

**TOWNSHIP OF DELRAN  
COUNTY OF BURLINGTON**

**REPORT OF AUDIT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2019**



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**TOWNSHIP OF DELRAN**

**PART I**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Council  
Township of Delran  
Delran, New Jersey 08075

### **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 Delran, in the County of Burlington, State of New Jersey, (Township) as of December 31, 2019 and 2018, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

**Opinions**

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

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

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

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

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Delran, in the County of Burlington, State of New Jersey, as of December 31, 2019 and 2018, or the results of its operations and changes in fund balance for the years then ended.

*Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Delran, in the County of Burlington, State of New Jersey, as of December 31, 2019 and 2018, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2019, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

**Emphasis of Matter**

*Prior Period Restatement*

As discussed in note 18 to the financial statements, during the year ended December 31, 2019, the Statement of General Fixed Assets--Regulatory Basis and the Sewer Utility Fund Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis statements for the year ended December 31, 2018 have been restated to correct a misstatement.

Additionally, as also discussed in note 18 to the financial statements, during the year ended December 31, 2019, the Current Fund Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis and the Trust Fund Statements of Assets, Liabilities and Reserves-- Regulatory Basis for the year ended December 31, 2018 have been restated in accordance with direction provided by the Division of Local Government Services.

Our opinion is not modified with respect to these matters.



**Other Matters**

*Other Information*

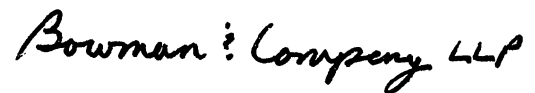
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional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

The supplemental statements and schedules presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental statements 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 September 15, 2020 on our consideration of the Township of Delran, 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 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 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 Delran's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Robert S. Marrone  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees New Jersey  
September 15, 2020

**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 Delran  
Delran, New Jersey 08075

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 Delran, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated September 15, 2020. That report indicated that the Township of Delran'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. Additionally, our report on the financial statements included an emphasis of matter paragraph describing the correction of an error and implementation of guidance from the Division of Local Government Services.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Township of Delran'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 Delran's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Delran'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 Recommendations*, we did identify 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 Recommendations* as 2019-001 and 2019-002 to be material weaknesses.

## 15300

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 Recommendations* as 2019-003 to be a significant deficiency.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Delran'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 Recommendations* as finding numbers 2019-001 and 2019-002.


### The Township of Delran's Response to Findings

The Township of Delran's response to the findings identified in our audit is described in the accompanying *Schedule of Findings and Recommendations*. 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, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Robert S. Marrone  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees New Jersey  
September 15, 2020

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2019 and 2018

<u>ASSETS</u>	<u>Ref.</u>	<u>2019</u>	<u>(Restated)</u> <u>2018</u>
Regular Fund:			
Cash--Treasurer	SA-1	\$ 12,516,558.19	\$ 12,463,637.88
Cash--Change Fund	A	200.00	200.00
		<u>12,516,758.19</u>	<u>12,463,837.88</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-4	550,024.20	644,445.08
Tax Title Liens Receivable	SA-5	194,999.03	188,246.82
Property Acquired for Taxes--Assessed Valuation	A	282,015.00	282,015.00
Revenue Accounts Receivable	SA-6	15,452.80	19,538.70
Due from Sewer Utility Operating Fund	D	88,805.05	5,716.05
Due from Trust Fund - Other	B		38,291.90
Due from Trust Fund - LOSAP	B	68,783.73	64,337.13
Due from Animal Control Fund	B	19,135.45	5,645.45
Due from General Capital Fund	C	426,784.02	3,866.25
		<u>1,645,999.28</u>	<u>1,252,102.38</u>
Deferred Charges:			
Emergency Authorizations (40A:4-47)	A-3		30,000.00
		<u>14,162,757.47</u>	<u>13,745,940.26</u>
Federal, State and Local Grant Fund:			
Cash--Treasurer	SA-1		490,969.74
Grants Receivable	SA-19	497,113.61	
Due from Current Fund	SA-23	619,728.18	
		<u>1,116,841.79</u>	<u>490,969.74</u>
		<u>\$ 15,279,599.26</u>	<u>\$ 14,236,910.00</u>

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2019 and 2018

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2019</u>	<u>(Restated) 2018</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3 & SA-8	\$ 1,354,311.96	\$ 1,655,484.85
Reserve for Encumbrances	A-3 & SA-8	220,031.10	285,515.95
Payroll Deductions Payable	SA-14		2,644.79
Prepaid Licenses	SA-7	42,747.00	40,346.00
Accounts Payable	SA-13	226,784.99	432,794.36
Due to State of New Jersey:			
Marriage License Fees	SA-9	550.00	375.00
Department of Community Affairs - Training Fees	SA-12	13,553.00	3,997.00
Senior Citizens' and Veterans' Deductions	SA-3	13,468.62	13,218.62
Prepaid Taxes	SA-10	385,180.42	339,723.57
Tax Overpayments	SA-11		80,390.89
Due County for Added and Omitted Taxes	SA-17	36,384.45	27,147.12
Due to Trust Fund - Open Space	B	214,234.59	
Due to Trust Fund - Other	B	41,796.65	
Due to Federal, State and Local Grant Fund	SA-23	619,728.18	
Reserve for:			
Master Plan	A	4,243.60	4,243.60
Reassessment	A	11,276.73	11,276.73
Codification of Ordinances	A	2,568.00	2,568.00
Tax Appeals	A	208,953.75	208,953.75
		3,395,813.04	3,108,680.23
Reserves for Receivables and Other Assets	A	1,645,999.28	1,252,102.38
Fund Balance	A-1	9,120,945.15	9,385,157.65
		14,162,757.47	13,745,940.26
Federal, State and Local Grant Fund:			
Reserve for Encumbrances	SA-22	33,151.96	4,858.70
Unappropriated Reserves	SA-20	413,985.95	60,000.00
Appropriated Reserves	SA-21	669,703.88	426,111.04
		1,116,841.79	490,969.74
		\$ 15,279,599.26	\$ 14,236,910.00

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

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 4,008,000.00	\$ 3,748,000.00
Miscellaneous Revenues Anticipated	3,346,954.74	3,059,212.79
Receipts from Delinquent Taxes	659,485.20	612,233.29
Receipts from Current Taxes	54,152,605.03	52,933,549.13
Non-Budget Revenue	113,884.01	282,205.33
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,383,031.44	1,283,436.14
Statutory Excess from Animal Control	13,420.00	5,645.45
Tax Overpayments Cancelled	9,086.22	
Liquidation of Reserves for:		
Due from General Capital		312,390.81
Due from Trust - Open Space Fund		9,181.31
Due from Trust - Other Fund	38,291.90	
Due from Sewer Utility Operating - Other Fund		13,577.24
	<hr/>	<hr/>
Total Income	63,724,758.54	62,259,431.49
<u>Expenditures</u>		
Budget Appropriations:		
Operations--Within "CAPS":		
Salaries and Wages	5,951,533.00	5,949,015.78
Other Expenses	4,957,298.00	4,903,194.88
Deferred Charges and Statutory Expenditures		
Municipal--Within "CAPS"	1,657,110.00	1,530,922.00
Operations--Excluded from "CAPS":		
Other Expenses	800,211.33	317,002.88
Capital Improvements--Excluded from "CAPS"	100,000.00	150,000.00
Municipal Debt Service--Excluded from "CAPS"	2,612,783.09	2,557,275.00
Deferred Charges and Statutory Expenditures:		
Deferred Charges to Future Taxation	38,500.75	21,162.50
County Taxes	6,368,994.90	6,296,915.63
Due County for Added and Omitted	36,384.45	27,147.12
Special Fire District Taxes	2,265,471.00	2,224,562.00
Local School District Taxes	34,275,523.00	33,642,169.00
Municipal Open Space Trust Tax	325,000.00	325,000.00
Deductions Disallowed--Prior Years	961.77	2,500.00
Refund of Prior Year Revenues	67,256.38	6,170.21
Creation of Reserve for:		
Due from General Capital Fund	422,917.77	
Due from Trust - Sewer Utility Operating Fund	83,089.00	
Due from Animal Control	13,490.00	5,645.45
Due from Trust - LOSAP Fund	4,446.60	
Due from Trust - Other Fund		35,277.71
	<hr/>	<hr/>
Total Expenditures	59,980,971.04	57,993,960.16
Excess in Revenue (Carried Forward)	3,743,787.50	4,265,471.33

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Excess in Revenue (Brought Forward)	\$ 3,743,787.50	\$ 4,265,471.33
Adjustments to Income Before Surplus:		
Expenditures included above which are by Statute Deferred Charges to budget of succeeding year	-	30,000.00
Statutory Excess to Fund Balance	3,743,787.50	4,295,471.33
<u>Fund Balance</u>		
Balance Jan. 1, as originally stated	9,385,157.65	8,737,686.32
Prior Period Adjustment (See Note 18)	-	100,000.00
Balance Jan. 1	9,385,157.65	8,837,686.32
Statutory Excess to Fund Balance	3,743,787.50	4,295,471.33
	13,128,945.15	13,133,157.65
Decreased by:		
Utilized as Revenue	4,008,000.00	3,748,000.00
Balance Dec. 31	<u>\$ 9,120,945.15</u>	<u>\$ 9,385,157.65</u>

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2019

	<u>Anticipated</u> <u>Budget</u>	<u>Special</u> <u>N.J.S.40A:4-87</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
Fund Balance Anticipated	\$ 4,008,000.00	\$ -	\$ 4,008,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	15,000.00		18,450.00	3,450.00
Other	33,000.00		75,945.50	42,945.50
Fees and Permits:				
Other	25,000.00		89,529.87	64,529.87
Fines and Costs:				
Municipal Court	225,000.00		235,461.09	10,461.09
Interest and Costs on Taxes	78,000.00		149,468.17	71,468.17
Interest on Investments and Deposits	50,000.00		165,198.78	115,198.78
Energy Receipts Tax	1,279,101.00		1,279,101.00	
Dedicated Uniform Construction Code Fees Offset with Appropriation Uniform Construction Code Fees	150,000.00		310,320.00	160,320.00
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services:				
Additional Revenue Offset with Appropriations:				
Municipal Water Services	5,500.00			(5,500.00)
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services:				
State and Federal Revenues Offset with Appropriations:				
Safe and Secure Communities Program	60,000.00		60,000.00	
Recycling Tonnage Grant	22,627.19		22,627.19	
Click It or Ticket		6,600.00	6,600.00	
New Jersey Department of Transportation:				
Safe Streets		250,000.00	250,000.00	
NJ Municipal Aid		255,000.00	255,000.00	
Municipal Court - Alcohol Education and Rehabilitation Program		7,314.10	7,314.10	
Clean Communities Grant Program		32,765.09	32,765.09	
Distracted Driving Statewide Crackdown Grant		5,500.00	5,500.00	
Drive Sober or Get Pulled Over		11,000.00	11,000.00	
Drunk Driving Enforcement Fund		71,843.99	71,843.99	
Body Armor Replacement Fund	3,229.96		3,229.96	



**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2019

	<u>Anticipated</u> <u>Budget</u>	<u>Special</u> <u>N.J.S.40A:4-87</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
Miscellaneous Revenues:				
Other Special Items:				
Rental Agreement--Delran Township Fire Commission	\$ 21,600.00		\$ 21,600.00	
Emergency Services Reimbursement	26,000.00		26,000.00	
Reserve for Payment of Bonds--General Capital	250,000.00		250,000.00	
	<u>2,244,058.15</u>	<u>\$ 640,023.18</u>	<u>3,346,954.74</u>	<u>\$ 462,873.41</u>
Receipts from Delinquent Taxes	<u>300,000.00</u>	<u>-</u>	<u>659,485.20</u>	<u>359,485.20</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	<u>11,201,613.00</u>	<u>-</u>	<u>13,078,407.83</u>	<u>1,876,794.83</u>
Budget Totals	<u>17,753,671.15</u>	<u>640,023.18</u>	<u>21,092,847.77</u>	<u>2,699,153.44</u>
Non-Budget Revenue			<u>113,884.01</u>	<u>113,884.01</u>
	<u>\$ 17,753,671.15</u>	<u>\$ 640,023.18</u>	<u>\$ 21,206,731.78</u>	<u>\$ 2,813,037.45</u>

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2019

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Analysis of Realized Revenues

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 54,152,605.03
Allocated to:	
School, County, Special District and Municipal Open Space Taxes	<u>43,271,373.35</u>
Balance for Support of Municipal Budget Appropriations	10,881,231.68
Add: Appropriation "Reserve for Uncollected Taxes"	<u>2,197,176.15</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 13,078,407.83</u></u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 630,499.27
Tax Title Liens	<u>28,985.93</u>
	<u><u>\$ 659,485.20</u></u>

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:

Collected by Treasurer:

Comcast Cable Franchise Fees	\$ 57,131.35
Outside Police Admin & Vehicle Fees	28,307.50
Clear Channel Reimbursement	5,860.00
Property Maintenance Fees	7,855.00
Administrative Fee for Senior Citizens and Veterans Deductions	2,380.76
Miscellaneous Fees	624.09
Refund of Prior Year Expenses	3,728.81
Public Works - Tire and Mulch Money	1,292.00
DMV Inspection Fees	2,309.50
NSF and Late Fees	<u>1,200.00</u>
Total Cash Collections	110,689.01
Outside Police Admin & Vehicle Fees - Due from Trust Fund - Other	3,175.00
NSF and Late Fees - Due from Trust Fund - Anima Control	<u>20.00</u>
	<u><u>\$ 113,884.01</u></u>

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

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2019

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<b>OPERATIONS--WITHIN "CAPS"</b>						
<u>Department of Administration</u>						
Division of Administration:						
Business Administration Office						
Salaries and Wages	\$ 149,310.00	\$ 149,310.00	\$ 140,956.79		8,353.21	
Other Expenses	67,600.00	67,600.00	50,236.06		\$ 17,363.94	
Mayor and Council						
Salaries and Wages	16,995.00	16,995.00	16,904.60		90.40	
Other Expenses	24,700.00	24,700.00	2,426.57		22,273.43	
Public Relations						
Other Expenses	6,000.00	6,000.00	3,207.23		2,792.77	
Office of Municipal Clerk						
Salaries and Wages	56,229.00	56,229.00	53,416.06		2,812.94	
Other Expenses	25,475.00	25,475.00	25,418.75		56.25	
Insurance						
General Liability	220,324.00	220,324.00	220,324.00			
Workers Compensation	182,574.00	182,574.00	182,574.00			
Employee Group Health	1,309,600.00	1,309,600.00	1,023,772.22	\$ 17,421.48	268,406.30	
Health Benefit Waiver	32,300.00	32,300.00	30,500.00		1,800.00	
<u>Department of Finance</u>						
Division of Accounts and Controls:						
Municipal Auditor						
Audit Services	35,000.00	35,000.00	35,000.00			
Division of Treasury:						
Treasurer						
Salaries and Wages	174,512.00	174,512.00	155,413.49		19,098.51	
Other Expenses	35,100.00	104,100.00	102,653.56	103.00	1,343.44	
Division of Revenue:						
Bureau of Assessments						
Salaries and Wages	49,877.00	49,877.00	49,876.84		0.16	
Other Expenses	40,000.00	40,000.00	20,743.71		19,256.29	
Bureau of Collections						
Salaries and Wages	141,729.00	141,729.00	104,777.19		36,951.81	
Other Expenses	14,060.00	14,060.00	11,324.06	119.51	2,616.43	

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2019

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS--WITHIN "CAPS" (CONT'D):</u>						
<u>Department of Engineering</u>						
Township Engineer						
Other Expenses	\$ 45,000.00	\$ 45,000.00	\$ 35,774.00	\$ 2,564.00	\$ 6,662.00	
<u>Department of Law</u>						
Township Solicitor						
Other Expenses	150,000.00	121,300.00	92,830.29		28,469.71	
<u>Department of Public Safety</u>						
<u>Division of Police:</u>						
<u>Police</u>						
Salaries and Wages	3,627,500.00	3,627,500.00	3,423,820.64		203,679.36	
Other Expenses	294,500.00	294,500.00	115,998.12	170,660.86	7,841.02	
<u>School Traffic Guards</u>						
Salaries and Wages	105,000.00	105,000.00	99,422.31		5,577.69	
Other Expenses	500.00	500.00	500.00			
First Aid Organization--Contribution	26,000.00	26,000.00	26,000.00			
<u>Municipal Court</u>						
Salaries and Wages	130,958.00	167,958.00	157,111.87		10,846.13	
Other Expenses	11,500.00	11,500.00	10,717.63	255.17	527.20	
<u>Public Defender</u>						
Other Expenses	7,165.00	7,165.00			7,165.00	
<u>Division of Emergency Management</u>						
<u>Office of Emergency Management</u>						
Salaries and Wages	3,390.00	3,390.00	3,390.00			
Other Expenses	1,000.00	1,000.00			1,000.00	
<u>Department of Public Works</u>						
<u>Division of Roads and Public Property:</u>						
<u>Streets and Roads</u>						
Salaries and Wages	872,038.00	872,038.00	858,775.63		13,262.37	
Other Expenses	147,500.00	142,500.00	109,885.07	13,168.18	19,446.75	
Snow Removal - Condiominium Services	40,000.00	40,000.00			40,000.00	
<u>Solid Waste Collection</u>						
Other Expenses	525,000.00	525,000.00	503,973.86		21,026.14	

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2019

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS--WITHIN "CAPS" (CONT'D):</u>						
<u>Department of Public Works</u>						
Recycling						
Salaries and Wages	\$ 153,364.00	\$ 153,364.00	\$ 142,810.07		\$ 10,553.93	
Other Expenses	31,500.00	31,500.00	25,943.05	\$ 300.00	5,256.95	
Public Buildings and Grounds						
Other Expenses	143,000.00	148,000.00	138,379.51	8,515.76	1,104.73	
<u>Division of Parks and Recreation:</u>						
Recreation Committee						
Salaries and Wages	8,500.00	8,500.00	8,080.00		420.00	
Other Expenses	56,200.00	56,200.00	31,597.84	985.25	23,616.91	
Juvenile Conference Committee						
Other Expenses	500.00	500.00			500.00	
<u>Department of Health</u>						
<u>Division of Health:</u>						
Salaries and Wages	40,843.00	40,843.00	40,432.42		410.58	
Other Expenses	200.00	200.00	200.00			
<u>Dog Regulation:</u>						
Other Expenses	16,000.00	16,000.00	16,000.00			
<u>Statutory Agencies</u>						
<u>Municipal Land Use Law (N.J.S.40-55D-1)</u>						
Zoning Board of Adjustments						
Salaries and Wages	25,000.00	25,000.00	24,835.20		164.80	
Other Expenses	9,900.00	9,900.00	3,614.98		6,285.02	
Municipal Prosecutor						
Other Expenses	16,900.00	16,900.00	11,728.32	3,893.76	1,277.92	
Planning Board						
Salaries and Wages	52,000.00	52,000.00	48,599.32		3,400.68	
Other Expenses	12,600.00	12,600.00	7,681.36		4,918.64	
Council on Affordable Housing						
Other Expenses	50,000.00	50,000.00	46,236.43		3,763.57	

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2019

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS--WITHIN "CAPS" (CONT'D):</u>						
<u>Statutory Agencies</u>						
Landfill/Solid Waste Disposal Costs	\$ 490,000.00	\$ 490,000.00	\$ 433,352.49		\$ 56,647.51	
Utility Purchases and Bulk Purchases						
Electricity/Gas	190,000.00	186,500.00	175,177.22		11,322.78	
Street Lighting	220,000.00	216,500.00	165,230.00		51,270.00	
Telephone	35,000.00	35,000.00	31,773.88		3,226.12	
Water	55,000.00	43,000.00	31,726.53	\$ 1,234.29	10,039.18	
Gasoline	175,000.00	125,000.00	71,902.24		53,097.76	
Traffic Lights	40,000.00	40,000.00	25,991.58		14,008.42	
P.L. 2000 Chapter 26:						
Solid Waste Service to Apartments						
Collection	120,000.00	120,000.00	44,186.68		75,813.32	
Disposal	76,000.00	76,000.00	19,851.99		56,148.01	
State Uniform Construction Code:						
Construction Official						
Salaries and Wages	244,988.00	244,988.00	213,410.13		31,577.87	
Other Expenses	33,400.00	33,400.00	13,622.78	334.84	19,442.38	
<u>Unclassified</u>						
Salary Adjustment	5,000.00					
Accumulated Absences	30,000.00	30,000.00	30,000.00			
Green Team Other Expenses	4,200.00	4,200.00	1,090.00	475.00	2,635.00	
Interest on Developers Deposits	2,000.00	2,000.00			2,000.00	
<b>Total Operations--Within "CAPS"</b>	<b>10,905,531.00</b>	<b>10,908,831.00</b>	<b>9,471,178.57</b>	<b>220,031.10</b>	<b>1,217,621.33</b>	<b>\$ -</b>
Contingent	5,000.00	-	-	-	-	-
<b>Total Operations Including Contingent--Within "CAPS"</b>	<b>10,910,531.00</b>	<b>10,908,831.00</b>	<b>9,471,178.57</b>	<b>220,031.10</b>	<b>1,217,621.33</b>	<b>-</b>
Detail:						
Salaries and Wages	5,914,533.00	5,951,533.00	5,602,532.56	-	349,000.44	-
Other Expenses	4,995,998.00	4,957,298.00	3,868,646.01	220,031.10	868,620.89	-

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2019

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<b><u>DEFERRED CHARGES AND STATUTORY</u></b>						
<b><u>EXPENDITURES MUNICIPAL--WITHIN "CAPS"</u></b>						
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	\$ 282,000.00	\$ 282,000.00	\$ 282,000.00			
Social Security System (O.A.S.I.)	525,000.00	525,000.00	418,218.48		\$ 106,781.52	
Police and Firemen's Retirement System	844,410.00	844,410.00	844,410.00			
Defined Contribution Retirement Program	3,000.00	4,700.00	3,948.66		751.34	
Unemployment Compensation Insurance	1,000.00	1,000.00	216.57		783.43	
Total Deferred Charges and Statutory Expenditures--Municipal--Within "CAPS"	1,655,410.00	1,657,110.00	1,548,793.71	\$ -	108,316.29	\$ -
Total General Appropriations for Municipal Purposes Within--"CAPS"	12,565,941.00	12,565,941.00	11,019,972.28	220,031.10	1,325,937.62	-
<b><u>OPERATIONS EXCLUDED FROM "CAPS"</u></b>						
Statutory Expenditures:						
SFSP Fire District Payment	5,162.00	5,162.00	5,162.00			
Length of Service Awards Program	82,000.00	82,000.00			12,000.00	70,000.00
Landfill Recycling Fees	27,000.00	27,000.00	16,125.66		10,874.34	
Employee Group Health						
Municipal Water Services						
Other Expenses	5,500.00	5,500.00			5,500.00	
<b><u>Public and Private Programs Off-Set by Revenues</u></b>						
Safe and Secure Communities Program	84,669.00	84,669.00	84,669.00			
Recycling Tonnage Grant	22,627.19	22,627.19	22,627.19			
Body Armor Replacement Fund	3,229.96	3,229.96	3,229.96			
Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87, \$11,000.00+)		11,000.00	11,000.00			
Distracted Driving Statewide Crackdown Grant (N.J.S.A. 40A:4-87, \$5,500.00+)		5,500.00	5,500.00			
Click it or Ticket (N.J.S.A. 40A:4-87, \$6,600.00+)		6,600.00	6,600.00			
Drunk Driving Enforcement Grant (N.J.S.A. 40A:4-87, \$71,843.99+)		71,843.99	71,843.99			

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2019

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS EXCLUDED FROM "CAPS" (CONT'D)</u>						
<u>Public and Private Programs Off-Set by Revenues (Cont'd)</u>						
New Jersey Department of Transportation - Municipal Aid Conrow Road Improvements (N.J.S.A. 40A:4-87, \$255,000.00+)		\$ 255,000.00	\$ 255,000.00			
Safe Streets (N.J.S.A. 40A:4-87, \$250,000.00+)		250,000.00	250,000.00			
Municipal Court Alcohol Education/Rehabilitation Program (N.J.S.A. 40A:4-87, \$7,314.10+)		7,314.10	7,314.10			
Clean Communities Grant Program (N.J.S.A. 40A:4-87, \$32,765.09+)		32,765.09	32,765.09			
Total Operations--Excluded from "CAPS"	\$ 230,188.15	870,211.33	771,836.99	\$ -	\$ 28,374.34	\$ 70,000.00
Detail:						
Salaries and Wages						-
Other Expenses	230,188.15	870,211.33	771,836.99	-	28,374.34	70,000.00
<u>CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	100,000.00	100,000.00	100,000.00	-	-	-
<u>MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	320,000.00	320,000.00	320,000.00			
Payment of Bond Anticipation Notes and Capital Notes	366,103.00	366,103.00	366,103.00			
Additional Pay down on Bond Anticipation Notes	1,579,412.00	1,579,412.00	1,577,987.00			1,425.00
Interest on Bonds	6,350.00	6,350.00	6,350.00			
Interest on Notes	350,000.00	350,000.00	342,343.09			7,656.91
Total Municipal Debt Service--Excluded from "CAPS"	2,621,865.00	2,621,865.00	2,612,783.09	-	-	9,081.91
<u>DEFERRED CHARGES -- MUNICIPAL -- EXCLUDED FROM "CAPS"</u>						
Deferred Charges:						
Emergency Authorizations	30,000.00	30,000.00	30,000.00			
Deferred Charges to Future Taxation Ordinance 2010-1 ; 2015-10; 2017-13	8,500.75	8,500.75	8,500.75			
Total Deferred Charges--Municipal-- Excluded from "CAPS"	38,500.75	38,500.75	38,500.75			



**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2019

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<b>OPERATIONS EXCLUDED FROM "CAPS" (CONT'D)</b>						
Total General Appropriations for Municipal Purposes--Excluded from "CAPS"	\$ 2,990,553.90	\$ 3,630,577.08	\$ 3,523,120.83	\$ -	\$ 28,374.34	\$ 79,081.91
Subtotal General Appropriations	15,556,494.90	16,196,518.08	14,543,093.11	220,031.10	1,354,311.96	79,081.91
Reserve for Uncollected Taxes	2,197,176.15	2,197,176.15	2,197,176.15	-	-	-
Total General Appropriations	<u>\$ 17,753,671.05</u>	<u>\$ 18,393,694.23</u>	<u>\$ 16,740,269.26</u>	<u>\$ 220,031.10</u>	<u>\$ 1,354,311.96</u>	<u>\$ 79,081.91</u>
Adopted Budget		\$ 17,753,671.05				
Appropriated by 40:4-87		<u>640,023.18</u>				
		<u>\$ 18,393,694.23</u>				
Reserve for Federal, State and Local Grants--Appropriated			\$ 750,549.33			
Deferred Charge - Emergency Authorization			30,000.00			
Reserve for Uncollected Taxes			2,197,176.15			
Payroll and Related Deductions Payable			7,151,326.27			
Disbursed			<u>6,611,217.51</u>			
			<u>\$ 16,740,269.26</u>			

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

**TOWNSHIP OF DELRAN**  
**TRUST FUND**  
 Statements of Assets, Liabilities and Reserves-- Regulatory Basis  
 As of December 31, 2019 and 2018

<u>ASSETS</u>	<u>Ref.</u>	<u>2019</u>	<u>(Restated)</u> <u>2018</u>
Animal Control:			
Cash--Treasurer	SB-1	\$ 40,758.05	\$ 27,924.85
Change Fund--Township Clerk	SB-7	100.00	50.00
		<u>40,858.05</u>	<u>27,974.85</u>
Open Space:			
Cash--Treasurer	SB-1	2,135,591.92	2,116,140.85
Due from Current Fund	SB-9	214,234.59	
		<u>2,349,826.51</u>	<u>2,116,140.85</u>
Length of Service Award Program:			
Investments - Length of Service Awards Program	SB-2	688,922.44	618,239.50
Other:			
Cash--Treasurer	SB-1	2,892,387.91	2,451,267.59
Due from Sewer Utility Operating	SB-1	3,000.00	
Due from Current	SB-3	41,796.65	
Accounts Receivable - Due from Bank	SB-14	93,818.76	
Accounts Receivable - Outside Police Employment	SB-5	3,750.00	5,560.00
		<u>3,034,753.32</u>	<u>2,456,827.59</u>
		<u>\$ 6,114,360.32</u>	<u>\$ 4,600,943.29</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control:			
Due to Current Fund	SB-7	\$ 19,135.45	\$ 5,645.45
Accounts Payable	SB-6	830.00	
Reserve for Animal Control	SB-6	20,892.60	22,329.40
		<u>40,858.05</u>	<u>27,974.85</u>
Open Space:			
Due to Capital Fund	SB-10	508,750.00	200,000.00
Reserve for Open Space	SB-8	1,821,276.51	1,896,040.85
Reserve for Payment of Debt	SB-11	19,800.00	20,100.00
		<u>2,349,826.51</u>	<u>2,116,140.85</u>

(Continued)

**TOWNSHIP OF DELRAN**  
**TRUST FUND**  
 Statements of Assets, Liabilities and Reserves-- Regulatory Basis  
 As of December 31, 2019 and 2018

<u>LIABILITIES AND RESERVES (CONT'D)</u>	<u>Ref.</u>	<u>2019</u>	<u>(Restated)</u> <u>2018</u>
Length of Service Award Program:			
Due to Current Fund	SB-4	\$ 68,783.73	\$ 64,337.13
Reserve Length of Service Awards Program	SB-10	620,138.71	553,902.37
		<u>688,922.44</u>	<u>618,239.50</u>
Other:			
Accounts Payable	SB-12	92,556.32	84,623.82
Prepaid Outside Police Employment	SB-13	15,432.50	19,897.50
Due to Current Fund	SB-3		38,291.90
Due from Sewer Utility Operating	SB-1		1,654.04
Reserve for Miscellaneous Trust Reserves:			
Street Opening Deposits	SB-14	18,653.99	16,956.49
New Jersey Unemployment Insurance	SB-14	56,439.01	66,584.27
Planning Escrow Fund Deposits	SB-14	828,709.33	388,935.27
Affordable Housing Trust Funds	SB-14	968,856.24	954,554.30
Public Defender Fees	SB-14	10,720.00	10,125.00
Credit Card Program	SB-14	7,619.60	7,619.60
Parking Offense Adjudication Act	SB-14	850.00	808.00
Tax Sale Premiums	SB-14	551,000.00	397,600.00
Delran Day Donations	SB-14	10,938.64	10,938.64
Delran Events	SB-14	4,260.51	330.51
Deposits for Redemption of Tax Sale Certificates	SB-14	6,521.40	21,614.91
Performance/ Maintenance Escrows	SB-14	15,197.72	15,197.72
Police Emergency Service Equipment	SB-14	1,555.47	1,555.47
Special Law Enforcement	SB-14	29,104.39	28,556.25
Bike Patrol	SB-14	9,065.87	9,065.87
Jake's Place	SB-14	888.30	7,004.00
Storm Recovery	SB-14	40,000.00	40,000.00
Accumulated Absences	SB-14	335,221.03	305,221.03
Multiple-Dwelling Security Deposits	SB-14	14,626.39	14,626.39
Kenneth Johnston Memorial Fund	SB-14	319.23	319.23
Police Unclaimed Funds	SB-14	4,806.50	4,806.50
Easter Egg Hunt	SB-14	76.88	76.88
Community Park Donations	SB-14	9,534.00	8,064.00
Mayor's Great Grill Off	SB-14	1,800.00	1,800.00
		<u>3,034,753.32</u>	<u>2,456,827.59</u>
		<u>\$ 6,114,360.32</u>	<u>\$ 4,600,943.29</u>

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

**TOWNSHIP OF DELRAN**  
**TRUST FUND - OPEN SPACE**  
 Statements of Operations and Changes in Reserve for Future Use -- Regulatory Basis  
 For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>REVENUE REALIZED:</b>		
Amount to be Raised by Taxation	\$ 325,000.00	\$ 325,000.00
Reserve for Open Space	97,270.00	48,583.76
Reserve to Pay Debt	20,100.00	69,581.24
Miscellaneous Revenue Not Anticipated	22,505.66	17,282.04
	<hr/>	<hr/>
Total Income	464,875.66	460,447.04
<b>EXPENDITURES:</b>		
Budget Appropriations:		
Debt Service	442,370.00	443,165.00
	<hr/>	<hr/>
Excess - Reserve for Future Use	22,505.66	17,282.04
<b>RESERVE FOR FUTURE USE:</b>		
Balance Jan. 1	1,896,040.85	1,927,342.57
	<hr/>	<hr/>
	1,918,546.51	1,944,624.61
Decreased by:		
Utilization by Open Space Budget	97,270.00	48,583.76
	<hr/>	<hr/>
Balance Dec. 31	<u>\$ 1,821,276.51</u>	<u>\$ 1,896,040.85</u>

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

**TOWNSHIP OF DELRAN**  
**TRUST FUND - OPEN SPACE**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2019

	Modified Budget	Realized	Excess
Amount to be Raised by Taxation	\$ 325,000.00	\$ 325,000.00	
Reserve for Open Space	97,270.00	97,270.00	
Reserve to Pay Debt	20,100.00	20,100.00	
Miscellaneous Revenue Not Anticipated		22,505.66	\$ 22,505.66
	<u>\$ 442,370.00</u>	<u>\$ 464,875.66</u>	<u>\$ 22,505.66</u>

Analysis of Realized Revenues

Amount to be Raised by Taxation:	
Current Year Levy -- Due from Current Fund	<u>\$ 325,000.00</u>
Miscellaneous Revenue Not Anticipated:	
Interest on Deposits	<u>\$ 22,505.66</u>

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

**TOWNSHIP OF DELRAN**  
**TRUST FUND - OPEN SPACE**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2019

	<u>Appropriations</u>		<u>Unexpended</u>
	<u>Budget After</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Modification</u>	<u>Charged</u>	<u>Canceled</u>
Debt Service:			
Payment of Bond Principal	\$ 87,000.00	\$ 87,000.00	
Payment of Bond Anticipation Note	260,000.00	260,000.00	
Interest on Bonds	46,620.00	46,620.00	
Interest on Notes	48,750.00	48,750.00	
	<u>\$ 442,370.00</u>	<u>\$ 442,370.00</u>	<u>\$ -</u>
Due to Current Fund		\$ 133,620.00	
Due to General Capital Fund		<u>308,750.00</u>	
		<u>\$ 442,370.00</u>	

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

**TOWNSHIP OF DELRAN**  
**GENERAL CAPITAL FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balances -- Regulatory Basis  
 As of December 31, 2019 and 2018

<u>ASSETS</u>	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Cash	SC-1	\$ 3,408,066.51	\$ 3,600,788.39
Grants Receivable	SC-3	84,706.87	243,098.89
Due From Trust - Open Space Fund	SC-9	508,750.00	200,000.00
Due From Sewer Utility Operating Fund	SC-9	15,194.85	15,194.85
Deferred Charges to Future Taxation:			
Funded	SC-4	12,799,000.00	1,464,000.00
Unfunded	SC-5	2,993,067.83	14,932,231.58
		\$ 19,808,786.06	\$ 20,455,313.71
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
Serial Bonds Payable	SC-12	\$ 12,799,000.00	\$ 1,464,000.00
Bond Anticipation Note	SC-13		13,075,090.00
Due to Current Fund	SC-9	426,784.02	3,866.25
Improvement Authorizations:			
Funded	SC-10	3,462,643.09	288,315.72
Unfunded	SC-10	1,281,600.72	4,120,708.39
Encumbrances/Contracts Payable	SC-11	1,317,825.07	931,627.19
Capital Improvement Fund	SC-6	142,720.32	143,493.32
Reserves for:			
Preliminary Expenses	SC-8	1,249.94	1,249.94
Facilities--Delran Harbor	C	15,000.00	15,000.00
Generator	C	20,000.00	20,000.00
Traffic Improvements	C	15,000.00	15,000.00
Storm Sewer Maintenance	C	21,750.00	21,750.00
Payment of Bonds	SC-7	232,575.97	282,575.97
Fund Balance	C	72,636.93	72,636.93
		\$ 19,808,786.06	\$ 20,455,313.71

There were bonds and notes authorized but not issued on December 31, 2019 totaling \$2,993,067.83 and 2018 totaling \$1,857,141.58.

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

**TOWNSHIP OF DELRAN**  
**SEWER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance--  
 Regulatory Basis  
 As of December 31, 2019 and 2018

<u>ASSETS</u>	<u>Ref.</u>	<u>2019</u>	<u>(Restated)</u> <u>2018</u>
Operating Fund:			
Cash--Treasurer	SD-1	\$ 7,183,908.66	\$ 7,617,279.13
Change Fund--Collector	SD-5	200.00	100.00
Due from Trust--Other Fund	SD-5		1,654.04
Due from Sewer Utility Capital Fund	SD-5	1,286,183.91	277,104.33
		<u>8,470,292.57</u>	<u>7,896,137.50</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-4	817,248.10	840,762.66
Total Operating Fund		<u>9,287,540.67</u>	<u>8,736,900.16</u>
Capital Fund:			
Cash--Treasurer	SD-1	916,350.10	216,805.38
Fixed Capital	SD-8	12,783,627.00	12,641,181.00
Fixed Capital Authorized and Uncompleted	SD-9	9,904,000.00	9,904,000.00
Total Capital Fund		<u>23,603,977.10</u>	<u>22,761,986.38</u>
		<u>\$ 32,891,517.77</u>	<u>\$ 31,498,886.54</u>

(Continued)



**TOWNSHIP OF DELRAN**  
**SEWER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance--  
 Regulatory Basis  
 As of December 31, 2019 and 2018

<u>LIABILITIES, RESERVES AND FUND BALANCES</u>	<u>Ref.</u>	<u>2019</u>	(Restated) <u>2018</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3	\$ 1,186,335.55	\$ 1,252,452.03
Reserve for Encumbrances	D-3	61,157.07	214,544.90
Due to Current Fund	SD-5	88,805.05	5,716.05
Due to General Capital Fund	SD-5	15,194.85	15,194.85
Due to Trust--Other Fund	SD-5	3,000.00	
Prepaid Connection Fees	SD-6		42,666.40
Sewer Rent Prepayments	SD-7	10,321.42	13,877.25
Accrued Interest on Notes and Loans	SD-11	4,660.42	9,562.98
Developer's Escrow Deposits	SD-12	27,763.32	39,959.32
		1,397,237.68	1,593,973.78
Reserves for Receivables	D	817,248.10	840,762.66
Fund Balance	D-1	7,073,054.89	6,302,163.72
		9,287,540.67	8,736,900.16
Total Operating Fund			
Capital Fund:			
Due to Sewer Utility Operating Fund	SD-5	1,286,183.91	277,104.33
Reserve for Payment of Debt	SD-5		640,000.00
Improvement Authorizations:			
Funded	SD-13	668,361.10	491,465.13
Unfunded	SD-13	3,734,553.54	3,919,932.22
Contracts Payable and Encumbrances	SD-14	343,613.85	644,666.00
Reserve for Amortization	SD-15	14,901,594.60	13,184,425.73
NJ Environmental Trust Loan Payable	SD-16	1,309,136.40	1,403,859.27
Bond Anticipation Notes Payable	SD-17		840,000.00
Deferred Reserve for Amortization	D	1,025,450.00	1,025,450.00
Capital Improvement Fund	D	325,000.00	325,000.00
Fund Balance	D	10,083.70	10,083.70
		23,603,977.10	22,761,986.38
		\$ 32,891,517.77	\$ 31,498,886.54

There were bonds and notes authorized but not issued on December 31, 2019 totaling \$5,451,446.00 and 2018 totaling \$6,091,446.00.

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

**TOWNSHIP OF DELRAN**  
**SEWER UTILITY FUND**  
 Statements of Operations and Changes in Fund Balance--Regulatory Basis  
 For the Years Ended December 31, 2019 and 2018

<u>Revenue and Other Income Realized</u>	<u>2019</u>	<u>2018</u>
Surplus Utilized	\$ 815,000.00	\$ 600,000.00
Rents	3,791,700.82	3,841,293.80
Miscellaneous	146,413.04	121,826.67
Reserve to Pay Debt	640,000.00	
Non-Budget Revenue	60,952.00	173,713.20
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,220,991.88	391,311.15
 Total Income	 <u>6,675,057.74</u>	 <u>5,128,144.82</u>
 <u>Expenditures</u>		
Operating	2,666,176.00	2,655,939.00
Capital Improvements	657,000.00	657,000.00
Debt Service	970,001.57	754,557.99
Deferred Charges and Statutory Expenditures	795,989.00	157,000.00
 Total Expenditures	 <u>5,089,166.57</u>	 <u>4,224,496.99</u>
 Statutory Excess to Fund Balance	 1,585,891.17	 903,647.83
 <u>Fund Balance</u>		
Balance Jan. 1	<u>6,302,163.72</u>	<u>5,998,515.89</u>
	7,888,054.89	6,902,163.72
Decreased by:		
Utilization by Sewer Operating Budget	<u>815,000.00</u>	<u>600,000.00</u>
Balance Dec. 31	<u>\$ 7,073,054.89</u>	<u>\$ 6,302,163.72</u>

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

**TOWNSHIP OF DELRAN**  
**SEWER UTILITY OPERATING FUND**  
Statement of Revenues--Regulatory Basis  
For the Year Ended December 31, 2019

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess</u>
Surplus Utilized	\$ 815,000.00	\$ 815,000.00	
Rents	3,674,000.00	3,791,700.82	\$ 117,700.82
Miscellaneous	5,000.00	84,826.50	79,826.50
Reserve to Pay Debt	640,000.00	640,000.00	
Interest on Delinquents	15,000.00	61,586.54	46,586.54
<b>Budget Totals</b>	<b>5,149,000.00</b>	<b>5,393,113.86</b>	<b>244,113.86</b>
<b>Non-Budget Revenue</b>	<b>-</b>	<b>60,952.00</b>	<b>60,952.00</b>
	<b>\$ 5,149,000.00</b>	<b>\$ 5,454,065.86</b>	<b>\$ 305,065.86</b>

Analysis of Realized Revenue:

Rents:

Consumer Accounts Receivable:

Collected	\$ 3,777,823.57
Overpayments Applied	13,877.25
	<u>\$ 3,791,700.82</u>

Analysis of Miscellaneous Revenue:

Interest on Investments:

Collected in Sewer Utility Operating Fund	\$ 73,009.88
Return Check Charges	200.00
Other - Miscellaneous	2,537.04
	<u>75,746.92</u>

Interest on Investments:

Collected in Sewer Utility Capital Fund	9,079.58
	<u>\$ 84,826.50</u>

Analysis of Miscellaneous Revenue Not Anticipated:

Connection Fees	<u>\$ 60,952.00</u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF DELRAN**  
**SEWER UTILITY OPERATING FUND**  
Statement of Expenditures--Regulatory Basis  
For the Year Ended December 31, 2019

	Appropriations		Expended			
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
Operating:						
Salaries and Wages	\$ 807,835.00	\$ 807,835.00	\$ 704,557.32		\$ 103,277.68	
Other Expenses	1,858,341.00	1,858,341.00	1,297,768.63	\$ 61,157.07	499,415.30	
<b>Total Operating</b>	<b>2,666,176.00</b>	<b>2,666,176.00</b>	<b>2,002,325.95</b>	<b>61,157.07</b>	<b>602,692.98</b>	<b>\$ -</b>
Capital Improvements:						
Capital Outlay	25,000.00	25,000.00			25,000.00	
Purchase of Utility Trucks	32,000.00	32,000.00			32,000.00	
Purchase of Utility Equipment	600,000.00	600,000.00	91,436.00		508,564.00	
<b>Total Capital Improvements</b>	<b>657,000.00</b>	<b>657,000.00</b>	<b>91,436.00</b>	<b>-</b>	<b>565,564.00</b>	<b>-</b>
Debt Service:						
Interest on Notes	30,000.00	30,000.00	20,630.77			9,369.23
Payment of Bond Anticipation Notes	840,000.00	840,000.00	840,000.00			
Principal & Interest on Loans	159,835.00	159,835.00	109,370.80			50,464.20
<b>Total Capital Improvements</b>	<b>1,029,835.00</b>	<b>1,029,835.00</b>	<b>970,001.57</b>	<b>-</b>	<b>-</b>	<b>59,833.43</b>
Deferred Charges and Statutory Expenditures:						
Deferred Charges:						
Fund Ordinances 2010-04; 2010-12; 2018-08	640,000.00	640,000.00	640,000.00			
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	82,989.00	82,989.00	82,989.00			
Social Security System (O.A.S.I)	70,000.00	70,000.00	51,921.43		18,078.57	
Unemployment Compensation Insurance (N.J.S.43:21-3 et seq.)	3,000.00	3,000.00	3,000.00			
<b>Total Deferred Charges and Statutory Expenditures</b>	<b>795,989.00</b>	<b>795,989.00</b>	<b>777,910.43</b>	<b>-</b>	<b>18,078.57</b>	<b>-</b>
<b>Total</b>	<b>\$ 5,149,000.00</b>	<b>\$ 5,149,000.00</b>	<b>\$ 3,841,673.95</b>	<b>\$ 61,157.07</b>	<b>\$ 1,186,335.55</b>	<b>\$ 59,833.43</b>
Disbursed by Current Fund			\$ 82,989.00			
Due to General Capital Fund			640,000.00			
Accrued Interest			35,278.70			
Disbursed			<u>3,083,406.25</u>			
			<u>\$ 3,841,673.95</u>			

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

**TOWNSHIP OF DELRAN**  
**GENERAL FIXED ASSET GROUP OF ACCOUNTS**  
**Statement of General Fixed Assets--Regulatory Basis**  
**For the Year Ended December 31, 2019**

	(Restated) Balance <u>Dec. 31, 2018</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2019</u>
General Fixed Assets:				
Land and Land Improvements	\$ 5,750,537.00	\$ 21,367.14		\$ 5,771,904.14
Building	7,375,714.00	1,059,315.00		8,435,029.00
Equipment and Vehicles	4,643,744.00	477,104.60	\$ 48,788.00	5,072,060.60
Total Investment in General Fixed Assets	<u>\$ 17,769,995.00</u>	<u>\$ 1,557,786.74</u>	<u>\$ 48,788.00</u>	<u>\$ 19,278,993.74</u>

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

**TOWNSHIP OF DELRAN**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2019**

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

**Description of Financial Reporting Entity** - The Township of Delran was incorporated in 1880 and is located in Burlington County, New Jersey approximately fifteen miles from the City of Philadelphia. The population according to the latest census is 13,178.

The Township has a Mayor-Council form of government known as the Mayor-Council Plan D under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor and two Council members are elected at large and three Council members are elected by ward. All members serve four-year terms.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**- The financial statements of the Township of Delran contain all funds and account groups in accordance with the *Requirements of Audit ("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 of Delran 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.

**Sewer Utility Operating and Capital Funds** - The Sewer Utility Operating and Capital Funds account for the operations and acquisition of capital facilities of the municipally owned Sewer operations.

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

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

**Budgets and Budgetary Accounting** - The Township of Delran must adopt an annual budget for its current, open space trust 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 of Delran requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

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

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

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

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

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

**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 utility operating fund represent amounts available for anticipation as revenue in future year's 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 are realized when anticipated as such in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due 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, Township of Delran School District, the Township's Open Space Fund and the Township of Delran Fire District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

**School Taxes** - The Township is responsible for levying, collecting and remitting school taxes for the Township of Delran School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

**County Taxes** - The Township 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 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.

**Fire District Taxes** - The Township is responsible for levying, collecting, and remitting Fire District Taxes for Township of Delran Fire District. Operations is charged for the full amount required to be raised from taxation to operate the Fire District for the period from January 1 to December 31.

**Open Space Fund** - In 2005, the Township established an Open Space Trust Fund as a result of a referendum passed in the general election in November 2004. The amount raised each year is limited to \$325,000.00.

**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.

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

**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 fiscal year. Lapsed appropriation reserves are recorded as income.

**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.

**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 trust 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 shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2019, the Township's bank balances of \$29,302,194.17 were exposed to custodial credit risk as follows:

Insured by FDIC	\$ 500,000.00
Insured by GUDPA	27,515,954.64
Uninsured and Uncollateralized	<u>1,286,239.53</u>
Total	<u>\$ 29,302,194.17</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:

**Comparative Schedule of Tax Rates**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	\$ 3.847	\$ 3.783	\$ 3.723	\$ 3.668	\$ 3.607
Apportionment of Tax Rate:					
Municipal	\$ 0.791	\$ 0.772	\$ 0.761	\$ 0.764	\$ 0.765
Municipal Open Space	0.022	0.023	0.023	0.023	0.023
County & County Library	0.417	0.419	0.386	0.394	0.411
County Open Space Preservation Trust Fund	0.034	0.028	0.043	0.043	0.044
Local School	2.422	2.383	2.353	2.294	2.209
Special District Rates:					
Fire District	0.161	0.158	0.157	0.150	0.155

**Assessed Valuation**

<u>Year</u>	<u>Assessed Valuation</u>
2019	\$ 1,415,647,482.00
2018	1,411,655,182.00
2017	1,407,526,492.00
2016	1,401,551,386.00
2015	1,399,747,792.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2019	\$ 54,733,880.77	\$ 54,152,605.03	98.94%
2018	53,638,315.47	52,933,549.13	98.69%
2017	52,617,638.70	51,936,735.45	98.71%
2016	51,633,084.37	50,854,874.92	98.49%
2015	50,868,960.59	50,166,878.86	98.62%

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

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 (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>
2019	\$ 194,999.03	\$ 550,024.20	\$ 745,023.23	1.36%
2018	188,246.82	644,445.08	832,691.90	1.55%
2017	163,064.45	619,048.14	782,112.59	1.49%
2016	127,116.94	722,858.24	849,975.18	1.65%
2015	104,711.44	682,998.77	787,710.21	1.55%

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

<u>Year</u>	<u>Number of Tax Title Liens Receivable</u>
2019	12
2018	13
2017	13
2016	11
2015	10

**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>
2019	\$ 282,015.00
2018	282,015.00
2017	282,015.00
2016	282,015.00
2015	282,015.00

**Note 5: SEWER UTILITY SERVICE CHARGES**

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

<u>Year</u>	<u>Receivable Balance as of January 1</u>	<u>Levy</u>	<u>Total</u>	<u>Collections</u>	<u>Percentage of Collection</u>
2019	\$ 840,762.66	\$ 3,829,772.80	\$ 4,670,535.46	\$ 3,853,287.36	82.50%
2018	891,743.86	3,846,407.30	4,738,151.16	3,897,388.50	82.26%
2017	949,798.17	3,876,301.51	4,826,099.68	3,934,355.82	81.52%
2016	844,529.62	3,923,298.51	4,767,828.13	3,818,029.96	80.08%
2015	886,294.99	3,902,499.31	4,788,794.30	3,944,264.68	82.36%

**Note 6: FUND BALANCES APPROPRIATED**

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

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<b><u>Current Fund</u></b>			
2019	\$ 9,120,945.15	\$ 4,000,000.00	43.86%
2018	9,285,157.65	4,008,000.00	43.17%
2017	8,737,686.32	3,748,000.00	42.89%
2016	8,794,642.68	3,500,000.00	39.80%
2015	8,006,811.57	3,000,000.00	37.47%
<b><u>Sewer Utility Operating Fund</u></b>			
2019	\$ 7,073,054.89	\$ 2,557,000.00	36.15%
2018	6,302,163.72	815,000.00	12.93%
2017	5,998,516.00	600,000.00	None
2016	4,964,688.66	None	None
2015	4,498,177.99	None	None

**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, 2019:

<u>Fund</u>	<u>Interfunds Receivables</u>	<u>Interfunds Payable</u>
Current Fund	\$ 603,508.25	\$ 875,759.42
Federal and State	619,728.18	
Trust Fund - Animal Control		19,135.45
Trust Fund - Open Space	214,234.59	508,750.00
Trust Fund - LOSAP		68,783.73
Trust Fund - Other	44,796.65	
General Capital Fund	523,944.85	426,784.02
Sewer Utility Operating Fund	1,286,183.91	106,999.90
Sewer Utility Capital Fund		1,286,183.91
	<u>\$3,292,396.43</u>	<u>\$3,292,396.43</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 2020, 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, required supplementary information and detailed information about the PERS and PFRS plans' fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<https://www.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' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Township, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

**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' 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' 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 New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

**Vesting and Benefit Provisions**

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

The following represents the membership tiers for PERS:

**Tier Definition**

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

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

**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. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2019. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) was 10.0% in State fiscal year 2019. Employers' contributions 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, 2019 was 13.64% 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, 2019, the Township's contractually required contribution to the pension plan for the year ended December 31, 2019 is \$335,726.00, and was payable by April 1, 2020. 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, 2018, the Township's contractually required contribution to the pension plan for the year ended December 31, 2018 was \$363,486.00, which was paid by April 1, 2019. Employee contributions to the Plan during the year ended December 31, 2019 were \$190,690.45.

**Police and Firemen's Retirement System** - The contribution policy for PFRS is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 10.0% in State fiscal year 2019. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, 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, 2019 was 28.36% 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, 2019, the Township's contractually required contribution to the pension plan for the year ended December 31, 2019 is \$842,180.00, and was payable by April 1, 2020. 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, 2018, the Township's contractually required contribution to the pension plan for the year ended December 31, 2018 was \$844,410.00, which was paid by April 1, 2019. Employee contributions to the Plan during the year ended December 31, 2019 were \$297,415.70.

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, 2019 was 3.66% 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, 2019, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2019 is \$108,556.00, and was payable by April 1, 2020. Based on the PFRS measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2018 was \$94,022.00, which was paid by April 1, 2019.

**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, 2019, employee contributions totaled \$5,339.46, and the Township's contributions were \$3,948.66. There were no forfeitures during the year.

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

**Public Employees' Retirement System** - At December 31, 2019, the Township's proportionate share of the PERS net pension liability was \$6,219,019.00. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. 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, 2019. 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, 2019 measurement date, the Township's proportion was .0345146627%, which was a decrease of .0020284593% from its proportion measured as of June 30, 2018.

At December 31, 2019, the Township's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2019 measurement date is \$229,011.00. This (benefit) 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, 2019, the Township's contribution to PERS was \$363,486.00, and was paid by April 1, 2019.

**Police and Firemen's Retirement System** - At December 31, 2019, 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	\$ 10,203,285.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	1,611,118.00
	<u>\$ 11,814,403.00</u>

**Note 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) 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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. 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, 2019. 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, 2019 measurement date, the Township's proportion was .0833750288%, which was a decrease of .0029966076% from its proportion measured as of June 30, 2018. Likewise, at June 30, 2019, the State of New Jersey's proportion, on-behalf of the Township, was .0833750288%, which was a decrease of .0029966076% from its proportion, on-behalf of the Township, measured as of June 30, 2018.

At December 31, 2019, the Township's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2019 measurement date is \$777,650.00. This (benefit) 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, 2019, the Township's contribution to PFRS was \$844,410.00, and was paid by April 1, 2019.

At December 31, 2019, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Township, calculated by the Plan as of the June 30, 2019 measurement date is \$187,199.00. This on-behalf (benefit) 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, 2019, 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	\$ 111,623.00	\$ 86,129.00	\$ 197,752.00	\$ 27,473.00	\$ 64,599.00	\$ 92,072.00
Changes of Assumptions	620,992.00	349,620.00	970,612.00	2,158,602.00	3,297,608.00	5,456,210.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	98,170.00	138,251.00	236,421.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	122,293.00	69,522.00	191,815.00	406,165.00	615,534.00	1,021,699.00
Township Contributions Subsequent to the Measurement Date	167,863.00	421,090.00	588,953.00	-	-	-
	<u>\$ 1,022,771.00</u>	<u>\$ 926,361.00</u>	<u>\$ 1,949,132.00</u>	<u>\$ 2,690,410.00</u>	<u>\$ 4,115,992.00</u>	<u>\$ 6,806,402.00</u>

\$167,863.00 and \$421,090.00 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, 2020. These amounts were based on an estimated April 1, 2021 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2019 to the Township's year end of December 31, 2019.

Note 8: **PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) 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:

	PERS		PFRS	
	<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	-
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
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
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
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
June 30, 2018	-	5.00	-	5.00
June 30, 2019	-	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
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92

**Note 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) 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:

Year Ending <u>Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2020	\$ (243,677.00)	\$ (693,882.00)	\$ (937,559.00)
2021	(627,569.00)	(1,275,342.00)	(1,902,911.00)
2022	(593,414.00)	(883,387.00)	(1,476,801.00)
2023	(327,242.00)	(464,681.00)	(791,923.00)
2024	(43,600.00)	(293,429.00)	(337,029.00)
	<u>\$ (1,835,502.00)</u>	<u>\$ (3,610,721.00)</u>	<u>\$ (5,446,223.00)</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. 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, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases (1):		
Through 2026	2.00% - 6.00%	
Thereafter	3.00% - 7.00%	
Through All Future Years		3.25% - 15.25%
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2013 - June 30, 2018

(1) Based on Years of Service

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

For PERS, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

For PFRS, pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2019) 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' and PFRS' target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

**Note 8: PENSION PLANS (CONT'D)**

**Actuarial Assumptions (Cont'd)**

**Discount Rate** - The discount rate used to measure the total pension liability at June 30, 2019 was 6.28% for PERS and 6.85% 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 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plans' fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057 for PERS and 2076 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 for PERS and 2076 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**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, 2019, the Plan's measurement date, calculated using a discount rate of 6.28%, 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>1% Decrease (5.28%)</b>	<b>Current Discount Rate (6.28%)</b>	<b>1% Increase (7.28%)</b>
Township's Proportionate Share of the Net Pension Liability	<u>\$ 7,855,631.00</u>	<u>\$ 6,219,019.00</u>	<u>\$ 4,839,941.00</u>

**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, 2019, the Plan's measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 6.85%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>1% Decrease (5.85%)</b>	<b>Current Discount Rate (6.85%)</b>	<b>1% Increase (7.85%)</b>
Township's Proportionate Share of the Net Pension Liability	\$ 13,791,123.00	\$ 10,203,285.00	\$ 7,233,832.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>2,177,645.00</u>	<u>1,611,118.00</u>	<u>1,142,236.00</u>
	<u>\$ 15,968,768.00</u>	<u>\$ 11,814,403.00</u>	<u>\$ 8,376,068.00</u>

**Note 8: PENSION PLANS (CONT'D)****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 (benefit) 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 <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**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 Seven Plan Years)***

	<u>Measurement Date Ended June 30,</u>			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Proportion of the Net Pension Liability	0.0345146627%	0.0365431220%	0.0363370542%	0.0359861706%
Township's Proportionate Share of the Net Pension Liability	\$ 6,219,019.00	\$ 7,195,159.00	\$ 8,458,685.00	\$ 10,658,072.00
Township's Covered Payroll (Plan Measurement Period)	\$ 2,395,892.00	\$ 2,532,432.00	\$ 2,537,328.00	\$ 2,528,524.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	259.57%	284.12%	333.37%	421.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%
	<u>Measurement Date Ended June 30,</u>			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	
Township's Proportion of the Net Pension Liability	0.0349554359%	0.0361696042%	0.0365878531%	
Township's Proportionate Share of the Net Pension Liability	\$ 7,846,795.00	\$ 6,771,939.00	\$ 6,992,666.00	
Township's Covered Payroll (Plan Measurement Period)	\$ 2,360,716.00	\$ 2,484,836.00	\$ 2,530,596.00	
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	332.39%	272.53%	276.32%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	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 Seven Years)**

	<u>Year Ended December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Contractually Required Contribution	\$ 335,726.00	\$ 363,486.00	\$ 336,624.00	\$ 319,696.00
Township's Contribution in Relation to the Contractually Required Contribution	\$ (335,726.00)	(363,486.00)	(336,624.00)	(319,696.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 2,461,092.00	\$ 2,417,904.00	\$ 2,531,886.00	\$ 2,581,927.00
Township's Contributions as a Percentage of Covered Payroll	13.64%	15.03%	13.30%	12.38%
	<u>Year Ended December 31,</u>			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	
Township's Contractually Required Contribution	\$ 300,523.00	\$ 298,177.00	\$ 275,682.00	
Township's Contribution in Relation to the Contractually Required Contribution	(300,523.00)	(298,177.00)	(275,682.00)	
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Township's Covered Payroll (Calendar Year)	\$ 2,556,514.00	\$ 2,371,131.00	\$ 2,409,705.00	
Township's Contributions as a Percentage of Covered Payroll	11.76%	12.58%	11.44%	

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 Seven Plan Years)**

	<u>Measurement Date Ended June 30,</u>			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Proportion of the Net Pension Liability	0.0833750288%	0.0863716364%	0.0860009182%	0.0871336477%
Township's Proportionate Share of the Net Pension Liability	\$ 10,203,285.00	\$ 11,687,506.00	\$ 13,276,879.00	\$ 16,644,756.00
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>1,611,118.00</u>	<u>1,587,554.00</u>	<u>1,487,122.00</u>	<u>1,324,570.00</u>
Total	<u>\$ 11,814,403.00</u>	<u>\$ 13,275,060.00</u>	<u>\$ 14,764,001.00</u>	<u>\$ 17,969,326.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 2,894,332.00	\$ 2,985,956.00	\$ 2,901,144.00	\$ 2,892,160.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	352.53%	391.42%	457.64%	575.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.00%	62.48%	58.60%	52.01%
	<u>Measurement Date Ended June 30,</u>			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	
Township's Proportion of the Net Pension Liability	0.0906792440%	0.0882256595%	0.0883850972%	
Township's Proportionate Share of the Net Pension Liability	\$ 15,104,001.00	\$ 11,097,970.00	\$ 11,750,001.00	
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>1,324,570.00</u>	<u>1,195,065.00</u>	<u>1,095,243.00</u>	
Total	<u>\$ 16,428,571.00</u>	<u>\$ 12,293,035.00</u>	<u>\$ 12,845,244.00</u>	
Township's Covered Payroll (Plan Measurement Period)	\$ 3,078,700.00	\$ 2,929,272.00	\$ 2,924,976.00	
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	490.60%	378.86%	401.71%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	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 Seven Years)**

	<u>Year Ended December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Contractually Required Contribution	\$ 842,180.00	\$ 844,410.00	\$ 761,124.00	\$ 710,436.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(842,180.00)</u>	<u>(844,410.00)</u>	<u>(761,124.00)</u>	<u>(710,436.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 2,969,996.00	\$ 2,891,717.00	\$ 2,936,631.00	\$ 2,914,484.00
Township's Contributions as a Percentage of Covered Payroll	28.36%	29.20%	25.92%	24.38%
	<u>Year Ended December 31,</u>			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	
Township's Contractually Required Contribution	\$ 737,087.00	\$ 677,634.00	\$ 644,838.00	
Township's Contribution in Relation to the Contractually Required Contribution	<u>(737,087.00)</u>	<u>(677,634.00)</u>	<u>(644,838.00)</u>	
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Township's Covered Payroll (Calendar Year)	\$ 2,882,684.00	\$ 2,923,223.00	\$ 2,929,231.00	
Township's Contributions as a Percentage of Covered Payroll	25.57%	23.18%	22.01%	

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)*****Changes in Benefit Terms**

None

**Changes in Assumptions**

The Discount Rate changed at June 30th over the following years: 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017, 5.66% 2018, and 6.28% 2019.

The Long-term Expected Rate of Return changed at June 30<sup>th</sup> over the following years: 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017, 2018 and 2019.

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2014 - June 30, 2018 Experience Study. For pre-retirement mortality, the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For healthy retirees and beneficiaries, the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For disabled retiree mortality, the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males, and a 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For mortality improvement, Scale MP-2019 was used.

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

***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**

The Discount Rate changed at June 30th over the following years: 6.32% 2014, 5.79% 2015, 5.55% 2016, 6.14% 2017, 6.51% 2018 and 6.85% 2019.

The Long-term Expected Rate of Return changed at June 30<sup>th</sup> over the following years: 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017, 2018 and 2019.

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information (Cont'd)*****Police and Firemen's Retirement System (PFRS) (Cont'd)*****Changes in Assumptions (Cont'd)**

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2013 - June 30, 2018 Experience Study. For pre-retirement mortality, the Pub-201 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For healthy retirees, the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For beneficiaries mortality, the Pub-2010 General Retiree Below-Median Income Weighted mortality table, unadjusted, and with future improvement from the base year of 2010 on a generational basis was used. For disabled mortality, the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For mortality improvement, Scale MP-2019 was used.

For 2016, 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, demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study.

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

**Plan Description** - The Township's length of service awards program (the "LOSAP Plan"), which is a defined contribution plan reported in the Township's trust fund, was created by a Township Ordinance adopted on June 7, 2006 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 accumulated assets of the LOSAP Plan are not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*.

The voters of the Township approved the adoption of the LOSAP Plan at the general election held on November 7, 2006, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2007. The LOSAP Plan provides tax deferred income benefits to active volunteer emergency medical personnel, and is administered by VALIC ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The Township's practical involvement in administering the LOSAP Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the LOSAP Plan Administrator.

The tax deferred income benefits for emergency service volunteers of the Delran Township Emergency Squad, consisting of the Emergency Squad, come from contributions made solely by the governing body of the Township, on behalf of those volunteers who meet the criteria of the LOSAP Plan created by that governing body. Participants should refer to the LOSAP Plan agreement for a more complete description of the LOSAP 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 LOSAP 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 LOSAP 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 LOSAP 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 LOSAP 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 LOSAP Plan, the Township shall notify all participants in writing prior to making any amendment to the LOSAP 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 did not contribute to the LOSAP Plan for the year ended December 31, 2019, as no active members met the active service requirement. Participants direct the investment of the contributions into various investment options offered by the LOSAP 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 LOSAP Plan. The types of investment options, and the administering of such investments, rests solely with the LOSAP Plan Administrator.

**Participant Accounts** - Each participant's account is credited with the Township's contribution and Plan earnings, and charged with administrative expenses. For the year ended December 31, 2019, the Township elected to pay substantially all of the LOSAP Plan's administrative costs. 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 LOSAP Plan participants and their beneficiaries. The contributions from the Township to the LOSAP 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 LOSAP Plan.

**Payment of Benefits** - Upon separation from volunteer service, retirement or disability, termination of the LOSAP 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 LOSAP 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.

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

**Forfeited Accounts** - For the year ended December 31, 2019, there were no forfeited non-vested accounts that occurred during the year. The LOSAP Plan still contains forfeited accounts that have not been turned over to the Township.

**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 LOSAP Plan Administrator.

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

The Township provides postemployment benefits other than pension benefits through the State Health Benefits Local Government Retired Employees Plan and through reimbursement of health insurance premiums directly to employees if they choose not to participate in the State Health Benefit Plan. The reimbursement for health insurance premiums and the amount of the benefit is established by the Township.

**General Information about the OPEB Plan**

**Plan Description and Benefits Provided** - The Township contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****General Information about the OPEB Plan (Cont'd)**

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

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

The Township was billed monthly by the Plan and paid \$16,195.34, for the year ended December 31, 2019, representing 0.30% of the Township's covered payroll. During the year ended December 31, 2019, retirees were required to contribute \$1,552.45 to the Plan.

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

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

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

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Township, is not known, however, under the Special Funding Situation, the State's OPEB (benefit) expense, on-behalf of the Township is \$88,448.00 for the year ended December 31, 2019 representing 1.63% of the Township's covered payroll.



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

**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

**OPEB Liability** - At December 31, 2019 the Township's and State's proportionate share of the net OPEB liability were as follows:

Township's Proportionate Share of Net OPEB Liability	\$ 6,177,551.00
State of New Jersey's Proportionate Share of Net OPEB Liability Associated with the Township	<u>6,672,692.00</u>
	<u><u>\$ 12,850,243.00</u></u>

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

The Township's proportion of the net OPEB liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019. For the June 30, 2019 measurement date, the Township's proportion was .045604% which was a decrease of .002676% from its proportion measured as of the June 30, 2018 measurement date.

The State's proportion of the net OPEB liability, on-behalf of the Township was based on the ratio of the plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2018 through June 30, 2019. For the June 30, 2019 measurement date, the State's proportion on-behalf of the Township was .120757% which was a decrease of .009451% from its proportion measured as of the June 30, 2018 measurement date.

**OPEB (Benefit) Expense** - At December 31, 2019, the Township's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2019 measurement date is (\$310,672.00). This (benefit) 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, 2019, the Township made contributions to the Plan totaling \$16,195.34.

At December 31, 2019, the State's proportionate share of the OPEB (benefit) expense, associated with the Township, calculated by the Plan as of the June 30, 2019 measurement date is \$88,448.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources** - At December 31, 2019, the Township had deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$ -	\$ 1,806,556.00
Changes of Assumptions	-	2,189,187.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	5,089.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	-	1,496,551.00
Township Contributions Subsequent to the Measurement Date	<u>7,870.90</u>	<u>-</u>
	<b><u>\$ 12,959.90</u></b>	<b><u>\$ 5,492,294.00</u></b>

\$7,870.90 reported as deferred outflows of resources resulting from the Township's contributions subsequent to the measurement date will be included as a reduction of the Township's net OPEB liability during the year ending December 31, 2020.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****OPEB Liability, OPEB (Benefit) Expense, and 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 the OPEB liability over the following number of years:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience		
June 30, 2017	-	-
June 30, 2018	-	8.14
June 30, 2019	-	8.05
Changes of Assumptions		
Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04
June 30, 2018	-	8.14
June 30, 2019	-	8.05
Net Difference between Projected and Actual Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions		
Year of OPEB Plan Deferral:		
June 30, 2017	8.04	8.04
June 30, 2018	8.14	8.14
June 30, 2019	8.05	8.05

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (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 the OPEB liability will be recognized in future periods as follows:

<b>Year Ending Dec. 31,</b>		
2020	\$	(903,044.00)
2021		(903,044.00)
2022		(903,443.00)
2023		(904,088.00)
2024		(904,677.00)
Thereafter		<u>(968,909.00)</u>
	<b>\$</b>	<b><u>(5,487,205.00)</u></b>

**Actuarial Assumptions**

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2019 used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
PERS:	
Initial Fiscal Year Applied:	
Rate Through 2026	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
PFRS:	
Rate for all Years	3.25% to 15.25%

\* Salary Increases are Based on Years of Service  
Within the Respective Plan

PERS mortality rates were based on Pub-2010 General classification headcount weighted mortality with fully generational morality improvement projections from the central year using Scale MP-2019.

PFRS mortality rates were based on Pub-2010 Safety classification headcount weighted mortality with fully generational morality improvement projections from the central year using Scale MP-2019.

Actuarial assumptions used in the July 1, 2018 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

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

**Actuarial Assumptions (Cont'd)**

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

**Discount Rate** - The discount rate used to measure the OPEB Liability at June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Health Care Trend Assumptions** - For pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

**Sensitivity of the net OPEB Liability to Changes in the Discount Rate**

As previously mentioned, the OPEB Plan has a special funding situation where the State of New Jersey pays a portion of the Township's contributions for certain eligible employees. As such, the proportionate share of the net OPEB liability as of June 30, 2019, the Plan's measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 3.50%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	<b>1% Decrease (2.50%)</b>	<b>Current Discount Rate (3.50%)</b>	<b>1% Increase (4.50%)</b>
Township's Proportionate Share of the Net OPEB Liability	\$ 7,142,819.00	\$ 6,177,550.00	\$ 5,393,141.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>7,715,329.00</u>	<u>6,672,692.00</u>	<u>5,825,411.00</u>
	<u>\$ 14,858,148.00</u>	<u>\$ 12,850,242.00</u>	<u>\$ 11,218,552.00</u>

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The Township's and State's proportionate share of the net OPEB Liability as of June 30, 2019, the Plan's measurement date, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Township's Proportionate Share of the Net OPEB Liability	\$ 5,213,091.00	\$ 6,177,550.00	\$ 7,407,880.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>5,630,930.00</u>	<u>6,672,692.00</u>	<u>8,001,635.00</u>
	<u>\$ 10,844,021.00</u>	<u>\$ 12,850,242.00</u>	<u>\$ 15,409,515.00</u>

**OPEB Plan Fiduciary Net Position**

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

**Supplementary OPEB Information**

In accordance with GASBS No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

***Schedule of the Township's Proportionate Share of the net OPEB Liability (Last Three Plan Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net OPEB Liability	0.045604%	0.048280%	0.050516%
Township's Proportionate Share of the Net OPEB Liability	\$ 6,177,551.00	\$ 7,563,844.00	\$ 10,313,240.00
State's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>6,672,692.00</u>	<u>8,090,923.00</u>	<u>11,246,126.00</u>
Total	<u>\$ 12,850,243.00</u>	<u>\$ 15,654,767.00</u>	<u>\$ 21,559,366.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 5,318,223.00	\$ 5,360,975.00	\$ 5,509,377.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	116.16%	141.09%	187.19%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)*****Schedule of the Township's Contributions (Last Three Years)***

	<u>Year Ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Required Contributions	\$ 16,195.34	\$ 16,999.92	\$ 21,202.15
Township's Contributions in Relation to the Required Contribution	<u>(16,195.34)</u>	<u>(16,999.92)</u>	<u>(21,202.15)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 5,431,088.00	\$ 5,309,621.00	\$ 5,468,517.00
Township's Contributions as a Percentage of Covered Payroll	0.30%	0.32%	0.39%

**Other Notes to Supplementary OPEB Information****Changes in Benefit Terms**

In 2019, there were slight changes to the Chapter 48 provisions.

**Changes in Assumptions**

In 2019, the discount rate changed to 3.50% from 3.87%, and there were changes in the assumed health care cost trend, PPO/HMO future retiree elections, and excise tax assumptions. Further, decrements, salary scale, and mortality assumptions were updated based on the July 1, 2013 - June 30, 2018 PFRS and July 1, 2014 - June 30, 2018 PERS experience studies. For mortality related to PFRS members and retirees, the Pub-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019 was used. For mortality related to PERS members and retirees, the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019 was used.

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

In 2017, the discount rate changed to 3.58% from 2.85%.

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

**Township of Delran Postemployment Health Benefit Plan**

**General Information about the OPEB Plan**

**Plan Description and Benefits Provided** - The Township provides reimbursement for postretirement health care benefits through a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions. The Township provides this benefit for ten years after the employee retires or until the death of the employee. The benefit is determined by negotiated contract for each collective bargaining unit. The Plan is administered by the Township; therefore, reimbursements to the retirees are paid in monthly installments directly to the retirees.

**Employees Covered by Benefit Terms** - As of January 1, 2019, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

	<u>December 31, 2019</u>
Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	12
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	
Active Employees	<u>58</u>
	<u>70</u>

**Contributions** - Employees are not required to contribute to the plan.

**Total OPEB Liability**

The Township's total OPEB liability of \$1,223,443.00 was measured as of December 31, 2019 and was determined by an actuarial valuation as of January 1, 2019.

**Actuarial Assumptions and Other Inputs** - The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00% Annually
Salary Increases	3.00% Annually
Discount Rate	3.26%
Healthcare Cost Trend Rates	
Delran Police Association Employees	5.00% Annually
All Other Employees	0.00%

The discount rate was based on the 20-Bond General Obligation (GO) Index.

Mortality rates were based on RP-2014 mortality table with MP-2016 projection.

An experience study was not performed on the actuarial assumptions used in the January 1, 2019 valuation since the Plan had insufficient data to produce a study with credible results. Mortality rates and termination rates were based on standard tables either issued by the SOA or developed for the applicable grade of employee. The actuary has used his/her professional judgement in applying these assumptions to this plan.



**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Township of Delran Postemployment Health Benefit Plan (Cont'd)****Changes in Total OPEB Liability**

Balance at Beginning of Year		\$ 1,218,703.00
Changes for the Year:		
Service Cost	\$ 32,472.00	
Interest Cost	43,233.00	
Benefit Payments	(61,989.00)	
Actuarial Assumption Changes	53,046.00	
Difference between expected and actual experience	<u>(62,022.00)</u>	
Net Changes		<u>4,740.00</u>
Balance at End of Year		<u><u>\$ 1,223,443.00</u></u>

In 2019, the discount rate changed to 3.26% from 3.64%.

**Sensitivity of Total OPEB Liability to Changes in Discount Rate** - The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated for using a discount rate that is 1-percentage -point lower or 1-percentage-point higher than the current discount rate:

	<b>1.00% Decrease <u>(2.26%)</u></b>	<b>Current Discount Rate <u>(3.26%)</u></b>	<b>1.00% Increase <u>(4.26%)</u></b>
Total OPEB Liability	<u>\$ 1,362,925.00</u>	<u>\$ 1,223,443.00</u>	<u>\$ 1,083,961.00</u>

**Sensitivity of Total OPEB Liability to Changes in Healthcare Cost Trend Rates** - The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>December 31, 2019</b>		
	<b>1.00% Decrease</b>	<b>Healthcare Cost Trend Rate</b>	<b>1.00% Increase</b>
Total OPEB Liability	<u>\$ 1,046,154.00</u>	<u>\$ 1,223,443.00</u>	<u>\$ 1,436,777.00</u>

**Note 10: POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Township of Delran Postemployment Health Benefit Plan (Cont'd)**

**OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - For the year ended December 31, 2019, the Township recognized OPEB expense of \$77,099.00. As of December 31, 2019, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Changes of Assumptions or Other Inputs	\$ 47,741.00	\$ -
Difference between expected and actual experience	<u>18,331.00</u>	<u>55,820.00</u>
	<u>\$ 66,072.00</u>	<u>\$ 55,820.00</u>

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

<b><u>Year Ending December 31,</u></b>	
2020	\$ 1,394.00
2021	1,394.00
2022	1,394.00
2023	1,394.00
2024	1,394.00
Thereafter	<u>3,282.00</u>
	<u>\$ 10,252.00</u>

**Note 10: POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Township of Delran Postemployment Health Benefit Plan (Cont'd)****Supplementary OPEB Information**

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

***Schedule of Changes in the Township's Total OPEB Liability and Related Ratios (Last Two Years)***

	<u>Plan Measurement Date December 31,</u>	
	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>		
Service Cost	\$ 32,472.00	\$ 29,737.00
Interest Cost	43,233.00	41,895.00
Benefit Payments	(61,989.00)	(53,634.00)
Actuarial Assumption Changes	53,046.00	-
Differences Between Expected and Actual Experience	<u>(62,022.00)</u>	<u>22,913.00</u>
Net Change in Total OPEB Liability	4,740.00	40,911.00
Total OPEB Liability - Beginning of Fiscal Year	<u>1,218,703.00</u>	<u>1,177,792.00</u>
Total OPEB Liability - End of Fiscal Year	<u>\$ 1,223,443.00</u>	<u>\$ 1,218,703.00</u>
Covered-Employee Payroll	\$ 6,798,062.00	\$ 6,588,724.00
Total OPEB Liability as a Percentage of Covered-Employee Payroll	18.00%	18.50%

**Other Notes to Supplementary OPEB Information**

Changes in Benefit Terms - None

Changes in Assumptions - In 2019, the discount rate changed to 3.26% from 3.64%.

**Note 11: COMPENSATED ABSENCES**

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year.

The Township compensates employees for unused sick leave upon termination or retirement. The current policy provides one compensated day for every two days accumulated. There is a maximum pay-out of fifty days' pay, and is paid at the rate of pay upon termination or retirement.

The Township has established a compensated absences trust fund to set aside funds for future payments of compensated absences. At December 31, 2019, the balance of the fund was \$335,221.03. It is estimated that, at December 31, 2019, accrued benefits for compensated absences are valued at \$544,619.11.

**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: CAPITAL DEBT**

**General Obligation Bonds**

General Obligation Bonds – Open Space, Series 2009 - On August 15, 2009, the Township issued \$1,829,000.00 in general obligation bonds, with interest rates ranging from 4.00% to 5.00% through the Burlington County Bridge Commission in their capacity as County Improvement Authority. The bonds were issued to acquire various pieces of property for preservation and recreation. This issue was refunded by the County Guaranteed Pooled Loan Revenue Refunding Bonds, Series 2017A - Open Space. The bonds matured on August 15, 2019.

General Obligation Refunding Bonds, Series 2009 - On November 3, 2009, the Township issued \$4,215,000.00 in general obligation refunding bonds, with interest rates ranging from 2.00% to 4.50%. The bonds were issued to currently refund the \$4,747,000.00 General Obligation Bonds, Series 1998. The final maturity of the bonds was January 1, 2019.

County Guaranteed Pooled Loan Revenue Refunding Bonds, Series 2017A - Open Space - On March 28, 2017, the Township issued \$1,063,000.00 in county guaranteed pooled loan refunding bonds, with interest rates of 4.00% through the Burlington County Bridge Commission in their capacity as County Improvement Authority. The bonds were issued to refund the General Obligation Bonds – Open Space, Series 2009 bonds. The final maturity of the bonds is July 15, 2029.

General Obligation Bonds, Series 2019 - On October 17, 2019, the Township issued \$11,742,000.00 in general obligation bonds, with interest rates ranging from 1.50% to 2.00%. The bonds were issued to permanently finance the costs of various capital improvements and acquisition of various capital equipment. The final maturity of the bonds is October 15, 2029.

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

Year	<u>Bonded Debt</u>					Total
	<u>General</u>		<u>Open Space</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>		
2020	\$ 2,000,000.00	\$ 216,132.56	\$ 92,000.00	\$ 41,300.00	\$ 2,349,432.56	
2021	1,500,000.00	187,340.00	94,000.00	38,600.00	1,819,940.00	
2022	1,242,000.00	164,840.00	97,000.00	34,840.00	1,538,680.00	
2023	1,000,000.00	140,000.00	101,000.00	30,960.00	1,271,960.00	
2024	1,000,000.00	120,000.00	98,000.00	26,920.00	1,244,920.00	
2025-2029	5,000,000.00	300,000.00	575,000.00	69,640.00	5,944,640.00	
	<u>\$ 11,742,000.00</u>	<u>\$ 1,128,312.56</u>	<u>\$ 1,057,000.00</u>	<u>\$ 242,260.00</u>	<u>\$ 14,169,572.56</u>	

**Note 13: CAPITAL DEBT (CONT'D)****New Jersey Environmental Infrastructure Trust Loans**

**Sewer Utility Debt** - On May 21, 2014, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,469,550.00, at no interest, from the fund loan, and \$480,000.00 at interest rates ranging from 3.00% to 5.00% from the trust loan. The proceeds were used to fund the renovations to the waste water treatment plant. Semiannual debt payments are due March 1<sup>st</sup> and September 1<sup>st</sup> through 2033.

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

<u>Year</u>	<u>Sewer Utility</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 94,722.87	\$ 13,981.26	\$ 108,704.13
2021	94,722.87	12,981.26	107,704.13
2022	99,722.87	11,981.26	111,704.13
2023	99,722.87	10,731.26	110,454.13
2024	99,722.87	9,481.26	109,204.13
2025-2029	513,614.33	33,206.30	546,820.63
2030-2033	306,907.70	10,531.28	317,438.98
	<u>\$ 1,309,136.38</u>	<u>\$ 102,893.88</u>	<u>\$ 1,412,030.26</u>

**Note 13: CAPITAL DEBT (CONT'D)****Summary of Debt**

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b><u>Issued</u></b>			
General:			
Bonds and Notes	\$ 12,799,000.00	\$ 14,539,090.00	\$ 13,790,000.00
Sewer Utility:			
Loans and Notes	1,309,136.40	2,243,859.27	2,138,582.14
Total Issued	<u>14,108,136.40</u>	<u>16,782,949.27</u>	<u>15,928,582.14</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes	2,993,067.83	1,857,141.58	3,308,158.50
Sewer Utility:			
Bonds and Notes	5,451,446.00	6,091,446.00	4,329,274.63
Total Authorized but Not Issued	<u>8,444,513.83</u>	<u>7,948,587.58</u>	<u>7,637,433.13</u>
Total Issued and Authorized but Not Issued	<u>22,552,650.23</u>	<u>24,731,536.85</u>	<u>23,566,015.27</u>
Deductions:			
Funds Temporarily Held To Pay Notes	232,575.97	282,575.97	794,077.97
Self-liquidating Debt	6,760,582.40	8,335,305.27	6,467,856.77
Total Deductions	<u>6,993,158.37</u>	<u>8,617,881.24</u>	<u>7,261,934.74</u>
Net Debt	<u>\$ 15,559,491.86</u>	<u>\$ 16,113,655.61</u>	<u>\$ 16,304,080.53</u>

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

**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 .975%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 20,740,000.00	\$ 20,740,000.00	
Sewer Utility	6,760,582.40	6,760,582.40	
General	15,792,067.83	232,575.97	\$ 15,559,491.86
	<u>\$ 43,292,650.23</u>	<u>\$ 27,733,158.37</u>	<u>\$ 15,559,491.86</u>

Net Debt \$15,559,491.86 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$1,595,558,521.67 equals .975%.

**Note 13: CAPITAL DEBT (CONT'D)****Borrowing Power Under N.J.S.A. 40A:2-6 As Amended**

3.5% of Equalized Valuation Basis (Municipal)	\$ 55,844,548.26
Net Debt	<u>15,559,491.86</u>
Remaining Borrowing Power	<u>\$ 40,285,056.40</u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest, and Other Investment Income, and Other Charges for Year	\$ 5,454,065.86
Deductions:	
Operating and Maintenance Cost	\$ 2,822,165.00
Debt Service per Sewer Fund	<u>1,610,001.57</u>
Total Deductions	<u>4,432,166.57</u>
Excess in Revenue	<u>\$ 1,021,899.29</u>

**Note 14: 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 and Utility Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Claims Paid</u>	<u>Ending Balance</u>
2019	\$ 3,000.00	\$ 8,841.48	\$ 30.11	\$ 22,016.85	\$ 56,439.01
2018	3,000.00	8,629.32	7.45	5,196.00	66,584.27
2017	3,000.00	8,346.92		4,324.23	60,143.50

**Joint Insurance Pool** - The Township of Delran is a member of the Burlington County Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability  
Liability other than Motor Vehicles  
Property Damage other than Motor Vehicles  
Motor Vehicles

**Note 14: RISK MANAGEMENT (CONT'D)**

**Joint Insurance Pool – (Cont'd)** - Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Fund provides the Township with the following coverage:

Property - Blanket Building and Grounds  
Boiler and Machinery  
General and Automobile Liability  
Burglary and Theft  
Fire Insurance

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Township's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$500,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2019, which can be obtained from:

Burlington County Municipal Joint Insurance Fund  
Five Greentree Centre/525 Lincoln Drive West  
P.O. Box 489  
Marlton, NJ 08053

**Note 15: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST**

On November 2, 2004, 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 Delran Trust Fund - Open Space effective January 1, 2005, 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 referendum, the Township levies a tax not to exceed \$325,000.00. 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 purpose stated. Interest earned on the investment of these funds is credited to the Township of Delran Trust Fund - Open Space.

**Note 16: 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 17: 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 18: PRIOR PERIOD ADJUSTMENTS**

As a result of a correction of an error related to the disposal of assets from the General Fixed Asset Group of Accounts and the Sewer Utility Capital Fund fixed capital, the Statement of General Fixed Assets--Regulatory Basis and the Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis as of December 31, 2018 have been restated.

The effect on the General Fixed Asset Group of Accounts Statement of General Fixed Assets--Regulatory Basis as reported for December 31, 2018 is as follows:

	As Previously Reported Balance <u>Dec. 31, 2018</u>	Restatement Increase / (Decrease) <u>(Decrease)</u>	Restated Balance <u>Dec. 31, 2018</u>
General Fixed Assets:			
Land and Land Improvements	\$ 5,727,070.00	\$ 23,467.00	\$ 5,750,537.00
Building	7,375,714.00		7,375,714.00
Equipment and Vehicles	<u>4,997,663.00</u>	<u>(353,919.00)</u>	<u>4,643,744.00</u>
 Total Investment in General Fixed Assets	 <u>\$ 18,100,447.00</u>	 <u>\$ (330,452.00)</u>	 <u>\$ 17,769,995.00</u>

The effect on the Sewer Utility Capital Fund Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis as reported for December 31, 2018 is as follows:

	As Previously Reported Balance <u>Dec. 31, 2018</u>	Restatement Increase / (Decrease) <u>(Decrease)</u>	Restated Balance <u>Dec. 31, 2018</u>
<u>ASSETS</u>			
Capital Fund:			
Fixed Capital	<u>\$ 13,346,732.00</u>	<u>\$ (705,551.00)</u>	<u>\$ 12,641,181.00</u>
 Total Capital Fund	 <u>23,467,537.38</u>	 <u>(705,551.00)</u>	 <u>22,761,986.38</u>
 Total Assets	 <u>\$ 32,204,437.54</u>	 <u>\$ (705,551.00)</u>	 <u>\$ 31,498,886.54</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Capital Fund:			
Reserve for Amortization	<u>\$ 13,889,976.73</u>	<u>\$ (705,551.00)</u>	<u>\$ 13,184,425.73</u>
 Total Capital Fund	 <u>23,467,537.38</u>	 <u>(705,551.00)</u>	 <u>22,761,986.38</u>
 Total Liabilities, Reserves and Fund Balance	 <u>\$ 32,204,437.54</u>	 <u>\$ (705,551.00)</u>	 <u>\$ 31,498,886.54</u>

**Note 18: PRIOR PERIOD ADJUSTMENTS (CONT'D)**

Additionally, the Township received guidance from the Division of Local Government Services that the reserve held in current fund for post employment benefits should be included in the trust fund with the reserve for accumulated absences and the Length of Service Awards Program should be its own subfund in the trust fund. As a result, the current fund Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis and the trust fund Statements of Assets, Liabilities and Reserves-- Regulatory Basis as of December 31, 2018 have been restated.

The effect on the Current Fund Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis as reported for December 31, 2018 is as follows:

	As Previously Reported Balance <u>Dec. 31, 2018</u>	Restatement Increase / (Decrease) <u>(Decrease)</u>	Restated Balance <u>Dec. 31, 2018</u>
<u>ASSETS</u>			
Regular Fund:			
Receivables and Other Assets with Full Reserves:			
Due From Trust Other Fund	\$ 202,629.03	\$ (164,337.13)	\$ 38,291.90
Due From Trust LOSAP Fund		<u>64,337.13</u>	<u>64,337.13</u>
Total Receivables and Other Assets with Full Reserves:	<u>1,352,102.38</u>	<u>(100,000.00)</u>	<u>1,252,102.38</u>
Total Regular Fund	<u>13,845,940.26</u>	<u>(100,000.00)</u>	<u>13,745,940.26</u>
Total Assets	<u>\$ 14,336,910.00</u>	<u>\$ (100,000.00)</u>	<u>\$ 14,236,910.00</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Reserve For:			
Post Employment Benefits	\$ 100,000.00	\$ (100,000.00)	\$ -
Total Liabilities	<u>3,208,680.23</u>	<u>(100,000.00)</u>	<u>3,108,680.23</u>
Reserves for Receivables and Other Assets	1,352,102.38	(100,000.00)	1,252,102.38
Fund Balance	<u>9,265,157.65</u>	<u>100,000.00</u>	<u>9,365,157.65</u>
Total Regular Fund	<u>13,845,940.26</u>	<u>(100,000.00)</u>	<u>13,745,940.26</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 14,336,910.00</u>	<u>\$ (100,000.00)</u>	<u>\$ 14,236,910.00</u>

**Note 18: PRIOR PERIOD ADJUSTMENTS (CONT'D)**

The effect on the Trust Fund Statements of Assets, Liabilities and Reserves-- Regulatory Basis as reported for December 31, 2018 is as follows:

	As Previously Reported Balance <u>Dec. 31, 2018</u>	Restatement Increase / (Decrease) <u>(Decrease)</u>	Restated Balance <u>Dec. 31, 2018</u>
<b><u>ASSETS</u></b>			
Other Fund:			
Investments - Length of Service Awards Program	\$ 618,239.50	\$ (618,239.50)	\$ -
Total Other Fund Assets	<u>\$ 3,075,067.09</u>	<u>\$ (618,239.50)</u>	<u>\$ 2,456,827.59</u>
Length of Service Award Program:			
Investments - Length of Service Awards Program	<u>\$ -</u>	<u>\$ 618,239.50</u>	<u>\$ 618,239.50</u>
<b><u>LIABILITIES AND RESERVES</u></b>			
Other Fund:			
Due to Current Fund	\$ 202,629.03	\$ (164,337.13)	\$ 38,291.90
Reserve for Miscellaneous Trust Reserves:			
Accumulated Absences	205,221.03	100,000.00	305,221.03
Length of Service Awards Program	<u>553,902.37</u>	<u>(553,902.37)</u>	<u>-</u>
Total Other Fund Liabilities and Reserves	<u>3,175,067.09</u>	<u>(618,239.50)</u>	<u>2,556,827.59</u>
Length of Service Award Program:			
Due to Current Fund		64,337.13	64,337.13
Reserve for Miscellaneous Trust Reserves:		<u>553,902.37</u>	<u>553,902.37</u>
Total Length of Service Award Program Liabilities and Reserves	<u>\$ -</u>	<u>\$ 618,239.50</u>	<u>\$ 618,239.50</u>

**Note 19: SUBSEQUENT EVENTS**

**Tax Appeals** - As of December 31, 2019, several tax appeals were on file against the Township. Based upon information provided by the tax assessor, if such appeals are not settled in favor of the Township, the estimated impact of the tax refunds could be material. In the event payment is required to settle these appeals, the Township has reserved \$208,953.75.

**Note 19: SUBSEQUENT EVENTS (CONT'D)**

**Authorization of Debt** - Subsequent to December 31, the Township of Delran authorized additional Bonds and Notes as follows:

<u>Purpose</u>	<u>Adopted</u>	<u>Amount</u>
General Capital Fund:		
Bonds and Notes:		
Reconstruction and /or Repair of Various Roads	March 3, 2020	\$ 1,619,048.00
Reconstruction of Sidewalks	September 8, 2020	90,476.00
Current Fund:		
Sale of Tax Anticipation Notes	May 5, 2020	17,200,000.00
<u>Purpose</u>	<u>Introduced</u>	<u>Amount</u>
General Capital Fund:		
Bonds and Notes:		
Various Capital Improvements and Acquisition of Capital Equipment	September 1, 2020	\$ 860,938.00

**COVID-19** - On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

At a regular meeting of the Mayor and Council held on May 5, 2020, the Township adopted Resolution 2020-74, authoring the issuance and sale of tax anticipation notes of the Township of Delran in the principal amount of up to \$17,200,000.00, as noted above. Furthermore, at a regular meeting of the Mayor and Council held on May 5, 2020, the Township adopted Resolution 2020-80, authorizing an extension of the grace period for payment of second quarter property taxes to June 1, 2020, pursuant to Executive Order No. 130 signed by the Governor of the State of New Jersey on April 27, 2020. The Township also authorized the use of the Storm Recovery Reserve in the Trust Fund to be used for COVID-19 response in accordance with N.J.S.A. 40A:4-62.1.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Township’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Township is not able to estimate the full effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for calendar year 2020.

## **SUPPLEMENTAL EXHIBITS**

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
Statement of Current Cash per N.J.S. 40A:5-5 -- Treasurer  
For the Year Ended December 31, 2019

	<u>Regular</u>	<u>Federal and State Grant Fund</u>
Balance Dec. 31, 2018	\$ 12,463,637.88	\$ 490,969.74
Increased by Receipts:		
Collector	\$ 54,921,790.32	
Miscellaneous Revenue Not Anticipated	110,689.01	
Revenue Accounts Receivable	854,559.24	
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	119,038.23	
Energy Tax Receipts	1,279,101.00	
Rental of Office Space to Delran Fire Commission	21,600.00	
Prepaid Mercantile Licenses	42,747.00	
Due to State of New Jersey - Marriage License Fees	2,200.00	
Due to State of New Jersey - D.C.A. Training Fees	21,020.00	
Emergency Services Reimbursement	26,000.00	
Due To/From Federal, State and Local Grant Fund	718,828.57	
Due to/from Trust - Open Space Fund	22,854.59	
Due to/from Trust - Other Fund	86,525.81	
Due to/from General Capital Fund	158,392.02	
Match Grant Funds -- Current Fund		\$ 24,669.00
Federal, State and Local Grants		<u>331,652.67</u>
	<u>58,385,345.79</u>	<u>356,321.67</u>
Carried Forward	70,848,983.67	847,291.41

(Continued)

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
Statement of Current Cash per N.J.S. 40A:5-5 -- Treasurer  
For the Year Ended December 31, 2019

	<u>Regular</u>	<u>Federal and State Grant Fund</u>
Brought Forward	\$70,848,983.67	\$ 847,291.41
Decreased by Disbursements:		
2019 Appropriations	\$ 6,611,217.51	
2018 Appropriation Reserves and Encumbrances	557,969.36	
Accounts Payable	206,009.37	
Payroll and Related Deductions Payable	7,153,971.06	
Local District School Taxes	34,275,523.00	
County Taxes	6,368,994.90	
County Share of Added and Omitted Taxes	27,147.12	
Special Fire District Tax	2,265,471.00	
Refund Tax Overpayments	105,829.74	
Due to State of New Jersey--Marriage License Fees	2,025.00	
Due to State of New Jersey--D.C.A. Training Fees	11,464.00	
Due to/from Sewer Utility Operating Fund	83,089.00	
Due to/from Trust Fund - Open Space	133,620.00	
Due to/from General Capital Fund	407,850.39	
Refund of Prior Year Revenue	97,575.03	
Matching Funds for Grants	24,669.00	
Federal and State Grant Fund:		
Due to/from Current Fund		\$ 718,828.57
Reserve for Encumbrances		4,858.70
Federal, State and Local Grants		123,604.14
	58,332,425.48	847,291.41
Balance Dec. 31, 2019	\$12,516,558.19	\$ -



**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
Statement of Current Cash per N.J.S. 40A:5-5 -- Collector  
For the Year Ended December 31, 2019

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Cash Receipts:	
Taxes Receivable	\$ 54,308,684.61
Interest and Costs on Taxes	149,468.17
Tax Title Liens	28,985.93
Prepaid Taxes	385,180.42
Tax Overpayments	<u>49,471.19</u>
	54,921,790.32
Decreased by:	
Direct Deposits to Treasurer's Bank Account	<u><u>\$ 54,921,790.32</u></u>

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
Statement of Due To State of New Jersey for Senior Citizens' and Veterans' Deductions  
For the Year Ended December 31, 2019

Balance Dec. 31, 2018		\$ 13,218.62
Increased by:		
Receipts		<u>119,038.23</u>
		132,256.85
Decreased by:		
Accrued in 2019 to Municipality:		
Senior Citizens' Deductions per Tax Billings	\$ 11,500.00	
Veterans' Deductions per Tax Billings	<u>108,000.00</u>	
	119,500.00	
Senior Citizens' and Veterans' Deductions Allowed by Tax Collector	<u>1,500.00</u>	
	121,000.00	
Deduct:		
Senior Citizens' Deductions Disallowed by Tax Collector	<u>1,250.00</u>	
Subtotal 2019 Tax Accrual	119,750.00	
Deduct:		
Prior Year Senior Citizens' Deductions Disallowed by Tax Collector	<u>961.77</u>	
		<u>118,788.23</u>
Balance Dec. 31, 2019		<u><u>\$ 13,468.62</u></u>

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
 Statement of Taxes Receivable and Analysis of Property Tax Levy  
 For the Year Ended December 31, 2019

Year	Balance Dec. 31, 2018	2019 Levy	Added Taxes	2018 Collections	2019 Collections	Due from State of New Jersey	Overpayments Applied	Canceled	Transfer to Tax Title Liens	Balance Dec. 31, 2019
2016	\$ 3,500.20									\$ 3,500.20
2017	5,809.06				\$ 250.00					5,559.06
2018	635,135.82		\$ 9,289.23		630,249.27			\$ 11,396.24		2,779.54
	644,445.08		9,289.23		630,499.27			11,396.24		11,838.80
2019		\$ 54,733,880.77		\$ 339,723.57	53,678,185.34	\$ 119,750.00	\$ 14,946.12	18,165.52	\$ 24,924.82	538,185.40
	\$ 644,445.08	\$ 54,733,880.77	\$ 9,289.23	\$ 339,723.57	\$ 54,308,684.61	\$ 119,750.00	\$ 14,946.12	\$ 29,561.76	\$ 24,924.82	\$ 550,024.20

Analysis of 2019 Tax Levy

Tax Yield

General Purpose Tax	\$52,171,130.90
Special District Tax	2,265,471.00
Added Taxes (54:4-63.1 et seq.)	<u>297,278.87</u>

\$54,733,880.77

Tax Levy

Local District School Tax	\$34,275,523.00
County Taxes:	
County Tax	\$ 5,385,724.21
County Library Tax	503,312.90
County Open Space Taxes	479,957.79
Due County for Added Taxes	<u>36,384.45</u>
Total County Taxes	6,405,379.35
Fire District No. 1 Tax	2,265,471.00
Local Tax for Municipal Purposes	11,201,613.00
Local Open Space Tax	325,000.00
Add: Additional Tax Levied	<u>260,894.42</u>

Local Tax for Municipal Purposes Levied 11,787,507.42

\$54,733,880.77

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
Statement of Tax Title Liens Receivable  
For the Year Ended December 31, 2019

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Balance Dec. 31, 2018		\$ 188,246.82
Increased by:		
Transferred from Taxes Receivable	\$ 24,924.82	
Interest and Costs	<u>10,813.32</u>	
		<u>35,738.14</u>
		223,984.96
Decreased by:		
Receipts--Collector		<u>28,985.93</u>
Balance Dec. 31, 2019		<u><u>\$ 194,999.03</u></u>

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
 Statement of Revenue Accounts Receivable  
 For the Year Ended December 31, 2019

	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Accrued</u> <u>2019</u>	<u>Prepaid</u> <u>Applied</u>	<u>Collected</u> <u>2019</u>	<u>Due Trust -</u> <u>Other Fund</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
Clerk:						
Licenses:						
Alcoholic Beverages		\$ 18,450.00		\$ 18,450.00		
Other		75,945.50	\$ 40,346.00	35,599.50		
Fees and Permits		89,529.87		89,529.87		
Construction Code Office:						
Fees and Permits		310,320.00		310,320.00		
Municipal Court:						
Fines and Costs	\$ 19,538.70	231,375.19		235,461.09		\$ 15,452.80 (A)
Interest on Investments and Deposits		165,198.78		165,198.78		
	<u>\$ 19,538.70</u>	<u>\$ 890,819.34</u>	<u>\$ 40,346.00</u>	<u>\$ 854,559.24</u>	<u>\$ -</u>	<u>\$ 15,452.80</u>

(A) Dec. 2019

**TOWNSHIP OF DELRAN**  
CURRENT FUND  
Statement of Prepaid Licenses  
For the Year Ended December 31, 2019

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Balance Dec. 31, 2018	\$ 40,346.00
Increased by:	
Receipts	<u>42,747.00</u>
	83,093.00
Decreased by:	
Realized as Miscellaneous Revenue - Licenses - Other	<u>40,346.00</u>
Balance Dec. 31, 2019	<u><u>\$ 42,747.00</u></u>

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
Statement of 2018 Appropriation Reserves and Encumbrances  
For the Year Ended December 31, 2019

	Balance Dec. 31,		Balance After Modification	Cash Disbursed	Balance Lapsed
	Encumbered	Reserved			
<b>OPERATIONS--WITHIN "CAPS"</b>					
<u>Department of Administration</u>					
Division of Administration:					
Business Administration Office					
Salaries and Wages			\$ 4,766.78		\$ 4,766.78
Other Expenses	\$ 1,787.37	\$ 15,321.60	12,342.19	\$ 2,078.85	10,263.34
Mayor and Council					
Salaries and Wages		391.68	391.68		391.68
Other Expenses	128.34	16,690.34	16,818.68	128.34	16,690.34
Public Relations					
Other Expenses		2,743.03	2,743.03		2,743.03
Office of Municipal Clerk					
Salaries and Wages		2,130.40	2,130.40		2,130.40
Other Expenses	399.63	673.10	1,072.73	925.63	147.10
Insurance					
Workers Compensation		77.00	77.00		77.00
Employee Group Health	17,466.09	197,705.57	215,171.66	17,816.75	197,354.91
Health Benefit Waiver		1,728.60	1,728.60		1,728.60
<u>Department of Finance</u>					
Division of Treasury:					
Treasurer					
Salaries and Wages		15,997.11	15,997.11		15,997.11
Other Expenses	9,435.46	6,687.85	16,123.31	7,383.76	8,739.55
Division of Revenue:					
Bureau of Assessments					
Salaries and Wages		1,000.02	1,000.02		1,000.02
Other Expenses	2,757.50	48,599.16	51,356.66	3,866.67	47,489.99
Bureau of Collections					
Salaries and Wages		20,701.84	20,701.84		20,701.84
Other Expenses	85.46	3,497.07	3,582.53	161.58	3,420.95
<u>Department of Engineering</u>					
Township Engineer					
Other Expenses	499.25	8,503.25	4,502.50	3,746.25	756.25
<u>Department of Law</u>					
Township Solicitor					
Other Expenses		50,496.24	41,996.24	3,762.50	38,233.74
<u>Department of Public Safety</u>					
Division of Police:					
Police					
Salaries and Wages	87,500.00	316,491.72	403,991.72	124,273.56	279,718.16
Other Expenses	106,434.76	63,782.63	170,217.39	100,198.75	70,018.64
School Traffic Guards					
Salaries and Wages		941.18	941.18		941.18
Other Expenses		500.15	500.15		500.15
First Aid Organization--Contribution					
		100.00	100.00		100.00
Municipal Court					
Salaries and Wages		4,234.93	4,234.93		4,234.93
Other Expenses	452.00	1,323.47	1,775.47	802.00	973.47
Division of Emergency Management					
Office of Emergency Management					
Other Expenses		1,000.00	1,000.00		1,000.00

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
Statement of 2018 Appropriation Reserves and Encumbrances  
For the Year Ended December 31, 2019

	Balance Dec. 31,		Balance After Modification	Cash Disbursed	Balance Lapsed
	Encumbered	Reserved			
<b>OPERATIONS--WITHIN "CAPS" (CONT'D):</b>					
<u>Department of Public Works</u>					
Division of Roads and Public Property:					
Streets and Roads					
Salaries and Wages		\$ 72,044.31	\$ 72,044.31		\$ 72,044.31
Other Expenses	\$ 12,555.59	91,518.28	104,073.87	\$ 63,723.52	40,350.35
Solid Waste Collection					
Other Expenses		755.50	755.50		755.50
Recycling					
Salaries and Wages		10,069.08	10,069.08		10,069.08
Other Expenses	1,585.00	11,170.23	12,755.23	1,567.59	11,187.64
Public Buildings and Grounds					
Other Expenses	18,761.76	16,776.32	35,538.08	12,198.80	23,339.28
Division of Parks and Recreation:					
Recreation Committee					
Salaries and Wages		175.92	175.92		175.92
Other Expenses	161.40	7,722.40	7,883.80	310.65	7,573.15
<u>Department of Health</u>					
Division of Health:					
Salaries and Wages		16,632.55	16,632.55		16,632.55
Other Expenses		180.91	180.91		180.91
<u>Statutory Agencies</u>					
Municipal Land Use Law (N.J.S.40-55D-1)					
Zoning Board of Adjustments					
Other Expenses	98.00	8,508.36	8,606.36	1,606.48	6,999.88
Municipal Prosecutor					
Other Expenses		1,325.00	1,325.00		1,325.00
Planning Board					
Salaries and Wages		4,480.40	4,480.40		4,480.40
Other Expenses	59.04	5,997.57	6,056.61	1,974.72	4,081.89
Council on Affordable Housing					
Other Expenses	2,416.75	479.48	15,896.23	13,293.17	2,603.06
Zoning Officer					
Salaries and Wages		653.60	653.60		653.60
<u>Statutory Agencies</u>					
Landfill/Solid Waste Disposal Costs					
Utility Purchases and Bulk Purchases					
Electricity/Gas		78,619.29	78,619.29		78,619.29
Street Lighting		10,591.05	10,591.05	1,425.00	9,166.05
Telephone	1,078.52	4,475.29	5,553.81	1,078.52	4,475.29
Water	523.82	28,379.13	28,902.95	538.62	28,364.33
Gasoline		96,723.07	96,723.07	27,462.63	69,260.44
P.L. 2000 Chapter 26:					
Solid Waste Service to Apartments					
Collection		47,880.07	47,880.07	46,542.08	1,337.99
Disposal	20,910.21	52,089.79	73,000.00	72,948.50	51.50
State Uniform Construction Code:					
Construction Official					
Salaries and Wages		33,332.07	33,332.07		33,332.07
Other Expenses	420.00	23,596.12	24,016.12	420.00	23,596.12



**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
Statement of 2018 Appropriation Reserves and Encumbrances  
For the Year Ended December 31, 2019

	Balance Dec. 31,		Balance After Modification	Cash Disbursed	Balance Lapsed
	Encumbered	Reserved			
<b>OPERATIONS--WITHIN "CAPS" (CONT'D):</b>					
<u>Unclassified</u>					
Salary Adjustment		\$ 5,000.00	\$ 5,000.00		\$ 5,000.00
Green Team Other Expenses		715.00	715.00		715.00
Interest on Developers Deposits		2,000.00	2,000.00		2,000.00
<b>Total Operations--Within "CAPS"</b>	<b>\$ 285,515.95</b>	<b>1,450,306.97</b>	<b>1,735,822.92</b>	<b>\$ 547,333.16</b>	<b>1,188,489.76</b>
Contingent	-	5,000.00	5,000.00	-	5,000.00
<b>Total Operations Including Contingent-- Within "CAPS"</b>	<b>285,515.95</b>	<b>1,455,306.97</b>	<b>1,740,822.92</b>	<b>547,333.16</b>	<b>1,193,489.76</b>
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL--WITHIN "CAPS"</b>					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		88,898.21	88,898.21	9,506.97	79,391.24
Defined Contribution Retirement Program		857.61	857.61		857.61
Unemployment Compensation Insurance		811.00	811.00		811.00
<b>Total Deferred Charges and Statutory Expenditures--Municipal--Within "CAPS"</b>	<b>-</b>	<b>90,566.82</b>	<b>90,566.82</b>	<b>9,506.97</b>	<b>81,059.85</b>
<b>Total General Appropriations for Municipal Purposes Within--"CAPS"</b>	<b>285,515.95</b>	<b>1,545,873.79</b>	<b>1,831,389.74</b>	<b>556,840.13</b>	<b>1,274,549.61</b>
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>					
Statutory Expenditures:					
EMS Services					
Other Expenses (Emergency, \$30,000.00+)		11,416.69	11,416.69		11,416.69
Length of Service Awards Program		82,000.00	82,000.00		82,000.00
Landfill Recycling Fees		10,694.37	10,694.37	1,129.23	9,565.14
Municipal Water Services					
Other Expenses		5,500.00	5,500.00		5,500.00
<b>Total General Appropriations for Municipal Purposes--Excluded from "CAPS"</b>	<b>-</b>	<b>109,611.06</b>	<b>109,611.06</b>	<b>1,129.23</b>	<b>108,481.83</b>
<b>Total General Appropriations</b>	<b>\$ 285,515.95</b>	<b>\$ 1,655,484.85</b>	<b>\$ 1,941,000.80</b>	<b>\$ 557,969.36</b>	<b>\$ 1,383,031.44</b>

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
 Statement of Due to State of New Jersey - Marriage License Fees  
 For the Year Ended December 31, 2019

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Balance Dec. 31, 2018	\$	375.00
Increased by:		
State Fees Collected		2,200.00
		2,575.00
Decreased by:		
State Fees Disbursed		2,025.00
Balance Dec. 31, 2019	\$	550.00

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
 Statement of Prepaid Taxes  
 For the Year Ended December 31, 2019

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Balance Dec. 31, 2018 (2019 Taxes)	\$	339,723.57
Increased by:		
Collections-- 2020 Taxes -- Collector		385,180.42
		724,903.99
Decreased by:		
Application to 2019 Taxes Receivable		339,723.57
Balance Dec. 31, 2019 (2020 Taxes)	\$	385,180.42

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
 Statement of Tax Overpayments  
 For the Year Ended December 31, 2019

---

Balance Dec. 31, 2018		\$ 80,390.89
Increased by:		
Overpayments Collected in 2019 -- Collector		49,471.19
		129,862.08
Decreased by:		
Applied to 2019 Taxes	\$ 14,946.12	
Cancelled	9,086.22	
Refunds	105,829.74	
		\$ 129,862.08

**Exhibit SA-12**

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
 Statement of Due to State of New Jersey - Department of Community Affairs - Training Fees  
 For the Year Ended December 31, 2019

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Balance Dec. 31, 2018		\$ 3,997.00
Increased by:		
State Fees Collected		21,020.00
		25,017.00
Decreased by:		
Disbursements		11,464.00
Balance Dec. 31, 2019		\$ 13,553.00

**Exhibit SA-13**

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
 Statement of Accounts Payable  
 For the Year Ended December 31, 2019

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Balance Dec. 31, 2018		\$ 432,794.36
Decreased by:		
Disbursements		206,009.37
Balance Dec. 31, 2019		\$ 226,784.99

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
Statement of Payroll Deductions Payable  
For the Year Ended December 31, 2019

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Balance Dec. 31, 2018	\$	2,644.79
Increased by:		
Charges to Budget Appropriation		7,151,326.27
		7,153,971.06
Decreased by:		
Disbursements		\$ 7,153,971.06

## Exhibit SA-15

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
Statement of Special District Taxes Payable  
For the Year Ended December 31, 2019

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2019 Levy--Fire District No. 1	\$	2,265,471.00
Decreased by:		
Disbursements		\$ 2,265,471.00

## Exhibit SA-16

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
Statement of County Taxes Payable  
For the Year Ended December 31, 2019

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Levy--Calendar Year 2019		
County Tax	\$	5,385,724.21
County Library Tax		503,312.90
County Open Space Taxes		479,957.79
		\$ 6,368,994.90
Decreased by:		
Disbursements		\$ 6,368,994.90

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
Statement of Due County for Added and Omitted Taxes  
For the Year Ended December 31, 2019

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Balance Dec. 31, 2018		
Added Taxes (2017)	\$ 429.86	
Added Taxes (2018)	25,576.41	
Omitted Taxes (2017)	<u>1,140.85</u>	
		\$ 27,147.12
Increased by County Share of 2019 Levy:		
Added Taxes (2018)	618.52	
Added Taxes (2019)	34,985.57	
Omitted Taxes (2018)	<u>780.36</u>	
		<u>36,384.45</u>
		63,531.57
Decreased by:		
Disbursements		<u>27,147.12</u>
Balance Dec. 31, 2019		
Added Taxes (2018)	618.52	
Added Taxes (2019)	34,985.57	
Omitted Taxes (2018)	<u>780.36</u>	
		<u>\$ 36,384.45</u>

**TOWNSHIP OF DELRAN**  
**CURRENT FUND**  
Statement of Local District School Tax Payable  
For the Year Ended December 31, 2019

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Levy--Calendar Year 2019		\$ 34,275,523.00
Decreased by:		
Payments		<u>\$ 34,275,523.00</u>

**TOWNSHIP OF DELRAN**  
**FEDERAL, STATE AND LOCAL GRANT FUND**  
**Statement of Federal, State and Local Grants Receivable**  
**For the Year Ended December 31, 2019**

<u>Program</u>	<u>Federal and State Grant Funds Receivable</u>	<u>Received</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2019</u>
Federal:				
Click It or Ticket	\$ 6,600.00	\$ 5,500.00	\$ 1,100.00	
Drive Sober or Get Pulled Over	11,000.00	11,000.00		
Distracted Driving Statewide Crackdown Grant	5,500.00	5,500.00		
Total Federal	23,100.00	22,000.00	1,100.00	\$ -
State:				
Body Armor Replacement Fund	3,229.96	3,229.96		
New Jersey Department of Transportation:				
Safe Streets	250,000.00		250,000.00	
Municipal Aid - Conrow Road Improvements	503,000.00	99,100.39		403,899.61
Hazardous Discharge Site Remediation	93,214.00			93,214.00
Drunk Driving Enforcment Fund	71,843.99	71,843.99		
Clean Communities Program	34,765.09	34,765.09		
Municipal Court Alcohol Education/ Rehabilitation Program	7,314.10	7,314.10		
Recycling Tonnage Grant	48,399.14	48,399.14		
Safe and Secure Communities Program	45,000.00	45,000.00		
Total State	1,056,766.28	309,652.67	250,000.00	497,113.61
	<u>\$1,079,866.28</u>	<u>\$331,652.67</u>	<u>\$251,100.00</u>	<u>\$497,113.61</u>

**TOWNSHIP OF DELRAN**  
**FEDERAL, STATE AND LOCAL GRANT FUND**  
Statement of Unappropriated Reserves for Federal, State and Local Grants  
For the Year Ended December 31, 2019

<u>Program</u>	<u>Balance Dec. 31, 2018</u>	<u>Federal and State Grant Funds Receivable</u>	<u>Miscellaneous Revenue in 2019 Budget</u>	<u>Balance Dec. 31, 2019</u>
Federal:				
Click It or Ticket		\$ 6,600.00	\$ 6,600.00	
Drive Sober or Get Pulled Over		11,000.00	11,000.00	
Distracted Driving Statewide Crackdown Grant		5,500.00	5,500.00	
Total Federal	\$ -	23,100.00	23,100.00	\$ -
State:				
Body Armor Replacement Fund		3,229.96	3,229.96	
New Jersey Department of Transportation:				
Safe Streets		250,000.00	250,000.00	
Municipal Aid - Conrow Road Improvements		503,000.00	255,000.00	248,000.00
Hazardous Discharge Site Remediation		93,214.00		93,214.00
Drunk Driving Enforcment Fund		71,843.99	71,843.99	
Clean Communities Grant Program		34,765.09	32,765.09	2,000.00
Municipal Court - Alcohol Education and Rehabilitation Program		7,314.10	7,314.10	
Recycling Tonnage Grant		48,399.14	22,627.19	25,771.95
Safe and Secure Communities Program	60,000.00	45,000.00	60,000.00	45,000.00
Total State	60,000.00	1,056,766.28	702,780.33	413,985.95
	\$ 60,000.00	\$ 1,079,866.28	\$ 725,880.33	\$ 413,985.95

**TOWNSHIP OF DELRAN**  
**FEDERAL, STATE AND LOCAL GRANT FUND**  
Statement of Appropriated Reserves for Federal, State and Local Grants  
For the Year Ended December 31, 2019

<u>Program</u>	<u>Balance Dec. 31, 2018</u>	<u>Transferred from Budget Appropriations</u>	<u>Paid or Charged</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2019</u>
Federal:					
Click It or Ticket		\$ 6,600.00	\$ 5,500.00	\$ 1,100.00	
Drive Sober or get Pulled Over		11,000.00	11,000.00		
Distracted Driving Statewide Crackdown Grant		5,500.00	5,500.00		
Total Federal	\$ -	23,100.00	22,000.00	1,100.00	\$ -
State:					
Body Armor Replacement Fund Grant		3,229.96	3,229.96		
New Jersey Department of Transportation:					
Safe Streets		250,000.00		250,000.00	
Municipal Aid - Conrow Road Improvements		255,000.00	99,100.39		155,899.61
Drunk Driving Enforcment Fund		71,843.99	26,583.00		45,260.99
Clean Communities Grant Program	96,916.03	32,765.09	35,290.42		94,390.70
Governor's Council on Drug Abuse - Municipal Drug Alliance	7,623.39				7,623.39
Municipal Court - Alcohol Education and Rehabilitation Program	100,391.65	7,314.10			107,705.75
Recycling Tonnage Grant	106,984.25	22,627.19	7,479.00		122,132.44
Safe and Secure Communities Program	112,022.00	84,669.00	60,000.00		136,691.00
Total State	423,937.32	727,449.33	231,682.77	250,000.00	669,703.88
Local:					
Burlington County Park Grant	2,173.72	-	2,173.72	-	-
	\$426,111.04	\$750,549.33	\$255,856.49	\$251,100.00	\$669,703.88
Disbursed			\$ 123,604.14		
Due General Capital Fund - Paid by Current Fund			99,100.39		
Current Year Encumbrances			33,151.96		
			<u>\$ 255,856.49</u>		



**TOWNSHIP OF DELRAN**  
 FEDERAL, STATE AND LOCAL GRANT FUND  
 Statement of Reserve for Encumbrances  
 For the Year Ended December 31, 2019

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Balance Dec. 31, 2018	\$ 4,858.70
Increased by:	
Encumbered	33,151.96
	38,010.66
Decreased by:	
Cash Disbursed	4,858.70
Balance Dec. 31, 2019	\$ 33,151.96

**TOWNSHIP OF DELRAN**  
 FEDERAL, STATE AND LOCAL GRANT FUND  
 Statement of Due from Current Fund  
 For the Year Ended December 31, 2019

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Cash Disbursed:	
Interfund Advanced	\$ 718,828.57
Decreased by:	
Due to General Capital Fund - Disbursed by Current Fund	99,100.39
Balance Dec. 31, 2019	\$ 619,728.18

**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**

**TOWNSHIP OF DELRAN**  
**TRUST FUND**  
Statement of Trust Cash per N.J.S. 40A:5-5--Treasurer  
For the Year Ended December 31, 2019

	<u>Animal Control</u>	<u>Open Space</u>	<u>Other</u>
Balance Dec. 31, 2018	\$ 27,924.85	\$2,116,140.85	\$2,451,267.59
Increased by Receipts:			
Dog License Fees	\$ 8,230.20		
Cat License Fees	676.00		
Late Registration Fees	705.00		
Budget Appropriation	16,000.00		
State Registration Fees	916.80		
Reserve for Open Space Trust Fund		\$ 22,505.66	
Reserve for Payment of Debt		19,800.00	
Miscellaneous Trust Reserves			\$1,605,969.83
Prepaid Outside Police			15,432.50
Accounts Receivable - Outside Police			5,560.00
Due to Current Fund	<u>20.00</u>		<u>3,262.26</u>
	<u>26,548.00</u>	<u>42,305.66</u>	<u>1,630,224.59</u>
	54,472.85	2,158,446.51	4,081,492.18
Decreased by Disbursements:			
Expenditures Under R.S.4:19-15.11	12,798.00		
State Registration Fees	916.80		
Due to Current Fund		22,854.59	77,684.33
Accounts Payable			5,880.00
Due to Sewer Operating Fund			4,654.04
Miscellaneous Trust Reserves			<u>1,100,885.90</u>
	<u>13,714.80</u>	<u>22,854.59</u>	<u>1,189,104.27</u>
Balance Dec. 31, 2019	<u>\$ 40,758.05</u>	<u>\$2,135,591.92</u>	<u>\$2,892,387.91</u>

**TOWNSHIP OF DELRAN**  
**TRUST FUND - LENGTH OF SERVICE AWARD PROGRAM**  
**Statement of Investments - Length of Service Awards Program**  
**For the Year Ended December 31, 2019**

Balance Dec. 31, 2018		\$ 618,239.50
Increased by:		
Unrealized Gain on Investments:		
Participant Accounts	\$ 117,733.62	
Due to Current Fund - Program Forfeitures	<u>4,446.60</u>	
	\$ 122,180.22	
Interest on Investments	<u>1,347.93</u>	
		<u>123,528.15</u>
		741,767.65
Decreased by:		
Benefits Paid to Participants		<u>52,845.21</u>
Balance Dec. 31, 2019		<u><u>\$ 688,922.44</u></u>

Schedule of Investments, Dec. 31, 2019

<u>Description</u>	<u>Amount</u>
Fixed Annuity Contract	\$ 104,738.51
Money Market Funds	66,335.17
Variable Earnings Investments	<u>517,848.76</u>
	<u><u>\$ 688,922.44</u></u>

**TOWNSHIP OF DELRAN**  
**TRUST FUND - OTHER**  
Statement of Due (to) / from Current Fund  
For the Year Ended December 31, 2019

Balance Dec. 31, 2018 - (Restated)		\$ (38,291.90)
Increased by:		
Cash Receipts:		
Interest Received	\$ 3,262.26	
Outside Police - Reimbursement to Current Fund	<u>3,175.00</u>	
		<u>6,437.26</u>
		(44,729.16)
Decreased by:		
Cash Disbursements:		
Interfund Returned	\$ 38,291.90	
Interfund Advanced	<u>39,392.43</u>	
		77,684.33
Unemployment - Employee Contributions	<u>8,841.48</u>	
		<u>86,525.81</u>
Balance Dec. 31, 2019		<u><u>\$ 41,796.65</u></u>
<u>Analysis of Balance Dec. 31, 2019</u>		
Storm Recovery - Interest Earned		\$ (32.54)
Accumulated Absences - Interest Earned		96,678.77
Lien Redemption - Interest Earned		(1.17)
Escrow - Interest Earned		(6,247.91)
Unemployment - Employee Contributions		25,008.69
Outside Police Employment - Reimbursement - Miscellaneous Revenue Not Anticipated		<u>(73,609.19)</u>
		<u><u>\$ 41,796.65</u></u>

Exhibit SB-4

**TOWNSHIP OF DELRAN**  
**TRUST FUND - LENGTH OF SERVICE AWARD PROGRAM**  
Statement of Due to Current Fund  
For the Year Ended December 31, 2019

Balance Dec. 31, 2018		\$ 64,337.13
Increased by:		
Gain on Length of Service Award Program Forfeitures		<u>4,446.60</u>
Balance Dec. 31, 2019		<u><u>\$ 68,783.73</u></u>

**TOWNSHIP OF DELRAN**  
**TRUST FUND - OTHER**  
Statement of Accounts Receivable - Outside Police Employment  
For the Year Ended December 31, 2019

Balance Dec. 31, 2018	\$ 5,560.00
Increased by:	
Accrued for Services Rendered	3,750.00
	9,310.00
Decreased by:	
Receipts	5,560.00
Balance Dec. 31, 2019	\$ 3,750.00

## Exhibit SB-6

**TOWNSHIP OF DELRAN**  
**TRUST FUND - ANIMAL CONTROL**  
Statement of Reserve for Animal Control Expenditures  
For the Year Ended December 31, 2019

Balance Dec. 31, 2018	\$ 22,329.40
Increased by:	
Receipts:	
Current Fund Budget Appropriation	\$ 16,000.00
Dog License Fees Collected	8,230.20
Cat License Fees Collected	676.00
Late Registration Fees	705.00
	25,611.20
	47,940.60
Decreased by:	
Expenditures Under R.S.4:19-15.11:	
Cash Disbursed	12,798.00
Accounts Payable	830.00
Statutory Excess Due to Current Fund	13,420.00
	27,048.00
Balance Dec. 31, 2019	\$ 20,892.60

Animal Control Fees Collected

<u>Year</u>	<u>Amount</u>
2017	\$ 10,922.40
2018	9,970.20
	\$ 20,892.60

**TOWNSHIP OF DELRAN**  
**TRUST FUND - ANIMAL CONTROL**  
 Statement of Due to Current Fund  
 For the Year Ended December 31, 2019

Balance Dec. 31, 2018		\$	5,645.45
Increased by:			
Statutory Excess	\$ 13,420.00		
Increase in Change Fund--Township Clerk	50.00		
Receipts:			
Due to Current Fund - Insufficient Funds Fee		\$ 13,470.00	
		20.00	
			13,490.00
Balance Dec. 31, 2019		\$	19,135.45

Exhibit SB-8

**TOWNSHIP OF DELRAN**  
**TRUST FUND - OPEN SPACE**  
 Statement of Reserve Open Space Trust Fund  
 For the Year Ended December 31, 2019

Balance Dec. 31, 2018		\$	1,896,040.85
Increased by:			
Interest Earned on Investments and Deposits		\$ 22,505.66	
Realized Reserve to Pay Debt		20,100.00	
Amount to be Raised -- 2019 Open Space Taxes		325,000.00	
			367,605.66
			2,263,646.51
Decreased by:			
Budget Appropriations for Debt Service:			
Payment of Bond Principal		87,000.00	
Payment of Bond Anticipation Note		260,000.00	
Interest on Bonds		46,620.00	
Interest on Notes		48,750.00	
			442,370.00
Balance Dec. 31, 2019		\$	1,821,276.51

**TOWNSHIP OF DELRAN**  
**TRUST FUND - OPEN SPACE**  
Statement of Due from Current Fund  
For the Year Ended December 31, 2019

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Amount to be Raised -- 2019 Open Space Taxes	\$ 325,000.00	
Disbursement:		
Interfund Advanced	<u>22,854.59</u>	
		\$ 347,854.59
Decreased by:		
Budget Appropriation		<u>133,620.00</u>
Balance Dec. 31, 2019		<u><u>\$ 214,234.59</u></u>

Exhibit SB-10

**TOWNSHIP OF DELRAN**  
**TRUST FUND - OPEN SPACE**  
Statement of Due to Capital Fund  
For the Year Ended December 31, 2019

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Balance Dec. 31, 2018		\$ 200,000.00
Increased by:		
Budget Appropriation		<u>308,750.00</u>
Balance Dec. 31, 2019		<u><u>\$ 508,750.00</u></u>

Exhibit SB-11

**TOWNSHIP OF DELRAN**  
**TRUST FUND - OPEN SPACE**  
Statement of Reserve for Payment of Debt  
For the Year Ended December 31, 2019

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Balance Dec. 31, 2018		\$ 20,100.00
Increased by:		
Receipts - County Appropriation		<u>19,800.00</u>
		39,900.00
Decreased by:		
Realized as Revenue in Trust - Open Space Budget		<u>20,100.00</u>
Balance Dec. 31, 2019		<u><u>\$ 19,800.00</u></u>



**TOWNSHIP OF DELRAN**  
**TRUST FUND - OTHER**  
Statement of Accounts Payable  
For the Year Ended December 31, 2019

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Balance Dec. 31, 2018	\$ 84,623.82
Increased by:	
Miscellaneous Trust Reserves	13,812.50
	98,436.32
Decreased by:	
Disbursed	5,880.00
Balance Dec. 31, 2019	\$ 92,556.32
<u>Analysis of Balance Dec. 31, 2019</u>	
Due to Criminal Disposition and Review Collection Fund	\$ 79,996.32
Salaries and Wages Payable - Outside Police	12,560.00
	\$ 92,556.32

Exhibit SB-13

**TOWNSHIP OF DELRAN**  
**TRUST - OTHER FUND**  
Statement of Prepaid Outside Police Employment  
For the Year Ended December 31, 2019

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Balance Dec. 31, 2018	\$ 19,897.50
Increased by:	
Receipts	15,432.50
	35,330.00
Decreased by:	
Applied to Reserve for Outside Police Employment	19,897.50
Balance Dec. 31, 2019	\$ 15,432.50

**TOWNSHIP OF DELRAN**  
**TRUST FUND - OTHER**  
Statement of Miscellaneous Trust Reserves  
For the Year Ended December 31, 2019

	(Restated) Balance Dec. 31, 2018	Cash Receipts	Due From (to) Current Fund	Cash Disbursements	Accounts Receivable	Prepaid Applied	Accounts Payable	Balance Dec. 31, 2019
Reserve for:								
Street Opening Deposits	\$ 16,956.49	\$ 8,311.00		\$ 6,613.50				\$ 18,653.99
New Jersey Unemployment Insurance	66,584.27	3,030.11	\$ 8,841.48	22,016.85				56,439.01
Planning Escrow Fund Deposits	388,935.27	573,420.66		227,465.36	\$ 93,818.76			828,709.33
Affordable Housing Trust Funds	954,554.30	32,650.40		18,348.46				968,856.24
Public Defender Fees	10,125.00	7,747.50		5,900.00			\$ (1,252.50)	10,720.00
Credit Card Program	7,619.60							7,619.60
Parking Offense Adjudication Act	808.00	42.00						850.00
Tax Sale Premiums	397,600.00	399,500.00		246,100.00				551,000.00
Delran Day Donations	10,938.64							10,938.64
Delran Events	330.51	19,114.00		15,184.00				4,260.51
Deposits for Redemption of Tax Sale Certificates	21,614.91	389,378.52		404,472.03				6,521.40
Performance/ Maintenance Escrows	15,197.72							15,197.72
Police Emergency Service Equipment	1,555.47							1,555.47
Special Law Enforcement	28,556.25	548.14						29,104.39
Bike Patrol	9,065.87							9,065.87
Outside Police Employment		137,227.50	(3,175.00)	145,140.00	3,750.00	\$ 19,897.50	(12,560.00)	
Jake's Place	7,004.00			6,115.70				888.30
Storm Recovery	40,000.00							40,000.00
Accumulated Absences	305,221.03	30,000.00						335,221.03
Multiple-Dwelling Security Deposits	14,626.39							14,626.39
Kenneth Johnston Memorial Fund	319.23							319.23
Police Unclaimed Funds	4,806.50							4,806.50
Easter Egg Hunt	76.88							76.88
Community Park Donations	8,064.00	5,000.00		3,530.00				9,534.00
Mayor's Great Grill Off	1,800.00							1,800.00
	<u>\$ 2,312,360.33</u>	<u>\$ 1,605,969.83</u>	<u>\$ 5,666.48</u>	<u>\$ 1,100,885.90</u>	<u>\$ 97,568.76</u>	<u>\$ 19,897.50</u>	<u>\$ (13,812.50)</u>	<u>\$ 2,926,764.50</u>

**TOWNSHIP OF DELRAN**  
**TRUST FUND - LENGTH OF SERVICE AWARD PROGRAM**  
 Statement of Reserve Length of Service Awards Program  
 For the Year Ended December 31, 2019

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Balance Dec. 31, 2018		\$ 553,902.37
Increased by:		
Interest Earned on Investments and Deposits	\$ 1,347.93	
Unrealized Gain on Investments	<u>117,733.62</u>	
		<u>119,081.55</u>
		672,983.92
Decreased by:		
Investment Disbursements:		
Participant Withdrawals		<u>52,845.21</u>
Balance Dec. 31, 2019		<u><u>\$ 620,138.71</u></u>

**SUPPLEMENTAL EXHIBITS**

**GENERAL CAPITAL FUND**

**TOWNSHIP OF DELRAN**  
**GENERAL CAPITAL FUND**  
Statement of General Capital Cash per N.J.S. 40A:5-5--Treasurer  
For the Year Ended December 31, 2019

Balance Dec. 31, 2018		\$ 3,600,788.39
Increased by Receipts:		
Reserve for Payment of Bonds and Notes	\$ 200,000.00	
Capital Improvement Fund	100,000.00	
Interest on Investment due to Current Fund	22,559.79	
Deferred Charges to Future Taxation--Unfunded:		
Current Fund Budget Appropriation	1,952,590.75	
Trust Fund - Open Space Budget Appropriation	260,000.00	
Bonds Issued	<u>11,742,000.00</u>	
		<u>14,277,150.54</u>
		17,877,938.93
Decreased by Disbursements:		
Improvement Authorizations	767,742.12	
Repayment of Bond Anticipation Notes	13,075,090.00	
Contracts Payable	<u>627,040.30</u>	
		<u>14,469,872.42</u>
Balance Dec. 31, 2019		<u><u>\$ 3,408,066.51</u></u>

**TOWNSHIP OF DELRAN**  
**GENERAL CAPITAL FUND**  
 Statement of General Capital Cash  
 For the Year Ended December 31, 2019

	Balance (Deficit) <u>Dec. 31, 2018</u>	Receipts Budget				Disbursements				Balance (Deficit) <u>Dec. 31, 2019</u>
		<u>Bonds</u>	Appropriations -			Improvement <u>Authorizations</u>	Bond Anticipation <u>Notes</u>	<u>Transfers</u>		
			<u>Current Fund</u>	<u>Trust Fund - Open Space</u>	<u>Miscellaneous</u>			<u>From</u>	<u>To</u>	
Fund Balance	\$ 72,636.93									\$ 72,636.93
Capital Improvement Fund	143,493.32			\$ 100,000.00			\$ 100,773.00			142,720.32
Due to Current Fund	3,866.25			22,559.79			158,392.02	\$ 558,750.00		426,784.02
Due from Trust - Open Space Fund	(200,000.00)						308,750.00			(508,750.00)
Grants Receivable	(243,098.89)								158,392.02	(84,706.87)
Due from Sewer Utility Operating Fund	(15,194.85)									(15,194.85)
Reserve for:										
Repairs and Improvements to Drainage Facilities	15,000.00									15,000.00
Generator	20,000.00									20,000.00
Traffic Improvements	15,000.00									15,000.00
Storm Sewer Maintenance	21,750.00									21,750.00
Preliminary Expenses	1,249.94									1,249.94
Payment of Bonds and Notes	282,575.97			200,000.00			250,000.00			232,575.97
Encumbrances/Contracts Payable	931,627.19						\$ 627,040.30	284,403.81	1,297,641.99	1,317,825.07
Improvement Authorizations:										
Ordinance Number										
2008-15 Acquisition of Property	87,263.86									87,263.86
2009-19 Acquisition of Various Equipment	370.00									370.00
2010-11 Various Improvements			\$ 161,470.00				\$ 161,470.00			
2011-07 Open Space Purchase of Land				\$ 88,000.00			88,000.00			
2011-09 Improvements to Various Roads			127,000.00				127,000.00			
2011-11 Improvements to Various Roads			96,000.00				96,000.00			
2011-18 Open Space Recreational Improvements	73,118.25	\$ 1,365,000.00		172,000.00			1,537,000.00			73,118.25
2011-20 Various Roadway Improvements	4,278.85		54,000.00				54,000.00			4,278.85
2012-01 Open Space Acquisition of Real Property	60,500.00									60,500.00
2012-04 Various Improvements	80,098.82		682,000.00				682,000.00			80,098.82
2012-06 Open Space Improvements to Fields	30,000.00									30,000.00
2012-09 Sidewalk Construction & Installation	26,790.55		200,000.00				200,000.00			26,790.55
2012-10 Various Road Improvements			157,000.00				157,000.00			
2012-12 Open Space Upgrades to Swedes Lake Outfall	87,318.50									87,318.50
2012-13 Improvements to River Drive Outfall	5,195.00		82,000.00				82,000.00			5,195.00
2013-09 Various Capital Improvements and Acquisition of Capital Equipment	115,896.93	726,000.00	56,000.00				782,000.00			115,896.93
2013-12 Various Capital Improvements and Acquisition of Capital Equipment			92,000.00				92,000.00			

(Continued)

**TOWNSHIP OF DELRAN**  
**GENERAL CAPITAL FUND**  
 Statement of General Capital Cash  
 For the Year Ended December 31, 2019

	Balance (Deficit) <u>Dec. 31, 2018</u>	Receipts Budget				Disbursements			Transfers		Balance (Deficit) <u>Dec. 31, 2019</u>
		<u>Bonds</u>	Current <u>Fund</u>	Trust Fund - <u>Open Space</u>	<u>Miscellaneous</u>	Improvement <u>Authorizations</u>	Bond Anticipation <u>Notes</u>	<u>Miscellaneous</u>	<u>From</u>	<u>To</u>	
Improvement Authorizations (Cont'd): Ordinance Number											
2014-08 Various Capital Improvements	\$ 384,754.17	\$ 1,412,900.00	\$ 98,100.00			\$ 1,511,000.00					\$ 384,754.17
2014-10 Reconstruction of Tenby Chase Drive	(176,623.18)										(176,623.18)
2014-11 Improvements to Community Park		209,000.00	9,000.00				218,000.00				
2014-13 Construction of Sidewalks	16,336.50	47,000.00	15,580.00				62,580.00		\$ 15,000.00		31,336.50
2015-07 Various Capital Improvements	(236,760.70)	386,000.00	30,000.00				416,000.00				(236,760.70)
2015-10 Various Roadway Improvements	16,188.42	208,000.00	13,000.00				221,000.00				16,188.42
2015-11 Various Roadway Improvements		465,000.00	42,000.00				507,000.00				
2016-07 Installation of Sidewalks	7,647.96	75,000.00	5,000.00				80,000.00				7,647.96
2016-11 Various Capital Improvements	121,227.65	265,525.00	23,940.00				289,465.00	\$ 11,961.00			109,266.65
2016-12 Acquisition of Real Property	3,988.36										3,988.36
2017-02 Reconstruction of Various Sidewalks and Roadways	569,518.50	1,752,000.00					1,752,000.00			181,004.49	750,522.99
2017-06 Installation of Sidewalks on Route 130	14,575.00										14,575.00
2017-07 Municipal Property Improvements and Acquisition of Equipment	766,209.29	2,458,125.00			\$ 21,367.14		2,458,125.00		32,287.00	34,685.14	747,240.29
2017-08 Acquisition and Installation of Sports Lighting at Delran Community Park	30,784.00	45,000.00					45,000.00				30,784.00
2017-13 Reconstruction of Pheasant Road	(8,500.75)		8,500.75								
2018-02 / Reconstruction of Various Roads 2018-07	303,459.66	1,072,950.00				2,100.00	1,072,950.00			53,714.18	355,073.84
2018-06 Various Capital Acquisitions and Improvements	163,946.89	383,500.00				207,273.06	383,500.00		124,749.00		(168,075.17)
2018-13 Reconstruction of Fairview Boulevard	4,300.00								13,000.00		(8,700.00)
2019-03 Acquisition of Dump Truck		104,000.00							96,573.00	5,239.00	12,666.00
2019-04 Reconstruction of Various Roads						509,662.56			668,787.50	57,142.00	(1,121,308.06)
2019-18 Various Capital Acquisitions and Improvements		767,000.00				27,339.36			350,284.49	38,392.00	427,768.15
	<u>\$ 3,600,788.39</u>	<u>\$ 11,742,000.00</u>	<u>\$ 1,952,590.75</u>	<u>\$ 260,000.00</u>	<u>\$ 322,559.79</u>	<u>\$ 767,742.12</u>	<u>\$ 13,075,090.00</u>	<u>\$ 627,040.30</u>	<u>\$ 2,399,960.82</u>	<u>\$ 2,399,960.82</u>	<u>\$ 3,408,066.51</u>

**TOWNSHIP OF DELRAN**  
**GENERAL CAPITAL FUND**  
Statement of Grants Receivable  
For the Year Ended December 31, 2019

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Balance Dec. 31, 2018	\$ 243,098.89
Decreased by:	
Due from Current Fund	<u>158,392.02</u>
Balance Dec. 31, 2019	<u><u>\$ 84,706.87</u></u>

Analysis of Balance Dec. 31, 2019

New Jersey Department of Transportation	
Safe Streets To Transit Program	\$ 21,679.62
Municipal Aid	60,343.25
Burlington County Improvement Program	<u>2,684.00</u>
	<u><u>\$ 84,706.87</u></u>

**Exhibit SC-4**

**TOWNSHIP OF DELRAN**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation - Funded  
For the Year Ended December 31, 2019

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Balance Dec. 31, 2018	\$ 1,464,000.00
Increased by:	
General Obligation Bonds, Series 2019	<u>11,742,000.00</u>
	13,206,000.00
Decreased by:	
Current Year Budget Appropriations:	
Current Fund	\$ 320,000.00
Trust Fund - Open Space	<u>87,000.00</u>
	<u>407,000.00</u>
Balance Dec. 31, 2019	<u><u>\$ 12,799,000.00</u></u>



**TOWNSHIP OF DELRAN**  
**GENERAL CAPITAL FUND**  
 Statement of Deferred Charges to Future Taxation -Unfunded  
 For the Year Ended December 31, 2019

Ordinance Number	Improvement Description	Balance Dec. 31, 2018	2019 Authorizations	Funded by Budget Appropriation	Transferred to Deferred Taxation - Funded	Balance Dec. 31, 2019	Analysis of Balance Dec. 31, 2019	
							Expended	Unexpended Improvement Authorizations
General Improvements:								
2000-21	Provide Funding for Payments Under a Regional Contribution Agreement between the Township of Delran and the City of Burlington	\$ 279,750.00				\$ 279,750.00		\$ 279,750.00
2010-11	Various Improvements	161,470.00		\$ 161,470.00				
2011-07	Open Space Purchase of Land	88,000.00		88,000.00				
2011-09	Improvements to Various Roads	127,000.00		127,000.00				
2011-11	Various Roadway Improvements	96,000.00		96,000.00				
2011-18	Open Space Recreational Improvements	1,537,000.00		172,000.00	\$ 1,365,000.00			
2011-20	Various Roadway Improvements	54,187.00		54,000.00		187.00		187.00
2012-04	Various Improvements	682,000.00		682,000.00				
2012-09	Sidewalk Construction & Installation	200,000.00		200,000.00				
2012-10	Reconstruction of Haines Mill Road	157,000.00		157,000.00				
2012-13	Improvements to River Drive Outfall	82,000.00		82,000.00				
2013-09	Various Capital Improvements and Acquisition of Capital Equipment	782,000.00		56,000.00	726,000.00			
2013-12	Various Capital Improvements and Acquisition of Capital Equipment	92,000.00		92,000.00				
2014-08	Various Capital Improvements	1,511,000.00		98,100.00	1,412,900.00			
2014-10	Reconstruction of Tenby Chase Drive	333,300.00				333,300.00	\$ 176,623.18	156,676.82
2014-11	Improvements to Community Park	218,000.00		9,000.00	209,000.00			
2014-13	Construction of Sidewalks	62,580.00		15,580.00	47,000.00			
2015-07	Various Capital Improvements	666,000.00		30,000.00	386,000.00	250,000.00	236,760.70	13,239.30

(Continued)

**TOWNSHIP OF DELRAN**  
**GENERAL CAPITAL FUND**  
 Statement of Deferred Charges to Future Taxation -Unfunded  
 For the Year Ended December 31, 2019

Ordinance Number	Improvement Description	Balance Dec. 31, 2018	2019 Authorizations	Funded by Budget Appropriation	Transferred to Deferred Taxation - Funded	Balance Dec. 31, 2019	Analysis of Balance Dec. 31, 2019	
							Expended	Unexpended Improvement Authorizations
General Improvements (Cont'd):								
2015-10	Various Roadway Improvements	\$ 221,068.00		\$ 13,000.00	\$ 208,000.00	\$ 68.00		\$ 68.00
2015-11	Various Roadway Improvements	507,000.00		42,000.00	465,000.00			
2016-07	Installation of Sidewalks	80,000.00		5,000.00	75,000.00			
2016-11	Various Capital Improvements	289,465.00		23,940.00	265,525.00			
2016-12	Acquisition of Real Property	190,000.00				190,000.00		190,000.00
2016-14	Refunding Ordinance	195,000.00				195,000.00		195,000.00
2017-02	Reconstruction of Various Sidewalks and Roadways	1,752,000.00			1,752,000.00			
2017-06	Installation of Sidewalks on Route 130	41,900.00				41,900.00		41,900.00
2017-07	Municipal Property Improvements and Acquisition of Equipment	2,458,125.00			2,458,125.00			
2017-08	Acquisition and Installation of Sports Lighting at Delran Community Park	45,000.00			45,000.00			
2017-13	Reconstruction of Pheasant Road	17,186.58		8,500.75		8,685.83		8,685.83
2018-02 / 2018-07	Reconstruction of Various Roads	1,337,000.00			1,072,950.00	264,050.00		264,050.00
2018-06	Various Capital Acquisitions and Improvements	583,500.00			383,500.00	200,000.00	\$ 168,075.17	31,924.83
2018-13	Reconstruction of Fairview Boulevard	85,700.00				85,700.00	8,700.00	77,000.00
2019-03	Acquisition of Dump Truck		\$ 104,761.00		104,000.00	761.00		761.00
2019-04	Reconstruction of Various Roads		1,142,858.00			1,142,858.00	1,121,308.06	21,549.94
2019-19	Various Capital Acquisitions and Improvements		767,808.00		767,000.00	808.00		808.00
<b>Total</b>		<b>\$ 14,932,231.58</b>	<b>\$ 2,015,427.00</b>	<b>\$ 2,212,590.75</b>	<b>\$ 11,742,000.00</b>	<b>\$ 2,993,067.83</b>	<b>\$ 1,711,467.11</b>	<b>\$ 1,281,600.72</b>
Paid by Current Fund Budget Appropriation				\$ 1,952,590.75				
Paid by Trust - Open Space Budget Appropriation				260,000.00				
				<u>\$ 2,212,590.75</u>				

**TOWNSHIP OF DELRAN**  
**GENERAL CAPITAL FUND**  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2019

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Balance Dec. 31, 2018	\$ 143,493.32
Increased by:	
Receipts:	
Current Year Budget Appropriation	<u>100,000.00</u>
	243,493.32
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>100,773.00</u>
Balance Dec. 31, 2019	<u><u>\$ 142,720.32</u></u>

## Exhibit SC-7

**TOWNSHIP OF DELRAN**  
**GENERAL CAPITAL FUND**  
Statement of Reserve for Payment of Bonds and Notes  
For the Year Ended December 31, 2019

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Balance Dec. 31, 2018	\$ 282,575.97
Increased by:	
County Grant Receipt	<u>200,000.00</u>
	482,575.97
Decreased by:	
Due to Current Fund - Realized as Miscellaneous Revenue Anticipated	<u>250,000.00</u>
Balance Dec. 31, 2019	<u><u>\$ 232,575.97</u></u>

**TOWNSHIP OF DELRAN**  
**GENERAL CAPITAL FUND**  
 Schedule of Reserve for Preliminary Expenses  
 As of December 31, 2019

Analysis of Balance--Dec. 31, 2019

Road Construction--Engineering	\$ 794.22
Building--Legal	<u>455.72</u>
	<u>\$ 1,249.94</u>

**Exhibit SC-9**

**TOWNSHIP OF DELRAN**  
**GENERAL CAPITAL FUND**  
 Statement of Due From/To Other Funds  
 For the Year Ended December 31, 2019

	<u>Trust Fund - Open Space</u>	<u>Sewer Utility Operating Fund</u>	<u>Current Fund</u>
Balance Dec. 31, 2018--Due (To) From	\$ 200,000.00	\$ 15,194.85	\$ (3,866.25)
Increased by:			
Receipts:			
Interest on Investments--Due Current Fund			22,559.79
Interfund Advanced			308,750.00
Reserve for Payment of Debt			250,000.00
Open Space Budget Appropriation	<u>308,750.00</u>		
	<u>508,750.00</u>	15,194.85	<u>\$ (585,176.04)</u>
Decreased by:			
Grants Received in Current Fund			<u>158,392.02</u>
	<u>-</u>	<u>-</u>	<u>158,392.02</u>
Balance Dec. 31, 2019--Due (To) From	<u>\$ 508,750.00</u>	<u>\$ 15,194.85</u>	<u>\$ (426,784.02)</u>

**TOWNSHIP OF DELRAN**  
**GENERAL CAPITAL FUND**  
Statement of Improvement Authorizations  
For the Year Ended December 31, 2019

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2018		2019 Authorizations	Prior Year Encumbrance / Contracts Payable Cancelled	Expended	Balance Dec. 31, 2019	
				Funded	Unfunded				Funded	Unfunded
General Improvements:										
2000-21	Provide Funding for Payments Under a Regional Contribution Agreement between the Township of Delran and the City of Burlington	11-28-00	\$ 1,140,000.00		\$ 279,750.00					\$ 279,750.00
2008-15	Acquisition of Property	12-29-08	2,000,000.00	\$ 87,263.86				\$ 87,263.86		
2009-19	Acquisition of Various Equipment	10-27-09	130,000.00	370.00					370.00	
2011-18	Open Space Recreational Improvements	7-26-11	2,200,000.00		73,118.25				73,118.25	
2011-20	Various Roadway Improvements	10-25-11	70,000.00		4,465.85			4,278.85		187.00
2012-01	Open Space Acquisition of Real Property	1-24-12	65,000.00	60,500.00				60,500.00		
2012-04	Various Improvements	6-26-12	1,000,000.00		80,098.82			80,098.82		
2012-06	Open Space Improvements to Fields	7-24-12	30,000.00	30,000.00				30,000.00		
2012-09	Sidewalk Construction & Installation	8-28-12	200,000.00		26,790.55			26,790.55		
2012-12	Open Space Upgrades to Swedes Lake Outfall	9-25-12	88,000.00	87,318.50				87,318.50		
2012-13	Improvements to River Drive Outfall	9-25-12	98,000.00		5,195.00			5,195.00		
2013-09	Various Capital Improvements and Acquisition of Capital Equipment	5-28-13	1,000,000.00		115,896.93			115,896.93		
2014-08	Various Capital Improvements	6-10-14	1,750,000.00		384,754.17			384,754.17		
2014-10	Reconstruction of Tenby Chase Drive	7-01-14	455,250.00		156,676.82					156,676.82
2014-13	Construction of Sidewalks	9-02-14	300,000.00		16,336.50		\$ 15,000.00	31,336.50		
2015-07	Various Capital Improvements	6-02-15	733,000.00		13,239.30					13,239.30
2015-10	Various Roadway Improvements	10-06-15	246,388.00		16,256.42			16,188.42		68.00
2016-07	Installation of Sidewalks	6-14-16	80,000.00		7,647.96			7,647.96		
2016-11	Various Capital Improvements	9-06-16	362,600.00		121,227.65			\$ 11,961.00	109,266.65	

(Continued)

**TOWNSHIP OF DELRAN**  
**GENERAL CAPITAL FUND**  
 Statement of Improvement Authorizations  
 For the Year Ended December 31, 2019

Ordinance Number	Improvement Description	Date	Ordinance		Balance Dec. 31, 2018		2019 Authorizations	Prior Year Encumbrance / Contracts Payable Cancelled	Expended	Balance Dec. 31, 2019	
			Amount	Funded	Unfunded	Funded				Unfunded	
General Improvements (Cont'd):											
2016-12	Acquisition of Real Property	10-25-16	\$ 200,000.00	\$ 3,988.36	\$ 190,000.00					\$ 3,988.36	\$ 190,000.00
2016-14	Refunding Ordinance	12-13-16	195,000.00		195,000.00						195,000.00
2017-02	Reconstruction of Various Sidewalks and Roadways	2-14-17	1,840,000.00		569,518.50		\$ 181,004.49			750,522.99	
2017-06	Installation of Sidewalks on Route 130	6-13-17	220,000.00	14,575.00	41,900.00					14,575.00	41,900.00
2017-07	Municipal Property Improvements and Acquisition of Equipment	7-11-17	2,587,500.00		766,209.29		34,685.14	\$ 53,654.14		747,240.29	
2017-08	Acquisition and Installation of Sports Lighting at Delran Community Park	7-11-17	225,000.00		30,784.00					30,784.00	
2017-13	Reconstruction of Pheasant Road	12-05-17	91,000.00		8,685.83						8,685.83
2018-02 / 2018-07	Reconstruction of Various Roads	3-06-18 7-10-18	1,827,473.00		567,509.66		53,714.18	2,100.00		355,073.84	264,050.00
2018-06	Various Capital Acquisitions and Improvements	7-03-18	613,000.00		363,946.89			332,022.06			31,924.83
2018-13	Reconstruction of Fairview Boulevard	12-04-18	90,000.00	4,300.00	85,700.00			13,000.00			77,000.00
2019-03	Acquisition of Dump Truck	2-05-19	110,000.00			\$ 110,000.00		96,573.00		12,666.00	761.00
2019-04	Reconstruction of Various Roads	3-05-19	1,200,000.00			1,200,000.00		1,178,450.06			21,549.94
2019-18	Various Capital Acquisitions and Improvements	8-27-19	806,000.00			806,200.00		377,623.85		427,768.15	808.00
				<u>\$ 288,315.72</u>	<u>\$ 4,120,708.39</u>	<u>\$ 2,116,200.00</u>	<u>\$ 284,403.81</u>	<u>\$ 2,065,384.11</u>	<u>\$ 3,462,643.09</u>	<u>\$ 1,281,600.72</u>	
Deferred Charges to Future Taxation -- Unfunded Capital Improvement Fund							\$ 2,015,427.00				
							<u>100,773.00</u>				
							<u>\$ 2,116,200.00</u>				
Cash Disbursed								\$ 767,742.12			
Encumbrances/Contracts Payable								<u>1,297,641.99</u>			
								<u>\$ 2,065,384.11</u>			

**TOWNSHIP OF DELRAN**  
**GENERAL CAPITAL FUND**  
Statement of Encumbrances/Contracts Payable  
For the Year Ended December 31, 2019

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Balance Dec. 31, 2018		\$ 931,627.19
Increased by:		
2019 Contracts and Encumbrances		1,297,641.99
		2,229,269.18
Decreased by:		
Disbursed	\$ 627,040.30	
Cancelled Prior Year Encumbrances	284,403.81	
		911,444.11
Balance Dec. 31, 2019		\$ 1,317,825.07

**TOWNSHIP OF DELRAN**  
**GENERAL CAPITAL FUND**  
 Statement of General Serial Bonds  
 For the Year Ended December 31, 2019

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
			Outstanding Date	Dec. 31, 2019 Amount					
General Obligation Bonds - Open Space	8-15-09	\$ 1,829,000.00				\$ 86,000.00		\$ 86,000.00	
General Obligation Refunding	11-3-09	4,215,000.00				320,000.00		320,000.00	
County Guaranteed Pooled Loan Revenue Refunding Bonds, Series 2017A - Open Space	3-28-17	1,063,000.00	1-15-20	\$ 49,000.00	4.00%				
			7-15-20	43,000.00	4.00%				
			7-15-21	94,000.00	4.00%				
			7-15-22	97,000.00	4.00%				
			7-15-23	101,000.00	4.00%				
			7-15-24	98,000.00	4.00%				
			7-15-25	105,000.00	4.00%				
			1-15-26	60,000.00	4.00%				
			7-15-26	54,000.00	4.00%				
			7-15-27	111,000.00	4.00%				
			7-15-28	120,000.00	4.00%				
			7-15-29	125,000.00	4.00%				
				<u>1,057,000.00</u>		1,058,000.00		1,000.00	\$ 1,057,000.00
General Obligation Bonds, Series 2019	10-17-19	11,742,000.00	10/15/20	2,000,000.00	1.50%				
			10/15/21	1,500,000.00	1.50%				
			10/15/22	1,242,000.00	2.00%				
			10/15/23	1,000,000.00	2.00%				
			10/15/24	1,000,000.00	2.00%				
			10/15/25	1,000,000.00	2.00%				
			10/15/26	1,000,000.00	2.00%				
			10/15/27	1,000,000.00	2.00%				
			10/15/28	1,000,000.00	2.00%				
			10/15/29	<u>1,000,000.00</u>	2.00%				
				<u>11,742,000.00</u>			\$ 11,742,000.00		11,742,000.00
						<u>\$ 1,464,000.00</u>	<u>\$ 11,742,000.00</u>	<u>\$ 407,000.00</u>	<u>\$ 12,799,000.00</u>
Budget Appropriation - Current Fund								\$320,000.00	
Budget Appropriation - Open Space Trust Fund								<u>87,000.00</u>	
								<u>\$407,000.00</u>	



**TOWNSHIP OF DELRAN**  
**GENERAL CAPITAL FUND**  
Statement of Bond Anticipation Notes  
For the Year Ended December 31, 2019

Ordinance Number	Improvement Description	Date of Issue			Interest Rate	Balance Dec. 31, 2018	Decreased
		of Original Note	Date of Issue	Date of Maturity			
2010-11	Various Improvements	12-22-10	10-26-18	10-25-19	3.00%	\$ 161,470.00	\$ 161,470.00
2011-07	Open Space Purchase of Land	11-14-11	10-26-18	10-25-19	3.00%	88,000.00	88,000.00
2011-09	Improvements to Various Roads	11-14-11	10-26-18	10-25-19	3.00%	127,000.00	127,000.00
2011-11	Improvements to Various Roads	11-14-11	10-26-18	10-25-19	3.00%	96,000.00	96,000.00
2011-18	Open Space Improvements	11-14-11	10-26-18	10-25-19	3.00%	1,537,000.00	1,537,000.00
2011-20	Various Road Improvements	11-13-12	10-26-18	10-25-19	3.00%	54,000.00	54,000.00
2012-04	Various Improvements	11-13-12	10-26-18	10-25-19	3.00%	682,000.00	682,000.00
2012-09	Various Road Improvements	11-13-12	10-26-18	10-25-19	3.00%	200,000.00	200,000.00
2012-10	Various Road Improvements	11-13-12	10-26-18	10-25-19	3.00%	157,000.00	157,000.00
2012-13	Various Road Improvements	11-13-12	10-26-18	10-25-19	3.00%	82,000.00	82,000.00
2013-09	Acquisition of Various Equipment	11-08-13	10-26-18	10-25-19	3.00%	782,000.00	782,000.00
2013-12	Various Capital Improvements and Acquisition of Capital Equipment	11-08-13	10-26-18	10-25-19	3.00%	92,000.00	92,000.00
2014-08	Various Capital Improvements	12-23-14	10-26-18	10-25-19	3.00%	765,000.00	765,000.00
		11-04-15	10-26-18	10-25-19	3.00%	746,000.00	746,000.00

(Continued)

**TOWNSHIP OF DELRAN**  
**GENERAL CAPITAL FUND**  
Statement of Bond Anticipation Notes  
For the Year Ended December 31, 2019

Ordinance Number	Improvement Description	Date of Issue			Interest Rate	Balance Dec. 31, 2018	Decreased
		of Original Note	Date of Issue	Date of Maturity			
2014-11	Improvements to Community Park	12-23-14	10-26-18	10-25-19	3.00%	\$ 218,000.00	\$ 218,000.00
2014-13	Construction of Sidewalks	12-23-14	10-26-18	10-25-19	3.00%	62,580.00	62,580.00
2015-07	Various Capital Improvements	11-04-15	10-26-18	10-25-19	3.00%	416,000.00	416,000.00
2015-10	Various Roadway Improvements	11-04-15	10-26-18	10-25-19	3.00%	221,000.00	221,000.00
2015-11	Various Roadway Improvements	11-04-15	10-26-18	10-25-19	3.00%	507,000.00	507,000.00
2016-07	Installation of Sidewalks	11-02-16	10-26-18	10-25-19	3.00%	80,000.00	80,000.00
2016-11	Various Capital Improvements	11-02-16	10-26-18	10-25-19	3.00%	289,465.00	289,465.00
2017-02	Reconstruction of Various Sidewalks and Roadways	10-30-17	10-26-18	10-25-19	3.00%	1,752,000.00	1,752,000.00
2017-07	Municipal Property Improvements and Acquisition of Equipment	10-30-17 10-26-18	10-26-18 10-26-18	10-25-19 10-25-19	3.00% 3.00%	548,000.00 1,910,125.00	548,000.00 1,910,125.00
2017-08	Acquisition and Installation of Sports Lighting at Delran Community Park	10-30-17	10-26-18	10-25-19	3.00%	45,000.00	45,000.00
2018-02 / 2018-07	Reconstruction of Various Roads	10-26-18	10-26-18	10-25-19	3.00%	1,072,950.00	1,072,950.00

(Continued)

**TOWNSHIP OF DELRAN**  
**GENERAL CAPITAL FUND**  
 Statement of Bond Anticipation Notes  
 For the Year Ended December 31, 2019

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2018	Decreased
2018-06	Various Capital Acquisitions and Improvements	10-26-18	10-26-18	10-25-19	3.00%	\$ 383,500.00	\$ 383,500.00
						<u>\$ 13,075,090.00</u>	<u>\$ 13,075,090.00</u>
Current Fund Budget Appropriation							\$ 1,944,090.00
Open Space Budget Appropriation							260,000.00
Bond Proceeds							<u>10,871,000.00</u>
							<u>\$ 13,075,090.00</u>

**TOWNSHIP OF DELRAN**  
**GENERAL CAPITAL FUND**  
 Statement of Bonds and Notes Authorized But Not Issued  
 For the Year Ended December 31, 2019

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2018</u>	<u>2019 Authorizations</u>	<u>Notes Paid From Bond Funds</u>	<u>Funded by Budget Appropriation</u>	<u>Bonds Issued</u>	<u>Balance Dec. 31, 2019</u>
2000-21	Provide Funding for Payments Under a Regional Contribution Agreement between the Township of Delran and the City of Burlington	\$ 279,750.00					\$ 279,750.00
2011-18	Open Space Improvements			\$ 1,365,000.00		\$ 1,365,000.00	
2011-20	Improvements to Various Roads	187.00					187.00
2013-09	Acquisition of Various Equipment			726,000.00		726,000.00	
2014-08	Various Capital Improvements			1,412,900.00		1,412,900.00	
2014-10	Reconstruction Tenby Chase Drive	333,300.00					333,300.00
2014-11	Improvements to Community Park			209,000.00		209,000.00	
2014-13	Construction of Sidewalks			47,000.00		47,000.00	
2015-07	Various Capital Improvements	250,000.00		386,000.00		386,000.00	250,000.00
2015-10	Various Roadway Improvements	68.00		208,000.00		208,000.00	68.00
2015-11	Various Roadway Improvements			465,000.00		465,000.00	
2016-07	Installation of Sidewalks			75,000.00		75,000.00	
2016-11	Various Capital Improvements			265,525.00		265,525.00	
2016-12	Acquisition of Real Property	190,000.00					190,000.00
2016-14	Refunding Ordinance	195,000.00					195,000.00
2017-02	Reconstruction of Various Sidewalks and Roadways			1,752,000.00		1,752,000.00	
2017-06	Installation of Sidewalks on Route 130	41,900.00					41,900.00
2017-07	Municipal Property Improvements and Acquisition of Equipment			2,458,125.00		2,458,125.00	
2017-08	Acquisition and Installation of Sports Lighting at Delran Community Park			45,000.00		45,000.00	
2017-13	Reconstruction of Pheasant Road	17,186.58			\$ 8,500.75		8,685.83
2018-2 / 2018-7	Reconstruction of Various Roads	264,050.00		1,072,950.00		1,072,950.00	264,050.00
2018-06	Various Capital Acquisitions and Improvements	200,000.00		383,500.00		383,500.00	200,000.00
2018-13	Reconstruction of Fairview Boulevard	85,700.00					85,700.00
2019-03	Acquisition of Dump Truck		\$ 104,761.00			104,000.00	761.00
2019-04	Reconstruction of Various Roads		1,142,858.00				1,142,858.00
2019-18	Various Capital Acquisitions and Improvements		767,808.00			767,000.00	808.00
		<b>\$1,857,141.58</b>	<b>\$2,015,427.00</b>	<b>\$ 10,871,000.00</b>	<b>\$ 8,500.75</b>	<b>\$ 11,742,000.00</b>	<b>\$2,993,067.83</b>

**SUPPLEMENTAL EXHIBITS**

**SEWER UTILITY FUND**

**TOWNSHIP OF DELRAN**  
**SEWER UTILITY FUND**  
Statement of Sewer Utility Cash  
Per N.J.S. 40A:5-5--Sewer Treasurer  
For the Year Ended December 31, 2019

	<u>Operating</u>	<u>Capital</u>
Balance Dec. 31, 2018	\$ 7,617,279.13	\$ 216,805.38
Increased by Receipts:		
Sewer Collector	\$ 3,925,478.45	
Prepaid Connection Fees	18,285.60	
Due to Trust Other	4,654.04	
Budget Appropriations		\$ 840,000.00
Due to Sewer Utility Operating Fund		1,009,079.58
	<u>3,948,418.09</u>	<u>1,849,079.58</u>
	11,565,697.22	2,065,884.96
Decreased by Disbursements:		
2019 Budget Appropriations	3,083,406.25	
2018 Appropriation Reserves and Encumbrances	246,005.05	
Developer's Escrow Deposits	12,196.00	
Interest on Bonds	40,181.26	
Due From Sewer Capital Fund	1,000,000.00	
Bond Anticipation Notes		840,000.00
Contracts Payable and Encumbrances		299,784.86
Improvement Authorizations		9,750.00
	<u>4,381,788.56</u>	<u>1,149,534.86</u>
Balance Dec. 31, 2019	<u><u>\$ 7,183,908.66</u></u>	<u><u>\$ 916,350.10</u></u>

**TOWNSHIP OF DELRAN**  
**SEWER UTILITY FUND**  
Statement of Sewer Utility Cash  
Per N.J.S. 40A:5-5--Sewer Collector  
For the Year Ended December 31, 2019

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## Receipts:

Consumer Accounts Receivable	\$ 3,777,823.57
Prepayments	10,321.42
Interest on Delinquent Accounts	61,586.54
Miscellaneous Revenue Anticipated	<u>75,746.92</u>

3,925,478.45

## Decreased by:

Payments to Treasurer	<u><u>\$ 3,925,478.45</u></u>
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All funds are deposited directly to the Treasurer's bank account.

**TOWNSHIP OF DELRAN**  
**SEWER UTILITY CAPITAL FUND**  
 Analysis of Sewer Utility Capital Cash  
 For the Year Ended December 31, 2019

	Ordinance Number	Balance (Deficit) Dec. 31, 2018	Receipts		Disbursements		Transfers		Balance (Deficit) Dec. 31, 2019	
			Funded by Budget Appropriation	Miscellaneous	Miscellaneous	Bond Anticipation Notes	Improvement Authorization	From		To
Capital Improvement Fund		\$ 325,000.00							\$ 325,000.00	
Fund Balance		10,083.70							10,083.70	
Due To (From) Sewer Utility Operating Fund		277,104.33		\$ 1,009,079.58			\$ 640,000.00	\$ 640,000.00	1,286,183.91	
Contracts Payable		644,666.00			\$ 299,784.86		1,267.29		343,613.85	
Reserve to Pay Debt		640,000.00					640,000.00			
Improvement Authorizations:										
Dissolution of Delran Sewerage Authority	2010-04	(8.25)						8.25		
Brown Street Pumping Station Improvements	2010-12	(1,024.41)						1,024.41		
Various Improvements to WWTP	2012-05 / 2013-10	479,293.76							479,293.76	
5th Street Pump Station, Various Plant Upgrades	2014-15 / 2017-04	(1,658,621.75)	\$ 450,000.00			\$ 450,000.00		1,267.29	(1,657,354.46)	
Various Improvements to Sewer System Construction / Undertaking of a Service Water System Upgrade and Aeration Blower Replacement Project	2017-09  2018-08	(59,538.00)  (440,150.00)	390,000.00			390,000.00	\$ 9,750.00	638,967.34	(59,538.00)  189,067.34	
		<u>\$ 216,805.38</u>	<u>\$ 840,000.00</u>	<u>\$ 1,009,079.58</u>	<u>\$ 299,784.86</u>	<u>\$ 840,000.00</u>	<u>\$ 9,750.00</u>	<u>\$ 1,281,267.29</u>	<u>\$ 1,281,267.29</u>	<u>\$ 916,350.10</u>



**TOWNSHIP OF DELRAN**  
**SEWER UTILITY OPERATING FUND**  
 Statement of Consumer Accounts Receivable  
 For the Year Ended December 31, 2019

Balance Dec. 31, 2018		\$ 840,762.66
Increased by:		
Sewer Rents Levied	\$ 3,767,746.54	
Interest on Delinquent Accounts	<u>62,026.26</u>	
		<u>3,829,772.80</u>
		4,670,535.46
Decreased by:		
Sewer Rents Collected	\$ 3,777,823.57	
Prepayments Applied	<u>13,877.25</u>	
		3,791,700.82
Interest on Delinquent Accounts Collected	<u>61,586.54</u>	
		<u>3,853,287.36</u>
Balance Dec. 31, 2019		<u><u>\$ 817,248.10</u></u>

**Exhibit SD-5**

**TOWNSHIP OF DELRAN**  
**SEWER UTILITY OPERATING FUND**  
 Statement of Due From / (To) Other Funds  
 For the Year Ended December 31, 2019

	<u>General Capital Fund</u>	<u>Sewer Utility Capital Fund</u>	<u>Trust Other Fund</u>	<u>Current Fund</u>
Balance Dec. 31, 2018--Due From (To)	<u>\$ (15,194.85)</u>	<u>\$ 277,104.33</u>	<u>\$ 1,654.04</u>	<u>\$ (5,716.05)</u>
Increased by:				
Interfund Advanced		1,000,000.00		
Due to Sewer Operating - Reserve to Pay Debt		640,000.00		
Interest on Investments		<u>9,079.58</u>		
	-	<u>1,649,079.58</u>	-	-
Decreased by:				
Interfund Returned			4,654.04	
Interfund Advanced				100.00
Budget Appropriation - Public Employees' Retirement System				82,989.00
Budget Appropriation - Deferred Charges Fund Ordinances 2010-04, 2010-12; 2018-08		<u>640,000.00</u>		
	-	<u>640,000.00</u>	4,654.04	83,089.00
Balance Dec. 31, 2019--Due From (To)	<u><u>\$ (15,194.85)</u></u>	<u><u>\$ 1,286,183.91</u></u>	<u><u>\$ (3,000.00)</u></u>	<u><u>\$ (88,805.05)</u></u>

**TOWNSHIP OF DELRAN**  
**SEWER UTILITY OPERATING FUND**  
**Statement of Prepaid Connection Fees**  
**For the Year Ended December 31, 2019**

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Balance Dec. 31, 2018	\$	42,666.40
Increased by:		
Receipts		18,285.60
		60,952.00
Decreased by:		
Realized as Miscellaneous Revenue Not Anticipated	\$	60,952.00

Exhibit SD-7

**TOWNSHIP OF DELRAN**  
**SEWER UTILITY OPERATING FUND**  
**Statement of Sewer Rent Prepayments**  
**For the Year Ended December 31, 2019**

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Balance Dec. 31, 2018	\$	13,877.25
Increased by:		
Receipts--Collector		10,321.42
		24,198.67
Decreased by:		
Applied to 2019 Consumer Accounts Receivable		13,877.25
Balance Dec. 31, 2019	\$	10,321.42

**TOWNSHIP OF DELRAN**  
SEWER UTILITY CAPITAL FUND  
Statement of Fixed Capital  
For the Year Ended December 31, 2019

<u>Account</u>	(Restated)			Balance Dec. 31, 2019
	Balance Dec. 31, 2018	Additions	Disposals	
Land Improvements	\$ 122,076.00			\$ 122,076.00
Buildings	1,608,397.00			1,608,397.00
Infrastructure	1,501,481.00			1,501,481.00
Equipment	9,409,227.00	\$ 184,456.00	\$ (42,010.00)	9,551,673.00
	<u>\$ 12,641,181.00</u>	<u>\$ 184,456.00</u>	<u>\$ (42,010.00)</u>	<u>\$ 12,783,627.00</u>

Exhibit SD-9

**TOWNSHIP OF DELRAN**  
SEWER UTILITY CAPITAL FUND  
Schedule of Fixed Capital Authorized and Uncompleted  
As of December 31, 2019

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance</u>		Balance Dec. 31, 2019
		<u>Date</u>	<u>Amount</u>	
2010-04	Dissolution of Delran Sewerage Authority	2-23-10	\$ 125,000.00	\$ 125,000.00
2010-12	Brown Street Pumping Station Improvements	8-24-10	160,000.00	160,000.00
2012-05 / 2013-10	Various Improvements to WWTP	6-26-12	2,479,000.00	2,479,000.00
2014-15 / 2017-04	5th Street Pump Station, various Plant upgrades	10-07-14 5-03-17	2,480,000.00 450,000.00	2,930,000.00
2017-09	Various Improvements to Sewer System	7-17-17	2,260,000.00	2,260,000.00
2018-08	Construction / Undertaking of a Service Water System Upgrade and Aeration Blower Replacement Project	9-04-18	1,950,000.00	1,950,000.00
				<u>\$ 9,904,000.00</u>

**TOWNSHIP OF DELRAN**  
**SEWER UTILITY OPERATING FUND**  
Statement of 2018 Appropriation Reserves and Reserve for Encumbrances  
For the Year Ended December 31, 2019

	Balance Dec.31,		<u>Disbursed</u>	Balance <u>Lapsed</u>
	<u>Encumbered</u>	<u>Reserved</u>		
Operating:				
Salary and Wages		\$ 152,406.65		\$ 152,406.65
Other Expenses	\$ 214,544.90	423,376.81	\$ 152,985.05	484,936.66
Capital Improvements:				
Capital Outlay		25,000.00		25,000.00
Purchase of Utility Trucks		32,000.00		32,000.00
Purchase of Utility Equipment		600,000.00	93,020.00	506,980.00
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures:				
Social Security System (O.A.S.I)		19,668.57		19,668.57
	<u>\$ 214,544.90</u>	<u>\$ 1,252,452.03</u>	<u>\$ 246,005.05</u>	<u>\$ 1,220,991.88</u>

**TOWNSHIP OF DELRAN**  
**SEWER UTILITY OPERATING FUND**  
Statement of Accrued Interest on Notes and Loans and Analysis of Balance  
For the Year Ended December 31, 2019

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Balance Dec. 31, 2018		\$ 9,562.98
Increased by:		
Budget Appropriation for:		
Interest on Loans	\$ 14,647.93	
Interest on Notes	<u>20,630.77</u>	
		<u>35,278.70</u>
		44,841.68
Decreased by:		
Interest Paid		<u>40,181.26</u>
Balance Dec. 31, 2019		<u><u>\$ 4,660.42</u></u>

Analysis of Accrued Interest Dec. 31, 2019

	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Days</u>	<u>Amount</u>
Infrastructure Loan: 2014A	\$ 385,000.00	Various	9/1/2019	12/31/2019	121	<u><u>\$ 4,660.42</u></u>

Exhibit SD-12

**TOWNSHIP OF DELRAN**  
**SEWER UTILITY OPERATING FUND**  
Statement of Developer's Escrow Deposits  
For the Year Ended December 31, 2019

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Balance Dec. 31, 2018		\$ 39,959.32
Decreased by:		
Disbursements		<u>12,196.00</u>
Balance Dec. 31, 2019		<u><u>\$ 27,763.32</u></u>

**TOWNSHIP OF DELRAN**  
**SEWER UTILITY CAPITAL FUND**  
Statement of Improvement Authorizations  
For the Year Ended December 31, 2019

Improvement Description	Ordinance Number	Ordinance Date	Amount	Balance Dec. 31, 2018		Prior Year Encumbrances / Contracts Payable Cancelled	Disbursed	Balance Dec. 31, 2019	
				Funded	Unfunded			Funded	Unfunded
General Improvements:									
Dissolution of Sewerage Authority	2010-04	4-27-10	\$ 227,500.00		\$ 18,541.75			\$ 18,541.75	
Brown Street Pumping Station	2010-12	9-15-10	160,000.00		105,225.59			105,225.59	
Various Improvements to WWTP	2012-05 / 2013-10	6-26-12	2,479,000.00	\$ 491,465.13	150,474.63		\$ 479,293.76	162,646.00	
5th Street Pump Station, Various Plant Upgrades	2014-15 2017-04	10-07-14 5-03-17	2,480,000.00 450,000.00		325,378.25	\$ 1,267.29		326,645.54	
Various Improvements to Sewer System	2017-09	7-17-17	2,260,000.00		1,810,462.00			1,810,462.00	
Construction / Undertaking of a Service Water System Upgrade and Aeration Blower Replacement Project	2018-08	9-04-18	1,950,000.00		1,509,850.00		\$ 9,750.00	189,067.34	1,311,032.66
				<u>\$ 491,465.13</u>	<u>\$ 3,919,932.22</u>	<u>\$ 1,267.29</u>	<u>\$ 9,750.00</u>	<u>\$ 668,361.10</u>	<u>\$ 3,734,553.54</u>

**TOWNSHIP OF DELRAN**  
**SEWER UTILITY CAPITAL FUND**  
Statement of Contracts Payable and Encumbrances  
For the Year Ended December 31, 2019

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Balance Dec. 31, 2018		\$	644,666.00
Decreased by:			
Disbursements	\$ 299,784.86		
Cancelled Prior Year Encumbrances	<u>1,267.29</u>		
			<u>301,052.15</u>
Balance Dec. 31, 2019		\$	<u><u>343,613.85</u></u>

Exhibit SD-15

**TOWNSHIP OF DELRAN**  
**SEWER UTILITY CAPITAL FUND**  
Statement of Reserve for Amortization  
For the Year Ended December 31, 2019

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Balance Dec. 31, 2018 - (Restated)		\$	13,184,425.73
Increased by:			
Bond Anticipation Notes Paid by Utility Operating Budget	\$ 840,000.00		
Budget Appropriations - Cost of Improvements Authorized - Ordinances 2010-4, 2010-12 and 2018-8	640,000.00		
Capital Outlay			
Operating Budget	91,436.00		
Appropriation Reserves	93,020.00		
NJ Environmental Trust Loan Paid by Utility Operating Budget	<u>94,722.87</u>		
			<u>1,759,178.87</u>
			14,943,604.60
Decreased by:			
Deductions for Disposal of Fixed Capital			<u>42,010.00</u>
Balance Dec. 31, 2019		\$	<u><u>14,901,594.60</u></u>

**TOWNSHIP OF DELRAN**  
**SEWER UTILITY CAPITAL FUND**  
 Statement of New Jersey Environmental Infrastructure Trust Loan Payable  
 For the Year Ended December 31, 2019

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loan</u>			<u>Interest Rate</u>	<u>Balance Dec. 31, 2018</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2019</u>
			<u>Outstanding Date</u>	<u>Dec. 31, 2019</u>	<u>Amount</u>				
New Jersey Environmental Infrastructure Trust Loan, Series 2014A (Non-Interest Bearing)	5/21/2014	\$ 1,469,550.00	2/1/2020	\$ 24,907.62	N/A	\$ 998,859.27	\$ 74,722.87	\$ 924,136.40	
			8/1/2020	49,815.25	N/A				
			2/1/2021	24,907.62	N/A				
			8/1/2021	49,815.25	N/A				
			2/1/2022	24,907.62	N/A				
			8/1/2022	49,815.25	N/A				
			2/1/2023	24,907.62	N/A				
			8/1/2023	49,815.25	N/A				
			2/1/2024	24,907.62	N/A				
			8/1/2024	49,815.25	N/A				
			2/1/2025	24,907.62	N/A				
			8/1/2025	49,815.25	N/A				
			2/1/2026	24,907.62	N/A				
			8/1/2026	49,815.25	N/A				
			2/1/2027	24,907.62	N/A				
			8/1/2027	49,815.25	N/A				
			2/1/2028	24,907.62	N/A				
			8/1/2028	49,815.25	N/A				
			2/1/2029	24,907.62	N/A				
			8/1/2029	49,815.25	N/A				
2/1/2030	24,907.62	N/A							
8/1/2030	49,815.25	N/A							
2/1/2031	24,907.62	N/A							
8/1/2031	49,815.25	N/A							
2/1/2032	24,907.62	N/A							
8/1/2032	2,554.34	N/A							

(Continued)



**TOWNSHIP OF DELRAN**  
**SEWER UTILITY CAPITAL FUND**  
Statement of New Jersey Environmental Infrastructure Trust Loan Payable  
For the Year Ended December 31, 2019

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loan</u>			<u>Interest Rate</u>	<u>Balance Dec. 31, 2018</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2019</u>
			<u>Outstanding Date</u>	<u>Dec. 31, 2019</u>	<u>Amount</u>				
New Jersey Environmental Infrastructure Trust Loan, Series 2014A (Interest Bearing)	5/21/2014	\$ 480,000.00	9/1/2020	\$ 20,000.00	5.000%	\$ 405,000.00	\$ 20,000.00	\$ 385,000.00	
			9/1/2021	20,000.00	5.000%				
			9/1/2022	25,000.00	5.000%				
			9/1/2023	25,000.00	5.000%				
			9/1/2024	25,000.00	5.000%				
			9/1/2025	25,000.00	3.000%				
			9/1/2026	25,000.00	3.000%				
			9/1/2027	30,000.00	3.000%				
			9/1/2028	30,000.00	3.000%				
			9/1/2029	30,000.00	3.000%				
			9/1/2030	30,000.00	3.000%				
			9/1/2031	30,000.00	3.000%				
			9/1/2032	35,000.00	3.125%				
			9/1/2033	35,000.00	3.250%				
						\$ 1,403,859.27	\$ 94,722.87	\$ 1,309,136.40	

**TOWNSHIP OF DELRAN**  
**SEWER UTILITY CAPITAL FUND**  
**Statement of Bond Anticipation Notes**  
**For the Year Ended December 31, 2019**

<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, 2018</u>	<u>Paid by Budget Appropriation</u>
2014-15 / 2017-04	Various Improvements to Sewer System	10-30-17	10-26-18	10-25-19	3.00%	\$ 450,000.00	\$ 450,000.00
2017-09	Various Improvements to Sewer System	10-30-17	10-26-18	10-25-19	3.00%	190,000.00	190,000.00
		10-26-18	10-26-18	10-25-19	3.00%	<u>200,000.00</u>	<u>200,000.00</u>
						<u>\$ 840,000.00</u>	<u>\$ 840,000.00</u>

**TOWNSHIP OF DELRAN**  
**SEWER UTILITY CAPITAL FUND**  
Statement of Bonds and Notes Authorized But Not Issued  
For the Year Ended December 31, 2019

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2018</u>	<u>Funded by Budget Appropriations</u>	<u>Balance Dec. 31, 2019</u>
2010-04	Dissolution of Delran Sewerage Authority	\$ 18,550.00	\$ 8.25	\$ 18,541.75
2010-12	Brown Street Pumping Station Improvements	106,250.00	1,024.41	105,225.59
2012-05 / 2013-10	Various Improvements to WWTP	162,646.00		162,646.00
2014-15 / 2017-04	Various Improvements to Sewer System	1,984,000.00		1,984,000.00
2017-09	Various Improvements to Sewer System	1,870,000.00		1,870,000.00
2018-08	Construction / Undertaking of a Service Water System Upgrade and Aeration Blower Replacement Project	1,950,000.00	638,967.34	1,311,032.66
		<u>\$ 6,091,446.00</u>	<u>\$ 640,000.00</u>	<u>\$ 5,451,446.00</u>

**TOWNSHIP OF DELRAN**

**PART II**

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2019**

**TOWNSHIP OF DELRAN**  
Schedule of Findings and Recommendations  
For the Year Ended December 31, 2019

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***Schedule of Financial Statement Findings***

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

**Finding No. 2019-001**

**Criteria or Specific Requirement**

N.J.A.C. 5:30-5.6 requires the Township to maintain an accurate record of general fixed assets. Good internal control practices also dictate that complete and accurate records should be maintained to ensure adequate control over the preparation of financial statements including the related footnotes.

**Condition**

The Township's record of general fixed assets and utility fixed capital was not updated on a timely basis.

**Context**

During our initial audit of the Township's 2019 general fixed asset record, 5 pieces of equipment assets were identified as having being sold or disposed of in prior years. Subsequently, the Township did a complete review of their record of general fixed assets and utility fixed capital. As a result of this subsequent review, the Township identified a significant amount of assets as being disposed of in prior years in the general fixed asset and the utility fixed capital records. As a result, a prior period adjustment was required to achieve accurate financial statement reporting.

**Effect**

There is a greater possibility that the Township's general fixed assets and utility fixed capital could have material errors if the report is not thoroughly compared or reviewed on a timely basis.

**Cause**

The Township engaged an independent appraisal company to update the existing records of general fixed assets and sewer utility fixed capital during the year. Land and buildings were able to be reviewed and compared to the appraisal report. However, this report was not thoroughly compared or reviewed for equipment changes that occurred during the current year or prior years to the Township's general fixed assets.

**Recommendation**

The Township should review the general fixed assets and utility fixed capital records on a timely basis.

**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 DELRAN**  
Schedule of Findings and Recommendations  
For the Year Ended December 31, 2019

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***Schedule of Financial Statement Findings (Cont'd)***

**Finding No. 2019-002**

**Criteria or Specific Requirement**

Strong internal control practices dictate that cash accounts be reconciled in a timely manner to prevent misappropriations of cash.

**Condition**

The Township's cash reconciliations for several accounts contained several unadjusted differences that were not corrected in a timely manner.

**Context**

During our audit of the Township's cash accounts, we noted that one cash account was materially misstated in the general ledger due to a bank error. Additionally, there were several cash accounts that required entries to reconcile the general ledger to the bank statements.

**Effect**

There is an increased possibility of the misappropriation of Township cash or errors not being detected in a timely manner.

**Cause**

The Township transitioned banks during the year which resulted in the bank error. Additionally, as a result of a change in personnel in the finance office, some of the general ledger entries for cash were not recorded properly.

**Recommendation**

The Township should review their internal controls over cash and establish procedures to ensure that the cash accounts are reconciled and adjustments are made in a timely manner.

**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 DELRAN**  
Schedule of Findings and Recommendations  
For the Year Ended December 31, 2019

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***Schedule of Financial Statement Findings (Cont'd)***

**Finding No. 2019-003**

**Criteria or Specific Requirement**

Strong internal controls dictate that related party transactions should be authorized by an official independent of the related party.

**Condition**

A Township department head authorized a transaction to a related party without authorization from an official independent of the related party.

**Context**

Three purchase orders totaling \$6,513.00 were authorized by a department head to a related party.

**Effect**

A breakdown in internal controls, which resulted in payments to a related party.

**Cause**

The lack of clarity between requirements of filing financial disclosure form with Township policy allowed for related party purchases to occur.

**Recommendation**

The Township should enact policies to prevent Township employees from entering into related party transactions without authorization from an official independent of the related party.

**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 DELRAN**  
Summary Schedule of Prior Year Audit Findings  
and Recommendations as Prepared by Management

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

**FINANCIAL STATEMENT FINDINGS**

**Finding No. 2018-001**

**Condition**

The Township's record of general fixed assets included assets that could not be located.

**Current Status**

This finding has been substantially resolved.

**Finding No. 2018-002**

**Condition**

The Township's cash reconciliations for several accounts contained several unadjusted differences that were not corrected in a timely manner.

**Current Status**

This finding continues to exist as 2019-002.



**TOWNSHIP OF DELRAN**  
 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>
Ken Paris	Mayor	
Gary Catrambone	Council President	
Dan O'Connell	Vice President through February 5, 2019	
Tyler Burrell	Councilperson Vice President from February 5, 2019 through December 31, 2019	
Thomas Lyons	Councilperson from February 5, 2019 through December 31, 2019	
Michael Mormando	Councilperson	
Virginia Parejo	Councilperson	
Jeffrey Hatcher	Township Administrator	
Linda Lewis	Chief Financial Officer through April 2, 2019	\$1,000,000.00 (A)
Margaret Peak	Chief Financial Officer from April 2, 2019 through December 31, 2019	1,000,000.00 (A)
Victoria Boras	Tax Collector through February 5, 2019	1,000,000.00 (A)
Tanyika Johns	Tax Collector from February 5, 2019 through December 31, 2019	1,000,000.00 (A)
Jamey Eggers	Township Clerk	1,000,000.00 (A)

(A) Public Employees' Faithful Performance\Dishonesty Crime Coverage of \$1,000,000.00 provided by the Burlington County Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund.

Township court employees and all other Township employees are under the Public Employees' Faithful Performance\Dishonesty Crime Coverage listed above.

15300

**APPRECIATION**

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

Respectfully submitted,

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

A handwritten signature in black ink that reads "Robert S. Marrone". The signature is written in a cursive style with a large initial 'R' and a long, sweeping underline.

Robert S. Marrone  
Certified Public Accountant  
Registered Municipal Accountant