**TOWNSHIP OF MEDFORD**  
Notes to Schedule of Expenditures of State Financial Assistance  
For the Year Ended December 31, 2017

---

**Note 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of state financial assistance (the "schedule") includes state award activity of the Township of Medford (hereafter referred to as the "Township") under programs of the state government for the year ended December 31, 2017. The Township is defined in note 1 to the financial statements. The information in the schedule is presented in accordance with the requirements of State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies, are included on the schedule. Because the schedule presents only a selected portion of the operations of the Township, it is not intended to and does not present the financial position and changes in operations of the Township.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the modified accrual basis of accounting as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. This basis of accounting is described in note 1 to the financial statements. Such expenditures are recognized following the cost principles contained in State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**Note 3: RELATIONSHIP TO STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedule agree with the amounts reported in the related state financial reports.

**Note 4: ADJUSTMENTS**

Amounts reported in the column entitled "adjustments" represent the following:

(1) Prior Year Encumbrance Reclassified	\$ 215,282.72
(2) Reimbursements	<u>3,852.81</u>
	<u>\$ 219,135.53</u>

**Note 5: MAJOR PROGRAMS**

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

**PART III**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**TOWNSHIP OF MEDFORD**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended December 31, 2017

**Section 1- Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued	Qualified
Internal control over financial reporting:	
Material weakness(es) identified?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no
Significant deficiency(ies) identified?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no

**Federal Awards**

**THIS SECTION IS NOT APPLICABLE**

Internal control over major programs:	
Material weakness(es) identified?	<input type="checkbox"/> yes <input type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes <input type="checkbox"/> none reported
Type of auditor's report issued on compliance for major programs	
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance)?	<input type="checkbox"/> yes <input type="checkbox"/> no

Identification of major programs:

**CFDA Number(s)**

**Name of Federal Program or Cluster**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Dollar threshold used to determine Type A programs	
Auditee qualified as low-risk auditee?	<input type="checkbox"/> yes <input type="checkbox"/> no

**TOWNSHIP OF MEDFORD**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2017

**Section 1- Summary of Auditor's Results (Cont'd)**

**State Financial Assistance**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes     X  no

Significant deficiency(ies) identified? \_\_\_\_\_ yes     X  none reported

Type of auditor's report issued on compliance for major programs \_\_\_\_\_  Unmodified

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? \_\_\_\_\_ yes     X  no

Identification of major programs:

**GMIS Number(s)**

533-042-4800-003

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Name of State Program**

Green Acres - Administrative Operations Grant

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Dollar threshold used to determine Type A programs \$ \_\_\_\_\_  750,000.00

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes     X  no

**TOWNSHIP OF MEDFORD**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2017

---

***Section 2 - Schedule of Financial Statement Findings***

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

**Finding No. 2017-001**

**Criteria or Specific Requirement**

Pursuant to N.J.A.C. 5:30-5.6, all local units shall have and maintain a fixed asset accounting and reporting system that has a subsidiary ledger, consisting of detailed property records for controlling additions, deletions and transfers of fixed assets.

**Condition**

The Township did not maintain a fixed asset accounting system in accordance with N.J.A.C. 5:30-5.6.

**Context**

The Township was not able to produce a detailed listing for its land and buildings, which at December 31, 2016, were \$30,286,100.00. In addition, the Township could not sufficiently reconcile or identify the water and sewer utility capital assets included in their December 31, 2017 fixed asset inventory performed by an outside vendor.

**Effect**

Errors or irregularities could develop and not be detected in a timely manner. Additionally, the Township is not in noncompliance with N.J.A.C. 5:34-7.17.

**Cause**

The Township did not maintain proper fixed assets records.

**Recommendation**

The Township properly maintain fixed asset records in accordance with N.J.A.C. 5:30-5.6.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**TOWNSHIP OF MEDFORD**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2017

---

***Section 2 - Schedule of Financial Statement Findings (Cont'd)***

**Finding No. 2017-002**

**Criteria or Specific Requirement**

Section 125 of the Internal Revenue Code allows for employee withholdings for health insurance contributions on a pretax basis.

**Condition**

The Township does have a Section 125 Plan in place for pretax health insurance deductions; however, health insurance deductions were not withheld on a pretax basis for Social Security and Medicare taxes.

**Context**

The Township did not have employee health contributions identified in the payroll system as pretax deductions.

**Effect**

Township employees who are enrolled and pay contributions towards the health insurance plan paid higher amounts of Social Security and Medicare tax than required. In addition, the Township paid higher amounts for its employer share than required.

**Cause**

The Township's payroll system was not set up to properly calculate withholdings on a pretax basis.

**Recommendation**

The Township amend W-2s and Federal 941s for any open tax years / quarters to recoup the excess Social Security and Medicare taxes improperly withheld on the employees' health insurance contributions.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**TOWNSHIP OF MEDFORD**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2017

---

**Section 2 - Schedule of Financial Statement Findings (Cont'd)**

**Finding No. 2017-003**

**Criteria or Specific Requirement**

N.J.S.A. 40A:11 and N.J.A.C. 5:34 require municipalities to obtain competitive bids and award contracts to the lowest responsible bidder for services in excess of the bid threshold.

**Condition**

The Township failed to obtain competitive bids and award a contract to the lowest responsible bidder for waste management / disposal of sludge services.

**Context**

Fifteen vendors who were disbursed aggregate amounts in excess of the pay to play threshold during 2017 were examined to determine compliance with local public contract law. One vendor tested was working per a contract that had expired and should have been awarded using a fair and open process.

**Effect**

The Township is not in compliance with N.J.S.A. 40A:11 and N.J.A.C. 5:34.

**Cause**

There was an oversight by the responsible official.

**Recommendation**

The Township obtain competitive bids and award contracts to the lowest responsible bidder for services in excess of the bid threshold.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.



**TOWNSHIP OF MEDFORD**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2017

---

**Section 2 - Schedule of Financial Statement Findings (Cont'd)**

**Finding No. 2017-004**

**Criteria or Specific Requirement**

Internal Revenue Code Section 148 (arbitrage and treasury regulations) requires municipalities to determine if rebatable arbitrage exists on certain outstanding debt issued.

**Condition**

An arbitrage rebate calculation or the determination of an exemption from an arbitrage rebate calculation was never performed for the following serial bond issues: \$16,750,000.00 General Obligation Bonds, Series 2008 and \$11,600,500.00 General Obligation Bonds, Series 2013A.

**Context**

The Township never performed arbitrage rebate calculations or determined that exemptions from calculations existed.

**Effect**

The Township is not in compliance with Internal Revenue Code Section 148.

**Cause**

The Township does not have policies in place to properly monitor arbitrage calculations.

**Recommendation**

The Township properly monitor debt issues and perform arbitrage calculations or determine exemptions exist within required timeframes.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**TOWNSHIP OF MEDFORD**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2017

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***Section 2 - Schedule of Financial Statement Findings (Cont'd)***

**Finding No. 2017-005**

**Criteria or Specific Requirement**

Municipalities that issue debt and have continuing disclosure agreements in place are required to post Continuing Disclosure Reports each year on the Municipal Securities Rulemaking Board website in accordance with such disclosure agreements and the Securities and Exchange Commission, Rule 15c 2-12 (b) (5).

**Condition**

The Township has continuing disclosure agreements in place for each of its bond issues. Each year the Township is required to post a Continuing Disclosure Report on the Municipal Securities Rulemaking Board website in accordance with each disclosure agreement as well as the Securities and Exchange Commission, Rule 15c 2-12(b)(5).

**Context**

The Township failed to file required Continuing Disclosure Reports for the years ended December 31, 2015 and December 31, 2016.

**Effect**

The Township is not in following the provisions of its continuing disclosure agreements and is not in compliance with the Securities and Exchange Commission, Rule 15c 2-12(b) (5).

**Cause**

There was an oversight by the responsible official.

**Recommendation**

The Township properly file Continuing Disclosure Reports in accordance with their bond issue's continuing disclosure agreements and Securities and Exchange Commission, Rule 15c 2-12(b)(5).

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**TOWNSHIP OF MEDFORD**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2017

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***Section 3 - Schedule of Federal Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

This section is not applicable.

**TOWNSHIP OF MEDFORD**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2017

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***Section 4 - Schedule of State Financial Assistance Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

There are no current year findings.

**TOWNSHIP OF MEDFORD**  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management

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This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with *Government Auditing Standards*, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB.

**Finding No. 2016-001**

**Condition**

One grant in the federal and state grant fund was over-expended.

**Current Status**

This finding has been resolved.

**FEDERAL AWARDS**

This section is not applicable. There was no prior year Federal Single Audit.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

This section is not applicable. There was no prior year State Single Audit.

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

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Charles Watson	Mayor	
Bradley Denn	Deputy Mayor	
Jeffrey Beenstock	Councilman	
Christopher Buoni	Councilman	
Frank Czekay	Councilman	
Katherine Burger	Township Manager / Township Clerk	(A)
Albert Stanley	Chief Financial Officer / QPA	(A)
Dawn Bielec	Deputy Township Clerk / Registrar	(A)
Patricia Capasso	Tax Collector	(A)
Joseph Rahman	Tax Assessor	
Peter Lange	Magistrate	(A)
Stacy McBride	Court Administrator	(A)
Shannon Kozak	Deputy Court Administrator	(A)
Timothy Prime	Solicitor	
Environmental Resolutions Inc.	Engineer	
Paul Dougherty	Prosecutor	
James Fattorini	Public Defender	

(A) Covered under the Burlington County Municipal Joint Insurance Fund, Municipal Excess Liability Joint Insurance Fund and the N.J. Municipal Environmental Risk Management Joint Insurance Fund for \$1,000,000.00

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**APPRECIATION**

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

Respectfully submitted,

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Certified Public Accountant  
Registered Municipal Accountant

