

TOWNSHIP OF DELANCO

County of Burlington

Report of Audit of Financial Statements

For the Year Ended December 31, 2017

TOWNSHIP OF DELANCO
COUNTY OF BURLINGTON

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TOWNSHIP OF DELANCO

PART I

Report of Audit of Financial Statements

For the Year Ended December 31, 2017

INVERSO & STEWART, LLC

Certified Public Accountants

651 Route 73 North, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: rinverso@iscpasnj.com

**-Member of-
American Institute of CPAs
New Jersey Society of CPAs**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Delanco
County of Burlington
Delanco, New Jersey

Report on the Financial Statements

I have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Delanco, in the County of Burlington, State of New Jersey, as of December 31, 2017 and 2016, 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 assets group of accounts for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

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

As described in Note 1 of 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 U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

In my 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 Delanco, in the County of Burlington, State of New Jersey, as of December 31, 2017 and 2016, 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, expenditures - regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2017 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Information

My audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township’s basic financial statements. The supplemental financial statements presented for the various funds 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 supplementary financial statements 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 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 my opinion, the information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated April 28, 2018 on my consideration of the Township of Delanco's, in the County of Burlington, State of New Jersey, internal control over financial reporting and my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Delanco's internal control over financial reporting.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants

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

Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
May 31, 2018

INVERSO & STEWART, LLC

Certified Public Accountants

651 Route 73 North, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: rinverso@iscpasnj.com

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Delanco
County of Burlington
Delanco, New Jersey

I 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 Delanco, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued my report thereon dated May 31, 2018. That report indicated that the Township of Delanco'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.

Internal Control Over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

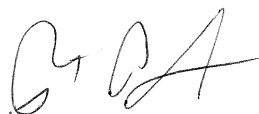
As part of obtaining reasonable assurance about whether the Township of Delanco's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or audit requirements as prescribed by the Division of Local Governments Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants

A handwritten signature in black ink, appearing to read 'G. P. A.' or similar, written in a cursive style.

Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
May 31, 2018

TOWNSHIP OF DELANCO

CURRENT FUND

Statement of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2017 and 2016

	Reference	2017	2016
ASSETS			
Regular Fund:			
Cash - Treasurer	A-4	\$ 4,107,072.54	\$ 3,817,263.16
Cash - Change Fund	A-5	500.00	500.00
Total		4,107,572.54	3,817,763.16
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	162,345.16	216,078.92
Tax Title Liens Receivable	A-8	43,587.43	49,188.95
Other Receivables		42,799.55	43,774.57
Property Acquired for Taxes - Assessed Valuation	A-9	57,500.00	57,500.00
Revenue Accounts Receivable	A-10	28,851.86	23,831.46
Due from Other Trust Fund	B	1,352.71	1,352.71
Due from Federal and State Grant Fund	A	99,581.35	38,433.33
Total		436,018.06	430,159.94
Deferred Charges:			
Emergency - N.J.S.A. 40A:4-47	A-11	-	34,850.00
Special Emergency - N.J.S.40A:4-53	A-12	24,000.00	48,000.00
		24,000.00	82,850.00
Total Regular Fund		4,567,590.60	4,330,773.10
Federal and State Grant Fund:			
State Grants Receivable	A-22	152,242.43	89,742.43
Due from Trust Fund	B	30,828.00	30,828.00
Total Federal and State Grant Fund		183,070.43	120,570.43
Total		\$ 4,750,661.03	\$ 4,451,343.53

TOWNSHIP OF DELANCO

CURRENT FUND

Statement of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2017 and 2016

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 294,135.94	\$ 295,001.78
Reserve for Encumbrances	A-3	10,296.50	11,247.79
Due to State of NJ:			
Senior Citizen & Veteran Deductions	A-6	4,968.16	4,860.62
Construction Code Training Fees	A-19	10,609.00	1,624.00
Reserve for Revaluation	A-20	11,511.00	11,511.00
Reserve for POAA	A-21	152.00	104.00
Prepaid Taxes	A-15	386,382.41	239,418.50
Local District School Tax Payable	A-16	1,868,492.06	1,763,889.56
Due County for Added Taxes	A-17	4,186.76	7,553.08
Tax Overpayments	A-14	7,450.74	8,835.94
Due to Trust Other Fund	B	4,601.45	4,409.40
Due to General Capital Fund	C	94.15	94.15
		<hr/>	<hr/>
Total Liabilities		2,602,880.17	2,348,549.82
Reserve for Receivables and Other Assets	A	436,018.06	430,159.94
Fund Balance	A-1	1,528,692.37	1,552,063.34
		<hr/>	<hr/>
Total Regular Fund		4,567,590.60	4,330,773.10
		<hr/>	<hr/>
Federal and State Grant Fund:			
Due to Current Fund	A	99,581.35	38,433.33
Reserve for Encumbrances	A-24	4,857.00	17,457.00
Appropriated Reserves	A-24	78,632.08	64,680.10
		<hr/>	<hr/>
Total Federal and State Grant Fund		183,070.43	120,570.43
		<hr/>	<hr/>
Total		<u>\$ 4,750,661.03</u>	<u>\$ 4,451,343.53</u>

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

TOWNSHIP OF DELANCO

Current Fund

Statement of Operations and Changes in Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2017 and 2016

	2017	2016
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 950,000.00	\$ 850,000.00
Miscellaneous Revenue Anticipated	964,606.64	766,112.06
Receipts from Delinquent Taxes	228,383.54	382,736.35
Receipts from Current Taxes	12,346,712.68	11,901,972.06
Nonbudget Revenues	259,437.29	274,942.42
Other Credits to Income:		
Interfunds Returned	-	247,468.79
Liquidation of Receivable	2,410.05	1,810.14
Tax Overpayments Cancelled	7,139.21	-
Unexpended Balance of Appropriation Reserves	50,935.82	145,148.22
Total Revenue and Other Income Realized	14,809,625.23	14,570,190.04
Expenditures:		
Operations Within "CAPS":		
Salaries and Wages	2,063,306.26	2,022,450.00
Other Expenses	1,874,148.76	1,907,085.00
Deferred Charges and Statutory Expenditures Within "CAPS"	419,334.98	380,820.00
Operations Excluded from "CAPS":		
Salaries and Wages	48,617.00	48,617.00
Other Expenses	121,522.31	127,388.05
Capital Improvements Excluded from "CAPS"	170,000.00	10,000.00
Municipal Debt Service Excluded from "CAPS"	591,905.88	585,226.80
Deferred Charges Excluded from "CAPS"	58,850.00	24,000.00
County Taxes	1,717,868.20	1,720,448.45
Due County for Added Taxes	4,186.76	7,553.08
Local District School Tax	6,306,515.00	6,097,312.00
Special District Tax	365,000.00	325,000.00
Municipal Open Space Tax	79,343.03	79,078.59
Other Debits to Income:		
Prior Year Tax Overpayments Created	-	2,701.92
Prior Year Senior Citizen Deductions Disallowed	1,250.00	-
Interfund Loans Made	61,148.02	-
Total Expenditures	13,882,996.20	13,337,680.89
Excess in Revenue	926,629.03	1,232,509.15
Adjustments to Income Before Surplus:		
Expenditures Included Above which are by Statute Deferred		
Charges to Budget of Succeeding Year	-	34,850.00
Excess in Revenue & Statutory Excess to Fund Balance	926,629.03	1,267,359.15
Fund Balance January 1	1,552,063.34	1,134,704.19
	2,478,692.37	2,402,063.34
Decreased by Utilization as Anticipated Revenue	950,000.00	850,000.00
Balance December 31	\$ 1,528,692.37	\$ 1,552,063.34

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

TOWNSHIP OF DELANCO

Current Fund

Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2017

	Budget	NJS 40A:4-87	Realized	Excess (Deficit)
Fund Balance Anticipated	\$ 950,000.00	\$ -	\$ 950,000.00	\$ -
Miscellaneous Revenues:				
Fees and Permits - Other	20,000.00	-	40,158.39	20,158.39
Fines and Costs - Municipal Court	60,000.00	-	68,062.50	8,062.50
Interest and Costs on Taxes	57,000.00	-	64,227.44	7,227.44
Apartment Rental Registration Fee	21,000.00	-	49,970.00	28,970.00
Energy Receipts Tax	374,720.00	-	374,720.00	-
Consolidated Municipal Property Tax Relief Aid	29,102.00	-	29,102.00	-
Construction Code Fees	80,000.00	-	234,544.00	154,544.00
Miscellaneous Revenues Offset with Appropriations:				
Recycling Tonnage Grant	13,281.46	13,994.83	27,276.29	-
Clean Communities Program	-	9,264.57	9,264.57	-
Sustainable Jersey Small Grants Program	-	2,000.00	2,000.00	-
Body Armor Grant	-	1,303.45	1,303.45	-
Municipal Park Development Program	-	62,500.00	62,500.00	-
Library Aid	-	598.00	598.00	-
Bullet Proof Vest Grant	880.00	-	880.00	-
Total	655,983.46	89,660.85	964,606.64	218,962.33
Receipts from Delinquent Taxes	202,700.00	-	228,383.54	25,683.54
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	4,043,804.00	-	4,318,258.69	274,454.69
Budget Totals	5,852,487.46	89,660.85	6,461,248.87	\$ 519,100.56
Nonbudget Revenues	-	-	259,437.29	
Total	\$ 5,852,487.46	\$ 89,660.85	\$ 6,720,686.16	

(Continued)

TOWNSHIP OF DELANCO

Current Fund

Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2017Analysis of Realized Revenues**Allocation of Current Tax Collections:**

Revenue from Collections	\$ 12,346,712.68
Allocated to School, Fire District, County Taxes and Municipal Open Space Taxes	<u>8,472,912.99</u>
Balance for Support of Municipal Budget Appropriations	3,873,799.69
Add Appropriation - Reserve for Uncollected Taxes	<u>444,459.00</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 4,318,258.69</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	<u><u>\$ 228,383.54</u></u>
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Miscellaneous Revenue Not Anticipated:

Revenue Accounts Receivable:		
Cable T.V. Franchise Fee	\$ 19,161.00	
Payments In Lieu of Taxes	<u>193,572.72</u>	<u>212,733.72</u>
		212,733.72

Treasurer:

Refund of Prior Year Expense	6,976.47	
Interest on Investments	37,727.27	
Administration Fee	1,092.15	
Land Sale	100.00	
Miscellaneous	<u>807.68</u>	<u>46,703.57</u>

Total	<u><u>\$ 259,437.29</u></u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF DELANCO
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2017

	Appropriations			Expended			Unexpended
	Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
GENERAL APPROPRIATIONS:							
Operations Within "CAPS":							
General Government:							
General Administration							
Salaries and Wages	\$ 143,000.00	\$ -	\$ 143,000.00	\$ 132,052.38	\$ -	\$ 10,947.62	\$ -
Other Expenses	32,000.00		32,000.00	29,588.51	385.00	2,026.49	
Mayor & Township Committee							
Salaries and Wages	15,000.00		15,000.00	15,000.00			
Other Expenses	1,700.00		1,700.00	1,547.09		152.91	
Township Clerk							
Salaries and Wages	93,000.00		93,000.00	93,000.00			
Other Expenses	28,000.00		28,000.00	13,065.60	662.50	14,271.90	
Financial Administration:							
Salaries and Wages	37,000.00		37,000.00	36,863.84		136.16	
Other Expenses	3,600.00		3,600.00	2,872.73		727.27	
Audit Services							
Other Expenses	29,000.00		29,000.00	29,000.00			
Computerized Data Processing							
Other Expenses	40,000.00		40,000.00	35,994.81		4,005.19	
Collection of Taxes:							
Salaries and Wages	28,200.00		28,703.54	28,703.54			
Other Expenses	6,000.00		6,000.00	5,538.65		461.35	
Assessment of Taxes							
Salaries and Wages	27,000.00		27,232.72	27,232.72			
Other Expenses	3,750.00		3,750.00	3,250.63		499.37	
Legal Services and Costs							
Other Expenses	90,000.00		76,923.76	55,063.44		21,860.32	
Engineering Services and Costs							
Other Expenses	55,000.00		55,000.00	36,324.75	3,750.00	14,925.25	
Planning Services							
Other Expenses	36,000.00		36,000.00	7,880.95		28,119.05	
Aid to Library							
Other Expenses	76,400.00		76,400.00	76,139.28		260.72	

	Appropriations			Expended			Unexpended Balance Canceled
	Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Encumbered	Reserved	
GENERAL APPROPRIATIONS:							
Operations Within "CAPS":							
Land Use Adminsitration:							
Joint Land Use Board							
Salaries and Wages	\$ 32,000.00	\$ -	\$ 33,500.00	\$ 31,811.79	\$ -	\$ 1,688.21	\$ -
Other Expenses	25,000.00		25,000.00	18,140.31		6,859.69	
Insurance:							
Group Insurance	595,000.00		595,000.00	486,160.85		8,839.15	100,000.00
Liability Insurance	39,000.00		39,000.00	37,764.33		1,235.67	
Workers Compensation	87,000.00		87,000.00	85,826.80		1,173.20	
Municipal Court							
Salaries and Wages	43,000.00		43,000.00	41,824.52		1,175.48	
Other Expenses	12,000.00		12,000.00	9,711.24		2,288.76	
Police							
Salaries and Wages	1,335,000.00		1,335,000.00	1,254,523.84		30,476.16	50,000.00
Other Expenses	123,000.00		123,000.00	114,200.03		8,644.97	
Municipal Prosecutor					155.00		
Salaries and Wages	9,050.00		9,050.00	8,300.00		750.00	
Aid to Volunteer Ambulance Organization							
Other Expenses	14,000.00		14,000.00	14,000.00			
Office of Emergency Management							
Salaries and Wages	2,160.00		2,160.00	1,980.00		180.00	
Other Expenses	1,100.00		1,100.00	367.58		732.42	
Fire							
Other Expenses							
Streets and Roads Maintenance							
Salaries and Wages	265,000.00		272,500.00	271,009.00		1,491.00	
Other Expenses	32,000.00		32,000.00	21,477.40		10,522.60	
Shade Tree Commission							
Salaries and Wages	1,675.00		1,675.00	1,466.63		208.37	
Other Expenses	18,000.00		18,000.00	6,464.77	264.00	11,271.23	
Solid Waste Collection							
Other Expenses	97,000.00		97,000.00	96,352.00		648.00	

TOWNSHIP OF DELANCO
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2017

	Appropriations			Expended			Unexpended
	Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
GENERAL APPROPRIATIONS:							
Operations Within "CAPS":							
Public Buildings and Grounds							
Salaries and Wages	\$ 17,000.00		\$ 17,000.00	\$ 16,556.80	\$ -	\$ 443.20	\$ -
Other Expenses	33,000.00		33,000.00	23,571.90		9,428.10	
Vehicle Maintenance							
Other Expenses	35,000.00		35,000.00	29,461.13		5,538.87	
Health and Human Services							
Animal Control							
Other Expenses	5,000.00		5,000.00	4,467.04		532.96	
Registrar of Vital Statistics							
Salaries and Wages	4,275.00		4,275.00	4,251.69		23.31	
Other Expenses	1,400.00		1,400.00	398.62		1,001.38	
Parks and Recreation Functions							
Recreation Services and Programs							
Salaries and Wages	2,110.00		2,110.00	2,107.56		2.44	
Other Expenses	26,175.00		26,175.00	26,175.00			
Delanco Youth Sports Association							
Other Expenses	6,000.00		6,000.00	6,000.00			
Accumulated Sick Leave Compensation							
Salaries and Wages	100.00		100.00	100.00			
Utility and Bulk Purchases							
Electricity	41,000.00		42,000.00	38,260.29		3,739.71	
Street Lights	93,000.00		93,000.00	72,403.80		20,596.20	
Telephone	23,000.00		23,000.00	20,994.42		2,005.58	
Water	11,000.00		11,000.00	9,278.33		1,721.67	
Gasoline	38,000.00		38,000.00	31,501.10		6,498.90	
Sewerage Disposal Costs	100.00		100.00			100.00	
Landfill and Solid Waste Disposal							
Landfill Fees	158,000.00		158,000.00	134,965.78		23,034.22	
Uniform Construction Code							
State Uniform Construction Code							
Construction Code Official							
Salaries and Wages	43,000.00		43,000.00	42,583.79		416.21	
Other Expenses	49,000.00		49,000.00	26,064.40		22,935.60	

TOWNSHIP OF DELANCO
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2017

	Appropriations			Expended		Unexpended Balance Canceled
	Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Encumbered Reserved	
GENERAL APPROPRIATIONS:						
Operations Within "CAPS":						
Inspection of Rentals						
Other Expenses	\$ 22,000.00	\$ -	\$ 22,000.00	\$ 15,750.00	\$ -	\$ 6,250.00
Housing Officer						
Salaries and Wages	6,000.00		6,000.00	5,999.76	0.24	
Total Operations Including Contingent - Within "CAPS"	<u>4,089,795.00</u>		<u>4,087,455.02</u>	<u>3,641,391.42</u>	<u>5,216.50</u> <u>290,847.10</u>	<u>150,000.00</u>
Detail:						
Salaries and Wages	2,103,570.00		2,113,306.26	2,015,367.86	47,938.40	50,000.00
Other Expenses	1,986,225.00		1,974,148.76	1,626,023.56	5,216.50 242,908.70	100,000.00
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":						
STATUTORY EXPENDITURES:						
Contribution to:						
Public Employees Retirement System	87,140.00		88,026.69	88,026.69		
Police & Fireman's Retirement System	236,855.00		238,308.29	238,308.29		
Social Security System (O.A.S.I.)	92,000.00		92,000.00	89,459.64	2,540.36	
Defined Contribution Retirement Plan	1,000.00		1,000.00	686.55	313.45	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>416,995.00</u>		<u>419,334.98</u>	<u>416,481.17</u>	<u>2,853.81</u>	
Total General Appropriations - For Municipal Purposes Within "CAPS"	<u>4,506,790.00</u>		<u>4,506,790.00</u>	<u>4,057,872.59</u>	<u>5,216.50</u> <u>293,700.91</u>	<u>150,000.00</u>

TOWNSHIP OF DELANCO
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2017

	Appropriations			Expended			Unexpended
	Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
GENERAL APPROPRIATIONS:							
Operations Excluded from "CAPS":							
Recycling Tax	\$ 6,000.00	\$ -	\$ 6,000.00	\$ 5,564.97	\$ -	\$ 435.03	\$ -
NJPDES Stormwater Permit [NJSA 40A:4-45.3(cc)]:							
Streets and Roads							
Salaries and Wages	48,617.00		48,617.00	48,617.00			
Other Expenses	10,000.00		10,000.00	4,920.00	5,080.00		
Total Other Operations Excluded from "CAPS":	64,617.00		64,617.00	59,101.97	5,080.00	435.03	
GENERAL APPROPRIATIONS:							
Operations Excluded from "CAPS":							
Public and Private Programs Offset by Revenues:							
Recycling Tonnage Grant	13,281.46		27,276.29	27,276.29			
Body Armor Grant			1,303.45	1,303.45			
Community Development Block Grant			62,500.00	62,500.00			
Clean Communities			9,264.57	9,264.57			
Sustainable Jersey Small Grants Program			2,000.00	2,000.00			
Library Aid			598.00	598.00			
Bullet Proof Vest Grant	880.00		880.00	880.00			
SFSP Fire District Payment	1,700.00		1,700.00	1,700.00			
Total Public and Private Programs Offset by Revenues	15,861.46		105,522.31	105,522.31			
Total Operations - Excluded From "CAPS"	80,478.46		170,139.31	164,624.28	5,080.00	435.03	
Detail:							
Salaries and Wages	48,617.00		48,617.00	48,617.00			
Other Expenses	31,861.46		121,522.31	116,007.28		435.03	
GENERAL APPROPRIATIONS:							
Capital Improvements - Excluded From "CAPS"							
Capital Improvement Fund	170,000.00		170,000.00	170,000.00			
Total Capital Improvements - Excluded From "CAPS"	170,000.00		170,000.00	170,000.00			

TOWNSHIP OF DELANCO
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2017

	Budget	Appropriations Emergency Appropriation	Budget After Modification	Paid or Charged	Expended Encumbered	Reserved	Unexpended Balance Canceled
Municipal Debt Service - Excluded From "CAPS"							
Payment of Bond Principal	\$ 450,000.00	\$ -	\$ 450,000.00	\$ 450,000.00	\$ -		\$ -
Interest on Bonds	80,750.00		80,750.00	80,750.00			
Payment of Bond Anticipation Notes and Capital Notes	54,000.00		54,000.00	54,000.00			
Interest on Notes	7,160.00		7,160.00	7,155.88			4.12
Total Municipal Debt Service - Excluded From "CAPS"	591,910.00		591,910.00	591,905.88			4.12
DEFERRED CHARGES - Municipal - Excluded from "CAPS"							
Emergency Authorizations	34,850.00		34,850.00	34,850.00			
Special Emergency Authorizations	24,000.00		24,000.00	24,000.00			
Total Deferred Charges - Municipal-Excluded from "CAPS"	58,850.00		58,850.00	58,850.00			
Total General Appropriations for Municipal Purposes Excluded From "CAPS"	901,238.46		990,899.31	985,380.16	5,080.00	435.03	4.12
Subtotal General Appropriations	5,408,028.46		5,497,689.31	5,043,252.75	10,296.50	294,135.94	150,004.12
Reserve for Uncollected Taxes	444,459.00		444,459.00	444,459.00			
TOTAL GENERAL APPROPRIATIONS	\$ 5,852,487.46		\$ 5,942,148.31	\$ 5,487,711.75	\$ 10,296.50	\$ 294,135.94	\$ 150,004.12
Budget After Modification							
Original Budget			\$ 5,852,487.46				
Appropriation by NJSA 40A:4-87			89,660.85				
			<u>\$ 5,942,148.31</u>				
Analysis of Expended - Paid or Charged:							
Federal and State Grant Fund - Appropriated Reserves				\$ 103,822.31			
Reserve for Uncollected Taxes				444,459.00			
Special Emergency				58,850.00			
Cash Disbursed				4,880,580.44			
				<u>\$ 5,487,711.75</u>			

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

TOWNSHIP OF DELANCO

Trust Fund

**Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2017 and 2016**

	Reference	2017	2016
<u>ASSETS</u>			
Animal Control Fund:			
Cash - Treasurer	B-1	\$ 1,468.13	\$ 1,734.08
Total Animal Control Funds		1,468.13	1,734.08
Other Funds:			
Cash - Treasurer	B-1	707,524.86	622,871.83
Due from Current Fund	A	4,601.45	4,409.40
Total Other Funds		712,126.31	627,281.23
Total		<u>\$ 713,594.44</u>	<u>\$ 629,015.31</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-2	\$ 1,468.13	\$ 1,734.08
Total Animal Control Fund		1,468.13	1,734.08
Other Funds:			
Due to Current Fund	A	1,352.71	1,352.71
Due to Grant Fund	A	30,828.00	30,828.00
Due to Criminal Disposition		2,181.58	2,181.58
Reserve for:			
Open Space	B-5	112,919.62	145,868.77
Unemployment Compensation Trust	B-6	77,547.50	73,932.90
Tax Sale Premiums	B-3	47,950.00	47,950.00
Escrow Deposits	B-3	165,085.91	175,861.65
Gateway Park Brick Fund	B-3	125.00	153.08
Housing Trust	B-3	44,954.87	43,662.63
Special Law Enforcement	B-3	487.02	483.01
Public Defender	B-3	1,626.83	1,935.48
Tax Collector Redemption	B-3	52,980.16	1,961.36
Accumulated Absences	B-3	172,303.19	99,998.68
Cops Care	B-3	1,098.54	1,089.51
Flexible Spending	B-3	685.38	21.87
Total Other Funds		712,126.31	627,281.23
Total		<u>\$ 713,594.44</u>	<u>\$ 629,015.31</u>

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

TOWNSHIP OF DELANCO

General Capital Fund

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

	Reference	2017	2016
<u>ASSETS</u>			
Cash	C-2	\$ 782,770.57	\$ 191,192.42
Deferred Charges to Future Taxation:			
Funded	C-4	1,145,907.42	1,609,836.88
Unfunded	C-5	1,009,850.00	622,250.00
Due from Current Fund	A	94.15	94.15
Total		<u>\$ 2,938,622.14</u>	<u>\$ 2,423,373.45</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds	C-9	\$ 900,000.00	\$ 1,350,000.00
Bond Anticipation Notes Payable	C-10	1,009,850.00	622,250.00
Green Acres Loan Trust Payable	C-7	245,907.42	259,836.88
Due to Federal and State Grant Fund	A	-	-
Improvement Authorizations:			
Funded	C-8	312,287.54	69,231.95
Unfunded	C-8	468,507.24	334.68
Capital Improvement Fund	C-6	1,509.58	118,159.58
Fund Balance	C-1	560.36	3,560.36
Total		<u>\$ 2,938,622.14</u>	<u>\$ 2,423,373.45</u>

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

TOWNSHIP OF DELANCO

General Capital Fund

**Statement of Operations and Changes in Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2017**

Balance December 31, 2016	\$ 3,560.36
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>3,000.00</u>
Balance December 31, 2017	<u><u>\$ 560.36</u></u>

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

TOWNSHIP OF DELANCO

ACCOUNT GROUP

Statement of General Fixed Assets Group of Accounts
For the Year Ended December 31, 2017

	Balance December 31, 2016	Additions / Adjustments	Retirements / Adjustments	Balance December 31, 2017
General Fixed Assets:				
Land	\$ 494,000.00	\$ -	\$ 125,650.00	\$ 368,350.00
Buildings and Improvements	3,214,600.00	905,230.00		4,119,830.00
Vehicles	951,235.00	297,700.00		1,248,935.00
Equipment	<u>293,885.00</u>	<u>97,115.00</u>		<u>391,000.00</u>
 Total General Fixed Assets	 <u>\$ 4,953,720.00</u>	 <u>\$ 1,300,045.00</u>	 <u>\$ 125,650.00</u>	 <u>\$ 6,128,115.00</u>
 Total Investment in General Fixed Assets	 <u>\$ 4,953,720.00</u>	 <u>\$ 1,300,045.00</u>	 <u>\$ 125,650.00</u>	 <u>\$ 6,128,115.00</u>

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

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Delanco (hereafter referred to as the "Township") is located in the western portion of the County of Burlington, State of New Jersey. The present population according to the 2010 census is 4,287.

The Township was incorporated in 1924 and is governed by a Committee form of government which consists of five members elected at large by the voters. The Committee members serve three-year terms that are staggered. Two members are elected in two successive years and one member is elected in the third year. The Mayor is selected annually by the Committee and acts as the Chief Executive Officer of the Township. The legislative powers rest with the Township Committee. The Township Administrator, Township Clerk and Township Treasurer are appointed by the Township Committee and monitor the daily administrative and financial responsibilities, including but not limited to, staffing and personnel issues and budget preparation and implementation.

Component Units – Criteria for determining if other entities are potential component units which should be reported within the Township's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600. The application of these criteria provides for identification of any entities for which the Township is financially accountable and other organizations that the nature and significance of their relationship with the Township are such that exclusion would cause the Township's basic financial statements to be misleading or incomplete.

Based on the application of these criteria, the following organization is considered to be a component unit; however, the Township has determined that it is not significant and, therefore, has not been included in the basic financial statements:

Delanco Township Sewerage Authority
770 Coopertown Road
Delanco, New Jersey 08075

Requests for financial information should be addressed to the organization listed above.

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

In accordance with the "Requirements", the Township accounts for its financial transactions through the use of separate funds 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.

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its current fund in accordance with N.J.S.A. 40A:4et 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 Township. 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 the 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, for all funds, include petty cash, change funds, 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. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

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 utilities and other state agencies.

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

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

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

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

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000 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. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. 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 Assets, 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 includes 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. No depreciation of general fixed assets is recorded.

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 Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

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 Township until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund Balance included in the Current Fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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.

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences and Postemployment Benefits - Compensated absences for vacation and sick leave 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.

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 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 Delanco Township School District, Delanco Township Fire District, and the County of Burlington. 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 Delanco Township 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 July 1 to June 30, increased by the amount deferred at December 31, 2016 and decreased by the amount deferred at December 31, 2017.

County Taxes - The Township is responsible for levying, collecting and remitting county taxes for the County of Burlington. 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 - The Township is responsible for levying, collecting and remitting the fire district taxes to the Delanco Township Fire District. Operations is charged for the full amount required to be raised from taxation to support the fire district for the year.

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

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Outstanding 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 and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Interest on Delinquent Taxes – It is the policy of the Township to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500 becoming delinquent after the due date and if a delinquency is in excess of \$10,000 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten (10) day grace period.

Comparative Data – Comparative total data for the prior year have been presented in the accompanying statements of assets, liabilities, reserves and fund balance and statement of operations in order to provide an understanding of changes in the Township's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the statement of revenues – regulatory basis and the statement of expenditures – regulatory basis since their inclusion would make the statements unduly complex and difficult to read.

NOTE 2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the Municipality's deposits may not be recovered. Although the Municipality 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 Unit. Under the Act, the first \$250,000 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 or funds that may pass to the Municipality relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized. Of the Municipality's amount on deposit of \$5,527,991 as of December 31, 2017, \$250,000 was insured under FDIC and the remaining balance of \$5,277,991 was collateralized under GUDPA.

NOTE 3. PROPERTY TAXES

The following is a comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years ending December 31.

<u>Comparative Schedule of Tax Rates</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Tax Rate	<u>\$ 3.163</u>	<u>\$ 3.070</u>	<u>\$ 3.019</u>	<u>\$ 2.943</u>	<u>\$ 2.341</u>
Apportionment of Tax Rate:					
Municipal	1.021	0.980	0.942	0.917	0.704
County	0.436	0.438	0.447	0.398	0.329
Local School	1.593	1.549	1.527	1.525	1.221
Fire District	0.093	0.083	0.083	0.083	0.067
Municipal Open Space	0.020	0.020	0.020	0.020	0.020

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 3. PROPERTY TAXES (Continued)

Assessed Valuation

2017	\$	395,754,800
2016		393,669,194
2015		391,641,394
2014		392,036,500
2013		484,841,526

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2017	\$ 12,547,196	\$ 12,346,713	98.40%
2016	12,138,547	11,901,972	98.05%
2015	12,014,020	11,620,721	96.73%
2014	11,573,467	11,277,212	97.44%
2013	11,356,939	10,930,539	96.25%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2017	\$ 43,587	\$ 162,345	\$ 205,932	1.64%
2016	49,189	216,079	265,268	2.19%
2015	51,415	373,147	424,562	3.53%
2014	29,726	283,746	313,472	2.71%
2013	39,429	273,411	312,840	2.75%

The following comparison is made of the number of tax title liens receivable on December 31, of the current year and previous four years.

<u>Year</u>	<u>Number</u>
2017	5
2016	6
2015	8
2014	6
2013	7

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2017	\$ 57,500
2016	57,500
2015	57,500
2014	57,500
2013	57,500

NOTE 5. 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 December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2017	\$ 1,528,692	\$ 900,000	58.87%
2016	1,552,063	950,000	61.21%
2015	1,134,704	850,000	74.91%
2014	1,212,593	947,000	78.10%
2013	1,089,235	967,000	88.78%

NOTE 6. INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ 100,934	\$ 4,696
Federal & State Grant Fund	30,828	99,581
Trust Fund:		
Other Trust Funds	4,602	32,181
General Capital Fund	94	-
	<u>\$ 136,458</u>	<u>\$ 136,458</u>

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 7. PENSION PLANS

Substantially all of the Township's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Police and Firemen's Retirement System (PFRS), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

Police and Firemen's Retirement System (PFRS)

Plan Description - The Police and Firemen's Retirement System is a cost sharing multiple-employer defined benefit pension plan established in 1944. The PFRS provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PERS:

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.

Contributions - The contribution requirements of plan members are determined by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

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

The Township's contractually required contribution rate for the year ended December 31, 2017 was 23.73% 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.

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 7. PENSION PLANS (Continued)

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

Based on the most recent PFRS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$220,551 and is payable by April 1, 2018. Due to the basis of accounting described in Note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$236,853, which was paid by April 1, 2017. Employee contributions to the pension plan during the year ended December 31, 2017 were \$94,899.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2017 was 2.32% of the Township's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2017 is \$21,548 and is payable by April 1, 2018. Based on the PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2016 was \$17,856, which was paid on April 1, 2017.

The Township is billed annually for its normal contributions plus any accrued liability. These contributions, equal to the required contributions are detailed below.

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Total Liability Paid by Township</u>
2017	\$ 80,619	\$ 145,937	\$ 10,297	\$ 236,853
2016	65,854	121,816	8,756	196,426
2015	58,463	104,326	7,645	170,434

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PFRS and additions to/deductions from PFRS fiduciary net position have been determined on the same basis as they are reported by PFRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended December 31, 2017, the Township's proportionate share of pension expense is \$52,712. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1. At December 31, 2017, the Township proportionate share of the net pension liability is \$3,847,243 and deferred outflows of resources related to PFRS from the following sources:

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 7. PENSION PLANS (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 24,959	\$ 22,580
Changes of assumptions	474,408	630,066
Net Difference between projected and actual earnings on pension plan investments	73,414	
Changes in proportion	560,198	634,853
Township contributions subsequent to the measurement date	220,551	
Total	\$ 1,353,530	\$ 1,287,499

\$220,551 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2018	\$ 24,568
2019	24,568
2020	24,568
2021	24,568
2022	(252,792)
Total	\$ (154,520)

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 7. PENSION PLANS (Continued)

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

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	5.53
June 30, 2016	-	5.58
June 30, 2017	5.59	5.59
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017		5.59
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2014	5.00	5.00
June 30, 2015	5.00	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	5.00
Changes in proportion		
Year of Pension Plan Deferral:		
June 30, 2014	-	6.17
June 30, 2015	-	5.53
June 30, 2016	-	5.58

Additional Information

Collective balances at June 30, 2017 and 2016 are as follows:

	6/30/2017	6/30/2016
Collective deferred outflows of resources	\$ 2,941,952,753	\$ 4,547,316,543
Collective deferred inflows of resources	\$ 3,262,432,093	\$ 688,197,590
Collective net pension liability	\$ 17,167,260,198	\$ 20,706,699,056
Township's Proportion	.0249204972%	.0290495778%

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 7. PENSION PLANS (Continued)

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

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

Inflation rate: 2.25%
Salary Increases:
 Through 2026: 2.10-8.98% based on age
 Thereafter: 3.10-9.98% based on age
Investment Rate of Return: 7.00%

Additional Information

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

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

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

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 7. PENSION PLANS (Continued)

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

Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	05.00%	05.51%
Cash equivalents	05.50%	01.00%
U.S. Treasuries	03.00%	01.87%
Investment grade credit	10.00%	03.78%
Public high yield	02.50%	06.82%
Global diversified credit	05.00%	07.10%
Credit oriented hedge funds	01.00%	06.60%
Debt related private equity	02.00%	10.63%
Debt related real estate	01.00%	06.61%
Private real assets	02.50%	11.83%
Equity related real estate	06.25%	09.23%
U.S. Equity	30.00%	08.19%
Non-U.S. developed markets equity	11.50%	09.00%
Emerging markets equity	06.50%	11.64%
Buyouts/venture capital	08.25%	13.08%
	<u>100.00%</u>	

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

Sensitivity of the Township's proportionate share of the net pension liability to changes in the discount rate. The following presents the Township's and State's proportionate share of the net pension liability measured as of June 30, 2017, calculated using the discount rate of 6.14%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.14%) or 1 percentage point higher (7.14%) than the current rate:

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 7. PENSION PLANS (Continued)

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

	1% Decrease (5.14%)	Current Discount Rate (6.14%)	1% Increase (7.14%)
Township's proportionate share of the net pension liability	\$ 5,069,059	\$ 3,847,243	\$ 2,843,382
State's proportionate share of the net pension liability associated with the Township	509,997	430,924	366,107
	<u>\$ 5,579,057</u>	<u>\$ 4,278,167</u>	<u>\$ 3,209,489</u>

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Public Employees' Retirement System (PERS)

Plan Description - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting 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 pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except medical benefits, which vest after 25 years of service or under the disability provisions of 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 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th 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 1/60th 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 tier 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 7. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Contributions - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 336, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The Township's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2017 was 13.01% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the fiscal year ended December 31, 2017 was \$91,010 and is payable by April 1, 2018. Based on the PERS measurement date of June 30, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$87,138, which was paid by April 1, 2017. Employee contributions to the pension plan during the year ended December 31, 2017 were \$51,225.

The Township is billed annually for its normal contributions plus any accrued liability. These contributions, equal to the required contributions are detailed below.

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Total Liability Paid by Township</u>
2017	\$ 13,630	\$ 69,366	\$ 4,142	\$ 87,138
2016	15,472	71,274	4,644	91,390
2015	14,355	66,401	5,470	86,226

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

At December 31, 2017, the Township's proportionate share of the PERS net pension liability was \$2,286,899. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The Township's proportion of the 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 year ended December 31, 2017, the Township's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2017 measurement date is \$140,178. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 7. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

At December 31, 2017, the Township proportionate share of the PERS net pension liability was \$2,286,899 and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 53,849	\$ -
Changes of assumptions	460,731	459,042
Net Difference between projected and actual earnings on pension plan investments	15,572	
Changes in proportion	18,390	112,762
Township contributions subsequent to the measurement date	91,010	
Total	\$ 639,552	\$ 571,804

\$91,010 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2018	\$ 5,425
2019	5,425
2020	5,425
2021	41,777
2022	(81,314)
Total	\$ (23,262)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 7. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

	<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	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
Changes in proportion		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

Additional Information

Collective balances at June 30, 2017 and 2016 are as follows:

	<u>6/30/2017</u>	<u>6/30/2016</u>
Collective deferred outflows of resources	\$ 6,424,455,842	\$ 8,685,338,380
Collective deferred inflows of resources	\$ 5,700,625,981	\$ 870,133,595
Collective net pension liability	\$ 23,278,401,588	\$ 29,617,131,759
Township's Proportion	.0098241222%	.0098085773%

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 7. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

Inflation rate: 2.24%
Salary Increases:
 Through 2026: 1.65-4.15% based on age
 Thereafter: 2.65-5.15% based on age
Investment Rate of Return: 7.00%

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 7. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	05.00%	05.51%
Cash equivalents	05.50%	01.00%
U.S. Treasuries	03.00%	01.87%
Investment grade credit	10.00%	03.78%
Public high yield	02.50%	06.82%
Global diversified credit	05.00%	07.10%
Credit oriented hedge funds	01.00%	06.60%
Debt related private equity	02.00%	10.63%
Debt related real estate	01.00%	06.61%
Private real assets	02.50%	11.83%
Equity related real estate	06.25%	09.23%
U.S. Equity	30.00%	08.19%
Non-U.S. developed markets equity	11.50%	09.00%
Emerging markets equity	06.50%	11.64%
Buyouts/venture capital	08.25%	13.08%
	<u>100.00%</u>	

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

Sensitivity of the Township's proportionate share of the net pension liability to changes in the discount rate. The following presents the Township's proportionate share of the net pension liability measured as of June 30, 2017, calculated using the discount rate of 5.00%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.00%) or 1 percentage point higher (6.00%) than the current rate:

	<u>1% Decrease (4.00%)</u>	<u>Current Discount Rate (5.00%)</u>	<u>1% Increase (6.00%)</u>
Township's proportionate share of the net pension liability	\$ 2,837,053	\$ 2,286,899	\$ 1,828,552

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 7. PENSION PLANS (Continued)

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program was established in 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), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered by Prudential Financial on behalf of the Divisions of Pensions and Benefits. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. 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. Pursuant to the provisions of Chapter 78 P.L. 2011, the active member contribution rate was increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. The employee contributions along with the Township's contribution for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The Township's contributions, equal to the required contribution for each fiscal year, were as follows:

	<u>Employer</u>
2017	\$ 714
2016	919
2015	547

Related Party Investments – The Division of Pensions and Benefits does not invest in securities issued by the Township.

NOTE 8. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The financial statements of the Township are not prepared in accordance with Governmental Standards Board Statement No. 45. The following information is provided in accordance with the requirements of the Statement.

Plan Description – The Township contributes to the State Health Benefits Program ("SHBP"), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. The Township's defined benefit postemployment healthcare plan provides post employment health care benefits, at its cost, to certain retired employees. A Township employee will receive paid health insurance benefits upon retirement from the Township provided they 1) retire from the Township with at least twenty-five years of service in the New Jersey Public Employees Retirement System, 2) retire from the Township with at least twenty-five years of consecutive service with the Township, and 3) at the time of retirement the employee is at least fifty-five years of age. Retirees will not be eligible to receive paid health coverage for their spouses or for their dependents.

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625.

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. The Township funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits. During the year 2017, 2016, and 2015 there were seven, nine, and seven retired employees, respectively who received this benefit resulting in payments of \$69,697, \$78,840, and \$63,193 in related health care premiums.

NOTE 9. COMPENSATED ABSENCES

Township administration employees are entitled to fifteen paid sick leave days and vacation days in varying amounts as outlined in the Township's employee handbook. Unused sick leave may be accumulated and carried forward to the subsequent year, and, upon resignation or retirement the employee will be compensated for one-half of their accumulated unused sick leave, or six months' salary, whichever is less. Unused vacation days may be carried forward to the subsequent year. Vacations days carried forward must be used in the next succeeding year or be forfeited.

Public works department employees are entitled to fifteen paid sick leave days and vacation days in varying amounts as outlined in the Township's employee handbook. Unused sick leave may be accumulated and carried forward to the subsequent year, and, upon retirement the employee will be compensated for one-half of their accumulated unused sick leave. Unused vacation days may be carried forward to the subsequent year. Vacations days carried forward must be used in the next succeeding year or be forfeited.

Police officers are entitled to fifteen paid sick leave days and vacation days in varying amounts as outlined in the Township's negotiated agreement. Upon separation from the Township the officer will be compensated for any accumulated unused sick leave at 50% of their final hourly pay rate with a maximum of \$15,000 for any member hired after January 1, 1995.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2017, accrued benefits for compensated absences are valued at \$330,609.

The Township has established a Compensated Absences Trust Fund to set aside funds for the future payments of compensated absences. At December 31, 2017, the balance of the fund is \$172,303.

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 10. JOINT INSURANCE POOL

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

- Public Employees Bond
- Public Official Bonds
- Business Automobile
- Workers' Compensation and Employer's Liability
- Environmental Liability
- Property Damage

Annual 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 publishes its own financial report which can be obtained by writing to: Arthur J. Gallagher Assoc., PO Box 489, Marlton, NJ 08053.

NOTE 11. 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, employee 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:

Fiscal Year	Interest	Employee Contributions	Amount Reimbursed	Ending Balance
2017	\$ 628	\$ 3,072	\$ 86	\$ 77,547
2016	188	3,170	3,300	73,933
2015	86	2,947	13,593	73,875

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 12. CAPITAL DEBT

Summary of Municipal Debt

	<u>Year 2017</u>	<u>Year 2016</u>	<u>Year 2015</u>
<u>Issued:</u>			
General Bonds and Notes	\$ 1,909,850	\$ 1,972,250	\$ 2,487,000
Loans	245,907	259,837	273,492
Total Issued	<u>2,155,757</u>	<u>2,232,087</u>	<u>2,760,492</u>
<u>Authorized But Not Issued:</u>			
General Bonds and Notes	<u>-</u>	<u>-</u>	<u>-</u>
Net Debt	<u>\$ 2,155,757</u>	<u>\$ 2,232,087</u>	<u>\$ 2,760,492</u>

Serial Bonds are authorized in accordance with State law. All bonds are retired in serial installments within the statutory period of usefulness. Serial Bonds payable at December 31, 2017 consisted of the following issues:

<u>Purpose</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
General Obligation Bonds of 2004	10/1/2019	3.125-4.00%	\$ 900,000
Total			<u>\$ 900,000</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with required method of setting up the Annual Debt Statement and indicates a statutory net debt of .518%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 4,805,000	\$ 4,805,000	\$ -
General Debt	<u>2,155,757</u>		<u>2,155,757</u>
Total	<u>\$ 6,960,757</u>	<u>\$ 4,805,000</u>	<u>\$ 2,155,757</u>

Net Debt, \$2,155,757 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$416,306,975 equals .518%.

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 12. CAPITAL DEBT (Continued)

Equalized Valuation Basis:

2015	\$	415,710,965
2016		415,350,390
2017		<u>417,859,571</u>
Average	\$	<u><u>416,306,975</u></u>

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$	14,570,744
Net Debt		<u>2,155,757</u>
Remaining Borrowing Power	\$	<u><u>12,414,987</u></u>

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

Serial Bonds Payable

<u>Year</u>	<u>General</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2018	\$ 450,000	\$ 36,000	\$ 486,000
2019	<u>450,000</u>	<u>18,000</u>	<u>468,000</u>
Total	<u><u>\$ 900,000</u></u>	<u><u>\$ 54,000</u></u>	<u><u>\$ 954,000</u></u>

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 12. CAPITAL DEBT (Continued)

Green Trust Loan Payable

The Township received 2% loan in the amount of \$300,000 from the State of New Jersey Green Trust Loan Program for the redevelopment of Pennington Farm Park.

Green Trust Loan Payable

<u>Year</u>	<u>General</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2018	\$ 14,209	\$ 4,847	\$ 19,056
2019	14,495	4,562	19,057
2020	14,786	4,271	19,057
2021	15,084	3,973	19,057
2022	15,387	3,670	19,057
2023-2027	81,699	13,585	95,284
2028-2032	<u>90,247</u>	<u>5,038</u>	<u>95,285</u>
Total	<u>\$ 245,907</u>	<u>\$ 39,946</u>	<u>\$ 285,853</u>

NOTE 13. SCHOOL TAXES

Local District School Tax has been raised and liabilities deferred by statute, resulting in the school taxes payable set forth in the Current Fund Liabilities as follows:

Local District School Tax		
Balance December 31,		
	<u>2017</u>	<u>2016</u>
Balance of Tax	\$ 3,111,783.50	\$ 3,007,181.00
Deferred	<u>1,243,291.44</u>	<u>1,243,291.44</u>
School Tax Payable	<u>\$ 1,868,492.06</u>	<u>\$ 1,763,889.56</u>

NOTE 14. LEASE OBLIGATIONS

At December 31, 2017, the Township had the following lease agreements in effect:

Capital leases – Three Police Vehicles

Operating leases – Photocopiers

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 14. LEASE OBLIGATIONS (Continued)

Capital Leases – The following capital fixed assets were acquired by capital leases.

	<u>Dec. 31, 2017</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Vehicles	<u>\$ 59,708</u>	<u>\$ 66,756</u>

Future minimum lease payments under capital lease agreements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 36,997	\$ 3,231	\$ 40,228
2019	<u>22,711</u>	<u>1,145</u>	<u>23,856</u>
Vehicles	<u>\$ 59,708</u>	<u>\$ 4,377</u>	<u>\$ 64,084</u>

Operating Leases - Future minimum rental payments under operating lease agreements are as follows:

<u>Year</u>	<u>Total</u>
2018	\$ 3,840
2019	3,840
2020	<u>3,840</u>
Total	<u>\$ 11,520</u>

Rental payments under operating leases for the year 2017 and 2016 were \$3,840 and \$3,840, respectively.

NOTE 15. TAX ABATEMENT PROGRAM

In accordance with Chapter 441, Public Law 1991, N.J.S.A. 40A:21-1, the Township adopted various resolutions which provided for tax exemption and abatement for commercial and industrial improvements and projects. The following is a comparison of tax abatement billings and collections for the current and previous two years:

<u>Year</u>	<u>Billings</u>	<u>Collections</u>
2017	\$ 193,573	\$ 193,573
2016	193,911	193,911
2015	186,898	186,898

Township of Delanco
Notes to Financial Statements
December 31, 2017

NOTE 16. CONTINGENCIES

The Township participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management believes that the amount from future audits, if any, would not be material.

NOTE 17. COMMITMENTS – TAX APPEALS

The Township has one tax appeal pending in New Jersey State Tax Court as of December 31, 2017. However, it appears that the net potential losses of the tax appeal, if any, will not be material to the financial statements.

NOTE 18. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

	<u>Balance December 31, 2017</u>	<u>2018 Budget Appropriation</u>	<u>Balance to Succeeding Years</u>
<u>Current Fund:</u>			
Special Emergency Authorization	\$ 24,000	\$ 24,000	\$ -
Total	<u>\$ 24,000</u>	<u>\$ 24,000</u>	<u>\$ -</u>

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

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF DELANCO

Current Fund

Statement of Cash - Treasurer
For the Year Ended December 31, 2017

	Current Fund	Federal and State Grant Fund
Balance December 31, 2016	\$ 3,817,263.16	\$ -
Receipts:		
Taxes Receivable	\$ 12,249,562.26	\$ -
Tax Title Liens Receivable	12,416.67	-
2018 Taxes Prepaid	386,382.41	-
Tax Overpayments	55,520.55	-
Other Receivable	2,410.05	-
Revenue Accounts Receivable	860,784.33	-
Reserve for POAA	48.00	-
Due from State of New Jersey - Senior Citizens and Veterans Deductions	54,607.54	-
Federal and State Grants Receivable	-	41,322.31
Due to State of NJ - Construction Code Fees	13,315.00	-
Due from Current Fund	-	61,148.02
Miscellaneous Revenue Not Anticipated	259,437.29	-
Budget Refunds	184,810.82	-
Petty Cash	900.00	-
Total Receipts	14,080,194.92	102,470.33
Forward	17,897,458.08	102,470.33
Disbursements:		
2017 Appropriations	4,880,580.44	-
2016 Appropriation Reserves and Encumbrances	255,313.75	-
County Taxes Payable	1,717,868.20	-
Due County for Added Taxes	7,553.08	-
Local District School Tax	6,201,912.50	-
Fire District Tax	365,000.00	-
Municipal Open Space Tax	79,150.98	-
Reserve for Federal & State Grants - Appropriated	-	85,013.33
Reserve for Encumbrances - Federal & State Grants	-	17,457.00
Due to State of NJ - Construction Code Fees	4,330.00	-
Refund of Tax Overpayments	31,817.75	-
Due to Federal and State Grant Fund	61,148.02	-
Budget Refunds	184,810.82	-
Petty Cash	900.00	-
Total Disbursements	13,790,385.54	102,470.33
Balance December 31, 2017	\$ 4,107,072.54	\$ -

TOWNSHIP OF DELANCO

Current Fund

Schedule of Change Funds
December 31, 2017

		Balance December 31, 2017
<u>Office</u>		
Tax Collector		\$ 100.00
Clerk's Office		300.00
Municipal Court		<u>100.00</u>
Total		<u>\$ 500.00</u>

TOWNSHIP OF DELANCO

Current Fund

**Schedule of Due To/From State of New Jersey -
Senior Citizen and Veterans' Deductions
For the Year Ended December 31, 2017**

Balance December 31, 2016 (Due From)		\$ 4,860.62
Increased by:		
Collected		<u>54,607.54</u>
		59,468.16
Decreased by:		
Accrued in 2017:		
Senior Citizens' Deductions per Tax Billings	\$ 10,750.00	
Veterans' Deductions per Tax Billings	45,250.00	
Senior Citizens' and Veterans' Deductions Allowed by Tax Collector	<u>-</u>	
Total	56,000.00	
Less:		
Senior Citizens' and Veterans' Deductions Disallowed by Tax Collector	250.00	
Senior Citizens' and Veterans' Deductions Disallowed by Tax Collector - Prior Year	<u>1,250.00</u>	
Subtotal		<u>54,500.00</u>
Balance December 31, 2017 (Due From)		<u><u>\$ 4,968.16</u></u>

TOWNSHIP OF DELANCO

Current Fund

Schedule of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2017

Year	Balance Dec. 31, 2016	2017 Levy	Added Taxes	COLLECTIONS BY CASH		State Share of 2017 Senior Citizens and Veterans Deductions Allowed	Overpayments Applied	Transferred to Tax Title Lien	Canceled	Balance Dec. 31, 2017
				2016	2017					
2015	\$ 3.02	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3.02
2016	216,075.90	-	1,250.29	-	206,854.02	-	9,112.85	-	1,356.25	3.07
Subtotal	216,078.92	-	1,250.29	-	206,854.02	-	9,112.85	-	1,356.25	6.09
2017	-	12,547,195.68	-	239,418.50	12,042,708.24	55,750.00	8,835.94	6,815.15	31,328.78	162,339.07
Total	\$ 216,078.92	\$ 12,547,195.68	\$ 1,250.29	\$ 239,418.50	\$ 12,249,562.26	\$ 55,750.00	\$ 17,948.79	\$ 6,815.15	\$ 32,685.03	\$ 162,345.16

Analysis of Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 12,461,728.25
Added Taxes	29,467.43
Senior Citizens and Veterans Deductions Allowed Per Original Levy	56,000.00
Total	<u>\$ 12,547,195.68</u>

Tax Levy:

Local School Tax (Abstract)	\$ 6,306,515.00
Municipal Open Space Tax (Abstract)	\$ 79,150.98
Municipal Open Space Added Tax	192.05
Fire District Tax	79,343.03
County Tax (Abstract)	365,000.00
County Library Tax (Abstract)	1,417,869.34
County Open Space Tax (Abstract)	131,030.53
County Added Taxes	168,968.33
	4,186.76
Local Tax for Municipal Purposes	1,722,054.96
Additional Tax Levies	4,043,804.00
	30,478.69
Total	<u>\$ 12,547,195.68</u>

TOWNSHIP OF DELANCO

Current Fund

**Schedule of Tax Title Liens
For the Year Ended December 31, 2017**

Balance December 31, 2016			\$ 49,188.95
Increased by:			
Transfers from Taxes Receivable			<u>6,815.15</u>
Decreased by:			
Cash Received	\$ 12,416.67		
Cancelled	<u>-</u>		<u>12,416.67</u>
Balance December 31, 2017			<u><u>\$ 43,587.43</u></u>

**Schedule of Property Acquired for Taxes - Assessed Valuation
For the Year Ended December 31, 2017**

Balance December 31, 2017 and 2016	<u><u>\$ 57,500.00</u></u>
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TOWNSHIP OF DELANCO

Current Fund

Schedule of Revenue Accounts Receivable
For the Year Ended December 31, 2017

	Balance December 31, 2016	Accrued In 2017	Collected	Balance December 31, 2017	Remarks
Clerk:					
Fees and Permits	\$ 1,155.00	\$ 40,169.37	\$ 40,158.39	\$ 1,165.98	Rec'd 1/2018
Municipal Court:				-	
Fines and Costs	3,515.46	71,757.52	68,062.50	7,210.48	Rec'd 1/2018
Interest and Costs on Taxes	-	64,227.44	64,227.44	-	
Apartment Rental Registration Fee	-	49,970.00	49,970.00	-	
Construction Code Fees	-	234,544.00	234,544.00	-	
Cable TV Franchise Fees (MRNA)	19,161.00	20,475.40	19,161.00	20,475.40	Rec'd 1/2018
Consolidated Municipal Property					
Tax Relief	-	29,102.00	29,102.00	-	
Energy Receipts Tax	-	374,720.00	374,720.00	-	
Payments in Lieu of Taxes (MRNA)	-	193,572.72	193,572.72	-	
Total	\$ 23,831.46	\$ 1,078,538.45	\$ 1,073,518.05	\$ 28,851.86	
Miscellaneous Revenue			\$ 860,784.33		
Miscellaneous Revenue Not Anticipated			212,733.72		
			\$ 1,073,518.05		

TOWNSHIP OF DELANCO

Current Fund

Statement of Deferred Charges
N.J.S. 40A:4-47 Emergency Authorizations
For the Year Ended December 31, 2017

<u>Purpose</u>	<u>Date Authorized</u>	<u>Amount Authorized</u>	<u>Balance December 31, 2016</u>	<u>Added in 2017</u>	<u>Raised in 2017 Budget</u>	<u>Balance December 31, 2017</u>
Emergency Authorization (40A:4-47) - Demolition	8/19/2016	\$ 75,000.00	\$ 34,850.00	\$ -	\$ 34,850.00	\$ -
Total			<u>\$ 34,850.00</u>	<u>\$ -</u>	<u>\$ 34,850.00</u>	<u>\$ -</u>

Statement of Deferred Charges
N.J.S. 40A:4-53 Special Emergency Authorizations
For the Year Ended December 31, 2017

<u>Purpose</u>	<u>Date Authorized</u>	<u>Amount Authorized</u>	<u>Balance December 31, 2016</u>	<u>Added in 2017</u>	<u>Raised in 2017 Budget</u>	<u>Balance December 31, 2017</u>
Revaluation	4/1/2013	\$ 120,000.00	\$ 48,000.00	\$ -	\$ 24,000.00	\$ 24,000.00
Total			<u>\$ 48,000.00</u>	<u>\$ -</u>	<u>\$ 24,000.00</u>	<u>\$ 24,000.00</u>

TOWNSHIP OF DELANCO

CURRENT FUND

Statement of 2016 Appropriation Reserves
For the Year Ended December 31, 2017

	Balance Per Audit Report December 31, 2016		Balance After Transfers	Paid or Charged	(Overexpended) Balance Lapsed
	Reserve for Encumbrances	Appropriation Reserves			
Operations within "CAPS":					
Salaries and Wages:					
General Administration	\$ -	\$ 3,859.84	\$ 3,914.72	\$ 3,914.72	\$ -
Township Clerk	-	161.34	161.34	-	161.34
Financial Administration	-	21.90	21.90	-	21.90
Collection of Taxes	-	331.98	331.98	-	331.98
Assessment of Taxes	-	24.88	24.88	-	24.88
Joint Land Use Board	-	643.26	643.26	-	643.26
Municipal Court	-	448.98	448.98	-	448.98
Police	-	18,294.89	294.89	-	294.89
Municipal Prosecutor	-	58.33	58.33	-	58.33
Road Repairs & Maintenance	-	36,370.15	370.15	-	370.15
Shade Tree	-	95.06	95.06	-	95.06
Public Buildings and Grounds	-	22.80	22.80	-	22.80
Registrar of Vital Statistics	-	22.20	22.20	-	22.20
Construction Code Official	-	22.34	22.34	-	22.34
Housing Officer	-	0.24	0.24	-	0.24
Accumulated Sick Leave	-	-	113,800.00	113,800.00	-
Other Expenses:					
General Administration	-	1,224.07	1,116.07	(518.07)	1,634.14
Mayor and Township Committee	-	76.80	129.92	129.92	-
Township Clerk	-	8,891.26	8,891.26	5,806.20	3,085.06
Financial Administration	-	4.19	4.19	-	4.19
Computerized Data Processing	-	360.80	360.80	-	360.80
Collection of Taxes	-	966.53	966.53	-	966.53
Assessment of Taxes	-	99.83	99.83	-	99.83
Legal Services and Costs	-	8,869.16	4,569.16	4,530.00	39.16
Engineering Services and Costs	-	30,381.48	30,381.48	12,216.62	18,164.86
Planning Services	-	5,813.17	5,813.17	3,408.27	2,404.90
Aid to Library	-	240.40	240.40	-	240.40
Joint Land Use Board	-	3,660.01	3,660.01	1,591.10	2,068.91
Group Insurance	-	60,070.79	51,570.79	51,478.40	92.39
Liability Insurance	-	1,610.78	1,610.78	-	1,610.78
Workers' Compensation	-	895.84	895.84	-	895.84
Municipal Court	-	2,357.17	2,357.17	101.62	2,255.55
Police	747.79	13,882.14	8,629.93	7,932.89	697.04
Office of Emergency Management	-	920.15	920.15	-	920.15
Road Repairs & Maintenance	-	5,563.82	563.82	68.60	495.22
Shade Tree	10,500.00	945.00	11,445.00	10,895.00	550.00
Garbage and Trash Collection	-	1,161.00	161.00	-	161.00
Public Buildings and Grounds	-	3,344.60	3,344.60	857.33	2,487.27
Vehicle Maintenance	-	2,499.27	2,499.27	2,447.05	52.22
Registrar of Vital Statistics	-	1,119.24	1,119.24	-	1,119.24

(Continued)

TOWNSHIP OF DELANCO

CURRENT FUND

Statement of 2016 Appropriation Reserves
For the Year Ended December 31, 2017

	Balance Per Audit Report December 31, 2016		Balance After Transfers	Paid or Charged	(Overexpended) Balance Lapsed
	Reserve for Encumbrances	Appropriation Reserves			
Other Expenses:					
Electricity	\$ -	\$ 6,451.66	\$ 4,951.66	\$ 4,381.28	\$ 570.38
Street Lighting	-	11,746.86	8,706.42	7,228.48	1,477.94
Telephone	-	1,178.24	1,178.24	409.48	768.76
Water	-	990.63	1,003.31	1,003.31	-
Gasoline	-	5,311.46	1,311.46	3,802.66	(2,491.20)
Sewer	-	100.00	100.00	-	100.00
Landfill fees	-	11,727.43	14,755.19	14,755.19	-
Construction Code Officer	-	28,436.20	2,436.20	2,288.70	147.50
Inspection of Rentals	-	6,285.00	2,785.00	2,785.00	-
Public Employees' Retirement System	-	3.70	3.70	-	3.70
Police & Firemens Retirement System	-	4.72	4.72	-	4.72
Social Security System	-	2,473.81	2,473.81	-	2,473.81
Defined Contribution Retirement Plan	-	81.38	81.38	-	81.38
Operations excluded from "CAPS":					
Other Expenses:					
Road Repairs & Maintenance	-	4,875.00	4,875.00	-	4,875.00
	<u>\$ 11,247.79</u>	<u>\$ 295,001.78</u>	<u>\$ 306,249.57</u>	<u>\$ 255,313.75</u>	<u>\$ 50,935.82</u>

TOWNSHIP OF DELANCO
Current Fund
Schedule of Tax Overpayments
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 8,835.94
Increased by:		
Prior Year Overpayments Created	\$ -	
Collected	<u>55,520.55</u>	<u>55,520.55</u>
Subtotal		64,356.49
Decreased by:		
Applied to 2017 Taxes	17,948.79	
Refund of Tax Overpayments	31,817.75	
Cancelled	<u>7,139.21</u>	<u>56,905.75</u>
Balance December 31, 2017		<u><u>\$ 7,450.74</u></u>

EXHIBIT A-15

Schedule of Prepaid Taxes
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 239,418.50
Increased by:	
Collected	<u>386,382.41</u>
Subtotal	625,800.91
Decreased by:	
Applied to 2017 Taxes	<u>239,418.50</u>
Balance December 31, 2017	<u><u>\$ 386,382.41</u></u>

TOWNSHIP OF DELANCO

Current Fund

Schedule of Local District School Tax Payable
For the Year Ended December 31, 2017

<hr/>		
Balance December 31, 2016:		
School Tax Payable	\$ 1,763,889.56	
School Tax Deferred	<u>1,243,291.44</u>	\$ 3,007,181.00
Increased by:		
Levy - School Year July 1, 2017 to June 30, 2018		<u>6,306,515.00</u>
Total		
Decreased by:		
Payments		<u>6,201,912.50</u>
Balance December 31, 2017:		
School Tax Payable	1,868,492.06	
School Tax Deferred	<u>1,243,291.44</u>	<u>\$ 3,111,783.50</u>
2017 Liability for Local District School Tax:		
Tax Paid		\$ 6,201,912.50
Tax Payable December 31, 2017		<u>1,868,492.06</u>
Total		8,070,404.56
Less:		
Tax Payable December 31, 2016		<u>1,763,889.56</u>
Amount Charged to 2017 Operations		<u>\$ 6,306,515.00</u>

TOWNSHIP OF DELANCO

Current Fund

Schedule of County Taxes Payable
For the Year Ended December 31, 2017

Balance December 31, 2016		\$	7,553.08
Increased by:			
2017 Levy:			
General County	\$	1,417,869.34	
County Library		131,030.53	
County Open Space		168,968.33	
Added and Omitted Taxes		4,186.76	
			<u>1,722,054.96</u>
Subtotal			1,729,608.04
Decreased by:			
Disbursed to County of Burlington			<u>1,725,421.28</u>
Balance December 31, 2017		\$	<u><u>4,186.76</u></u>

Exhibit A-18

Schedule of Fire District Taxes Payable
For the Year Ended December 31, 2017

Balance December 31, 2016		\$	-
Increased by:			
2017 Levy			<u>365,000.00</u>
Subtotal			365,000.00
Decreased by:			
Disbursed to Delanco Township Fire District No. 1			<u>365,000.00</u>
Balance December 31, 2017		\$	<u><u>-</u></u>

TOWNSHIP OF DELANCO

Current Fund

Schedule of Due to State of NJ - UCC Fees
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 1,624.00
Increased by:	
Cash Received	<u>13,315.00</u>
	14,939.00
Decreased by:	
Cash Disbursed	<u>4,330.00</u>
Balance December 31, 2017	<u>\$ 10,609.00</u>

EXHIBIT A-20

Schedule of Reserve For Revaluation
For the Year Ended December 31, 2017

Balance December 31, 2016 and 2017	<u>\$ 11,511.00</u>
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EXHIBIT A-21

Schedule of Reserve For POAA
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 104.00
Increased by:	
Cash Received	<u>48.00</u>
Balance December 31, 2017	<u>\$ 152.00</u>

TOWNSHIP OF DELANCO

Federal and State Grant Fund

**Schedule of Federal and State Grants Receivable
For the Year Ended December 31, 2017**

	Balance December 31, 2016	Accrued	Received	Balance December 31, 2017
Federal Grants:				
Transportation Trust Fund Authority Act:				
2014 Road Program - Maple Avenue	\$ 4,134.00	\$ -	\$ -	\$ 4,134.00
Washington St and Orchard St.	49,000.00	-	-	49,000.00
Community Development Block Grant	12.00	-	-	12.00
 Total Federal Grants	 53,146.00	 -	 -	 53,146.00
State Grants:				
Clean Energy Audit Program	860.25	-	-	860.25
Library Aid	-	598.00	598.00	-
Bullet Proof Vest Grant	-	880.00	880.00	-
Recycling Tonnage Grant	-	27,276.29	27,276.29	-
Sustainable NJ Small Grants Program	-	2,000.00	2,000.00	-
County Park Development Grant	35,736.18	62,500.00	-	98,236.18
Clean Communities Grant	-	9,264.57	9,264.57	-
Body Armor Grant	-	1,303.45	1,303.45	-
 Total State Grants	 36,596.43	 103,822.31	 41,322.31	 99,096.43
 Total All Grants	 \$ 89,742.43	 \$ 103,822.31	 \$ 41,322.31	 \$ 152,242.43

TOWNSHIP OF DELANCO

Federal and State Grant Fund

Schedule of Reserve for Federal and State Grants - Unappropriated
For the Year Ended December 31, 2017

	Balance December 31, 2016	Federal and State Grant Receivable	Realized As Revenue In 2017	Canceled	Balance December 31, 2017
State Grants:					
- NONE -					
Total State Grants	\$ -	\$ -	\$ -	\$ -	\$ -

TOWNSHIP OF DELANCO

Federal and State Grant Fund

Schedule of Reserve for Federal and State Grants - Appropriated
For the Year Ended December 31, 2017

	Balance December 31, 2016	Transferred From 2017 Budget Appropriation	Expended	Canceled	Balance December 31, 2017
Federal Grants:					
Transportation Trust Fund Authority Act:					
Maple Avenue	\$ 1,822.67	\$ -	\$ -	\$ -	\$ 1,822.67
Washington St. and Orchard St.	23,749.18	-	-	-	23,749.18
Community Development Block Grant	12.00	-	-	-	12.00
Click It or Ticket	708.27	-	-	-	708.27
Total Federal Grants	26,292.12	-	-	-	26,292.12
State Grants:					
Alcoholic Education Rehab. Fund	2,705.52	-	-	-	2,705.52
Body Armor Grant	868.96	1,303.45	1,760.00	-	412.41
Library Aid	-	598.00	598.00	-	-
Clean Communities Grant	10,747.68	9,264.57	10,758.42	-	9,253.83
County Park Development Grant	-	62,500.00	62,500.00	-	-
Drunk Driving Enforcement Grant	1,267.79	-	431.00	-	836.79
Recycling Tonnage Grant	22,798.03	27,276.29	12,641.67	-	37,432.65
Sustainable NJ Grants Program	-	2,000.00	301.24	-	1,698.76
Bullet Proof Vest Grant	-	880.00	880.00	-	-
Total State Grants	38,387.98	103,822.31	89,870.33	-	52,339.96
Total All Grants	\$ 64,680.10	\$ 103,822.31	\$ 89,870.33	\$ -	\$ 78,632.08
Original Budget		\$ 14,161.46			
NJS 40A:4-87		89,660.85			
		\$ 103,822.31			
		Cash Disbursed	\$ 85,013.33		
		Encumbered	4,857.00		
			\$ 89,870.33		

TRUST FUND

TOWNSHIP OF DELANCO

Trust Fund

Schedule of Cash - Treasurer
For the Year Ended December 31, 2017

	Animal Control	Total Other Trust Funds	Trust Other	Gateway Park Brick Fund	Housing Trust	Special Law Enforcement	Public Defender	Unemployment Compensation	Open Space	Tax Collector Redemption	Accumulated Absences	Flexible Spending	Cops Care	Payroll
Balance December 31, 2016	\$ 1,734.08	\$ 622,871.83	\$ 175,861.65	\$ 153.08	\$ 43,662.63	\$ 483.01	\$ 4,117.06	\$ 73,932.90	\$ 172,287.37	\$ 49,911.36	\$ 99,998.68	\$ 1,374.58	\$ 1,089.51	\$ -
Receipts:														
Animal Control License Fees:														
Dog Licenses	4,903.62	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	648.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Escrow Deposits	-	101,979.73	101,979.73	-	-	-	-	-	-	-	-	-	-	-
Gateway Park Brick Fund	-	230.00	-	230.00	-	-	-	-	-	-	-	-	-	-
Housing Trust	-	1,200.00	-	-	1,200.00	-	-	-	-	-	-	-	-	-
Public Defender	-	2,403.00	-	-	-	-	2,403.00	-	-	-	-	-	-	-
Employee Withholdings	-	3,071.63	-	-	-	-	-	3,071.63	-	-	-	-	-	-
Open Space Tax Levy	-	79,150.98	-	-	-	-	-	-	-	-	-	-	-	-
Tax Title Lien Redemption	-	267,636.75	-	-	-	-	-	-	79,150.98	-	-	-	-	-
Budget Appropriation	-	113,900.00	-	-	-	-	-	-	-	267,636.75	-	-	-	-
Flexible Spending	-	5,380.72	-	-	-	-	-	-	-	-	113,900.00	-	-	-
Payroll Deductions Payable	-	866,786.56	-	-	-	-	-	-	-	-	-	5,380.72	-	-
Net Payroll	-	1,366,309.99	-	-	-	-	-	-	-	-	-	-	-	866,786.56
Due from Federal/State Grant Fund	-	17,457.00	-	-	-	-	-	-	17,457.00	-	-	-	-	1,366,309.99
Interest Earned	30.18	4,014.56	-	1.92	367.24	4.01	35.30	628.47	1,007.43	-	1,590.44	7.79	9.03	362.93
Total Receipts	5,581.80	2,829,520.92	101,979.73	231.92	1,567.24	4.01	2,438.30	3,700.10	97,615.41	267,636.75	115,490.44	5,388.51	9.03	2,233,459.48
Disbursements:														
Expenditures Under RS4:19-15.11	5,817.57	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserve for Escrow	-	112,755.47	112,755.47	-	-	-	-	-	-	-	-	-	-	-
Gateway Park Brick Fund	-	260.00	-	260.00	-	-	-	-	-	-	-	-	-	-
Housing Trust	-	275.00	-	-	275.00	-	-	-	-	-	-	-	-	-
Public Defender	-	2,746.95	-	-	-	-	2,746.95	-	-	-	-	-	-	-
Unemployment Claims	-	85.50	-	-	-	-	-	85.50	-	-	-	-	-	-
Reserve for Open Space	-	130,756.61	-	-	-	-	-	-	130,756.61	-	-	-	-	-
Tax Title Lien Redemption	-	216,617.95	-	-	-	-	-	-	-	216,617.95	-	-	-	-
Accumulated Absences - Due Payroll	-	43,185.93	-	-	-	-	-	-	-	-	43,185.93	-	-	-
Flexible Spending	-	4,725.00	-	-	-	-	-	-	-	-	-	4,725.00	-	-
Payroll Deductions Payable	-	866,786.56	-	-	-	-	-	-	-	-	-	-	-	866,786.56
Net Payroll	-	1,366,309.99	-	-	-	-	-	-	-	-	-	-	-	1,366,309.99
Due to Current Fund	30.18	362.93	-	-	-	-	-	-	-	-	-	-	-	362.93
Total Disbursements	5,847.75	2,744,867.89	112,755.47	260.00	275.00	-	2,746.95	85.50	130,756.61	216,617.95	43,185.93	4,725.00	-	2,233,459.48
Balance December 31, 2017	\$ 1,468.13	\$ 707,524.86	\$ 165,085.91	\$ 125.00	\$ 44,954.87	\$ 487.02	\$ 3,808.41	\$ 77,547.50	\$ 139,146.17	\$ 100,930.16	\$ 172,303.19	\$ 2,038.09	\$ 1,098.54	\$ -

TOWNSHIP OF DELANCO

Animal Control Fund

**Schedule of Reserve for Animal Control Fund Expenditures
For the Year Ended December 31, 2017**

Balance December 31, 2016		\$ 1,734.08
Increased by:		
2016 Animal License Fees Collected:		
Dog Licenses	\$ 4,903.62	
Cat Licenses	<u>648.00</u>	
		<u>5,551.62</u>
Total		7,285.70
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		<u>5,817.57</u>
Balance December 31, 2017		<u><u>\$ 1,468.13</u></u>

License Fees Collected

<u>Year</u>	
2015	\$ 4,289.60
2016	<u>4,136.40</u>
Total	<u><u>\$ 8,426.00</u></u>

TOWNSHIP OF DELANCO

Trust - Other Funds

Schedule of Reserve Balances
For the Year Ended December 31, 2017

Account Title	Reserve Balance December 31, 2016	Received	Expended	Reserve Balance December 31, 2017
Reserve for Trust Other:				
Escrow Deposits				
Associates	\$ 227.27	\$ -	\$ 227.27	\$ -
AC Power LLC	-	9,781.00	9,781.00	-
Abundant Life Escrow	7,765.71	-	-	7,765.71
Boise Cascade	-	3,497.75	3,497.75	-
John Carson - Street Opening	-	112.50	112.50	-
Costume Gallery	1,485.15	190.75	1,675.90	-
Delanco Federal Savings Bank	4,177.50	-	-	4,177.50
Rosner Renaissance - Cash Guarantee	400.00	-	-	400.00
Drive Time Car Sales Co.	18,564.10	4,320.00	19,731.02	3,153.08
Frank W Rome & Son LLC	500.00	-	500.00	-
Friends of Cyrus	-	801.50	801.50	-
Kenneth Freynik	365.00	434.75	799.75	-
GPG Properties, Lowthers	2,271.60	4,004.51	4,651.51	1,624.60
Gravelly Horrow RD Assoc.	11,738.48	5,948.46	17,686.94	-
Gres Paving Escrow	79,515.54	-	-	79,515.54
Hardcastle, James M.	-	2,619.50	2,619.50	-
Hovbros Savannah Mews	469.85	2,414.95	2,092.00	792.80
Jackson Prop. Family Apartments	-	-	-	-
JRB Property Group	13,256.10	-	-	13,256.10
Lohr, Wendell & Janice	-	1,000.00	1,000.00	-
Meara, Kevin & Garofola, Thomas	2,438.52	-	-	2,438.52
NJ Burlington County Muslim Association	-	7,500.00	6,469.75	1,030.25
Panarocco Property Co. LLC	23.25	119.25	142.50	-
Pars Environmental Inc.	-	500.00	-	500.00
PSE&G	127.50	-	-	127.50
R&R Properties Par	-	782.25	782.25	-
Robert T. Winzinger	648.39	-	648.39	-
Rusty Nails Investments - Street Opening	500.00	-	-	500.00
Stafford Contracting	-	14,176.19	-	14,176.19
Stanker & Galetto, Inc	11,847.50	21,143.89	15,464.21	17,527.18
Walters Development Co. LLC	1,439.25	18,812.50	20,251.75	-
Whitesell Construction Co. LLC	4,814.27	-	-	4,814.27
Zurbrugg Partnership	13,286.67	3,819.98	3,819.98	13,286.67
Subtotal	175,861.65	101,979.73	112,755.47	165,085.91
Reserve for Gateway Park Brick Fund	153.08	231.92	260.00	125.00
Reserve for Housing Trust	43,662.63	1,567.24	275.00	44,954.87
Reserve for Special Law Enforcement	483.01	4.01	-	487.02
Reserve for Public Defender	1,935.48	2,438.30	2,746.95	1,626.83
Reserve for Unemployment Compensation	73,932.90	3,700.10	85.50	77,547.50
Reserve for Open Space	145,868.77	97,807.46	130,756.61	112,919.62
Reserve for Tax Collector Redemption	1,961.36	267,636.75	216,617.95	52,980.16
Reserve for Tax Sale Premiums	47,950.00	-	-	47,950.00
Reserve for Accumulated Absences	99,998.68	115,490.44	43,185.93	172,303.19
Reserve for Cops Care	1,089.51	9.03	-	1,098.54
Reserve for Flexible Spending	21.87	5,388.51	4,725.00	685.38
Total	\$ 592,918.94	\$ 596,253.49	\$ 511,408.41	\$ 677,764.02

TOWNSHIP OF DELANCO

Trust - Other Funds

**Schedule of Net Payroll and Payroll Deductions
For the Year Ended December 31, 2017**

Balance December 31, 2016		\$	-
Increased by:			
Net Payroll	\$ 1,366,309.99		
Payroll Deductions Withheld	866,786.56		
Interest earned	<u>362.93</u>		
			<u>2,233,459.48</u>
Total			2,233,459.48
Decreased by:			
Net Payroll	1,366,309.99		
Payroll Deductions Disbursed	866,786.56		
Due to Current Fund	<u>362.93</u>		
			<u>2,233,459.48</u>
Balance December 31, 2017		\$	-

**Schedule of Reserve for Open Space
For the Year Ended December 31, 2017**

Balance December 31, 2016		\$	145,868.77
Increased by:			
Interest Earned on Investments	\$ 1,007.43		
Tax Levy	79,343.03		
Due from Current Fund	<u>17,457.00</u>		
			<u>97,807.46</u>
Total			243,676.23
Decreased by:			
Open Space Expenditures			<u>130,756.61</u>
Balance December 31, 2017		\$	<u>112,919.62</u>

TOWNSHIP OF DELANCO

Trust - Other Funds

Schedule of Reserve for Unemployment Compensation Trust
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 73,932.90
Increased by:		
Employee Withholdings	\$ 3,071.63	
Interest Earned	<u>628.47</u>	
		<u>3,700.10</u>
Total		77,633.00
Decreased by:		
State Payments		<u>85.50</u>
Balance December 31, 2017		<u><u>\$ 77,547.50</u></u>

GENERAL CAPITAL FUND

TOWNSHIP OF DELANCO

General Capital Fund

Schedule of Cash - Treasurer
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 191,192.42
Receipts:		
Interest Earned - Due to Current Fund	\$ 5,052.24	
Bond Anticipation Note	468,350.00	
Capital Improvement Fund	<u>170,000.00</u>	
		<u>643,402.24</u>
Sub-Total		834,594.66
Disbursements:		
Improvement Authorizations	46,771.85	
Due to Current Fund	<u>5,052.24</u>	
		<u>51,824.09</u>
Balance December 31, 2017		<u><u>\$ 782,770.57</u></u>

TOWNSHIP OF DELANCO

General Capital Fund

**Analysis of General Capital Cash and Investments
For the Year Ended December 31, 2017**

Fund Balance		\$ 560.36
Capital Improvement Fund		1,509.58
Due from Current Fund		(94.15)
Improvement Authorizations:		
Ordinance		
<u>Number</u>		
2004-12	Multi-purpose:	
	Renovations to Municipal Facilities	16,584.54
2012-07	Installation of Various Capital Improvements	22,370.00
2015-05	Multi-purpose:	
	Acquisition of Two (2) Dump Trucks	157.24
2017-10	Multi-purpose:	
	Acquisition of Multi-Purpose Vehicle	250,000.00
	Construction of Vehicle Storage Building	85,000.00
	Construction and/or Repair of Seawall	154,337.00
2017-11	Multi-purpose:	
	Improvements of Various Roads	195,575.00
	Improvements to the Municipal Building	1,771.00
	Improvements to Drainage Facilities	25,000.00
	Improvements to Sidewalks	25,000.00
	Installation of Crosswalk Lighting	5,000.00
Total		<u><u>\$ 782,770.57</u></u>

TOWNSHIP OF DELANCO

General Capital Fund

Schedule of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 1,609,836.88
Decreased by:		
Payment of Serial Bonds	\$ 450,000.00	
Payment of Green Trust Loan	<u>13,929.46</u>	<u>463,929.46</u>
Balance December 31, 2017		<u>\$ 1,145,907.42</u>

TOWNSHIP OF DELANCO

General Capital Fund

Schedule of Deferred Charges to Future Taxation - Unfunded
For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Balance December 31, 2016	2017 Authorizations	Notes Paid By Budget Appropriation	Balance December 31, 2017	Analysis of Balance		
						Financed by Bond Anticipation Note	Disbursed	Unexpended Improvement Authorizations
2013-5	Cooperstown Road Sewer Coll Line	\$ 365,750.00	\$ -	\$ 52,250.00	\$ 313,500.00	\$ 313,500.00	\$ -	\$ -
2015-5	Various Capital Improvements	256,500.00		28,500.00	228,000.00	228,000.00		
2017-10	Various Capital Improvements	-	468,350.00		468,350.00	468,350.00		
	Total	<u>\$ 622,250.00</u>	<u>\$ 468,350.00</u>	<u>\$ 80,750.00</u>	<u>\$ 1,009,850.00</u>	<u>\$ 1,009,850.00</u>	<u>\$ -</u>	<u>\$ -</u>
Improvement Authorizations Unfunded								\$ 468,507.24
Less Unexpended Proceeds of Bond Anticipation Notes Issued:								
Ord. 2015-5							\$ 157.24	
Ord. 2017-10							468,350.00	468,507.24
								<u>\$ -</u>

TOWNSHIP OF DELANCO

General Capital Fund

Statement of Capital Improvement Fund
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 118,159.58
Increased by:	
Budget Appropriation	170,000.00
	<u>288,159.58</u>
Decreased by:	
Appropriated to Finance Improvement Authorizations	286,650.00
	<u>286,650.00</u>
Balance December 31, 2017	<u>\$ 1,509.58</u>

EXHIBIT C-7

Statement of Green Acres Trust Loan Proceeds Payable
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 259,836.88
Decreased by:	
Retirements	13,929.46
	<u>13,929.46</u>
Balance December 31, 2017	<u>\$ 245,907.42</u>

Analysis of Balance - December 31, 2016

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 14,209.44	\$ 4,847.45	\$ 19,056.89
2019	14,495.05	4,561.85	19,056.90
2020	14,786.40	4,270.50	19,056.90
2021	15,083.61	3,973.29	19,056.90
2022	15,386.79	3,670.11	19,056.90
2023	15,696.07	3,360.83	19,056.90
2024	16,011.56	3,045.34	19,056.90
2025	16,333.38	2,723.51	19,056.89
2026	16,661.69	2,395.21	19,056.90
2027	16,996.59	2,060.30	19,056.89
2028	17,338.22	1,718.68	19,056.90
2029	17,686.72	1,370.18	19,056.90
2030	18,042.22	1,014.68	19,056.90
2031	18,404.87	652.03	19,056.90
2032	18,774.81	282.07	19,056.88
	<u>\$ 245,907.42</u>	<u>\$ 39,946.03</u>	<u>\$ 285,853.45</u>

TOWNSHIP OF DELANCO

General Capital Fund

Schedule of Improvement Authorizations
For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2016		2017 Authorizations			Paid or Charged	Balance December 31, 2017	
				Funded	Unfunded	Capital Improvement Fund	Capital Fund Balance	Deferred Charges To Future Taxation Unfunded		Funded	Unfunded
2004-12	Multi-Purpose: Renovations to Municipal Facilities	07/12/04	\$ 500,000.00	\$ 33,606.44	\$ -	\$ -	\$ -	\$ -	\$ 17,021.90	\$ 16,584.54	\$ -
2011-25	Acquisition of Leaf Vacuum Machine	09/12/11	50,000.00	2,175.51					2,175.51	-	
2012-07	Installation of Various Capital Improvements	06/11/12	45,000.00	33,450.00					11,080.00	22,370.00	
2015-05	Multi-Purpose: Acquisition of Front End Loader	04/20/15	145,000.00								-
	Acquisition of Two (2) Dump Trucks	04/20/15	145,000.00								-
	Acquisition of Computer Equipment	04/20/15	10,000.00		334.68				177.44		157.24
2017-10	Multi-Purpose: Acquisition of Multi-Purpose Vehicle	05/15/17	250,000.00			12,500.00		237,500.00		12,500.00	237,500.00
	Construction of Vehicle Storage Building	05/15/17	85,000.00			4,250.00		80,750.00		4,250.00	80,750.00
	Construction and/or Repair of Seawall	05/15/17	158,000.00			7,900.00		150,100.00	3,663.00	4,237.00	150,100.00
2017-11	Multi-Purpose: Improvements of Various Roads	05/15/17	200,000.00			200,000.00			4,425.00	195,575.00	
	Improvements to the Municipal Building	05/15/17	10,000.00			10,000.00			8,229.00	1,771.00	
	Improvements to Drainage Facilities	05/15/17	25,000.00			25,000.00				25,000.00	
	Improvements to Sidewalks	05/15/17	25,000.00			25,000.00				25,000.00	
	Installation of Crosswalk Lighting	05/15/17	5,000.00			2,000.00	3,000.00			5,000.00	
Total				\$ 69,231.95	\$ 334.68	\$ 286,650.00	\$ 3,000.00	\$ 468,350.00	\$ 46,771.85	\$ 312,287.54	\$ 468,507.24

TOWNSHIP OF DELANCO

General Capital Fund

Schedule of General Serial Bonds
For the Year Ended December 31, 2017

Purpose	Date of Issue	Amount of Original Bonds	Maturities of Bonds Outstanding December 31, 2016		Interest Rate	Balance December 31, 2016	Issued	Paid by Budget Appropriation	Balance December 31, 2017
			Date	Amount					
General Bonds of 2004	10/01/04	\$ 1,975,000	10/01/18	\$ 450,000.00	4.000%	\$ 1,350,000.00		\$ 450,000.00	\$ 900,000.00
			10/01/19	450,000.00	4.000%				
			Total			\$ 1,350,000.00	\$ -	\$ 450,000.00	\$ 900,000.00

TOWNSHIP OF DELANCO
General Capital Fund
Schedule of Bond Anticipation Notes
For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017
2013-5	Coopertown Road Sewer Collection Line	5/22/2013	6/10/2016	6/9/2017	1.15%	\$ 365,750.00	\$ -	\$ 365,750.00	\$ -
2013-5	Coopertown Road Sewer Collection Line	5/22/2013	6/9/2017	6/8/2018	1.60%	-	313,500.00	-	313,500.00
2015-5	Various Equipment Purchases	6/10/2015	6/10/2016	6/9/2017	1.15%	256,500.00	-	256,500.00	-
2015-5	Various Equipment Purchases	6/10/2015	6/9/2017	6/8/2018	1.60%	-	228,000.00	-	228,000.00
2017-10	Various Capital Improvements	6/9/2017	6/9/2017	6/8/2018	1.60%	-	468,350.00	-	468,350.00
						<u>\$ 622,250.00</u>	<u>\$ 1,009,850.00</u>	<u>\$ 622,250.00</u>	<u>\$ 1,009,850.00</u>
							Renewals	\$ 541,500.00	\$ 541,500.00
							Issued for Cash	468,350.00	-
							Paid by Budget Appropriation	-	80,750.00
							Total	<u>\$ 1,009,850.00</u>	<u>\$ 622,250.00</u>

TOWNSHIP OF DELANCO

General Capital Fund

Statement of Amount Due to/(from) Current Fund
For the Year Ended December 31, 2017

Balance December 31, 2017 and 2016 (Due from)

\$ (94.15)

TOWNSHIP OF DELANCO

GENERAL CAPITAL FUND

**Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2017**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2016</u>	<u>2017 Authorizations</u>	<u>Bond Anticipation Note Issued</u>	<u>Balance December 31, 2017</u>
2017-10	Various Capital Improvements	\$ -	\$ 468,350.00	\$ 468,350.00	\$ -
	Total	<u>\$ -</u>	<u>\$ 468,350.00</u>	<u>\$ 468,350.00</u>	<u>\$ -</u>

TOWNSHIP OF DELANCO

PART II

Schedule of Findings and Recommendations

For the Year Ended December 31, 2017

TOWNSHIP OF DELANCO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Section 1 -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting: There were no financial statement findings in the prior year.

1) Material weaknesses identified? yes X no

2) Were reportable conditions identified that were
not considered to be material weaknesses? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

A Federal Single Audit was not required

State Awards

A State Single Audit was not required

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

Schedule of Financial Statement Findings

This section identifies the reportable conditions, 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 requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

No Findings Identified,

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

Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FEDERAL AWARDS

A federal single audit was not required.

STATE AWARDS

A state single audit was not required.

TOWNSHIP OF DELANCO
Summary Schedule of Prior Year Audit Findings
And Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and federal and state grant awards that are required to be reported in accordance with *Government Auditing Standards* and New Jersey OMB's Circular 15-08.

FINANCIAL STATEMENT FINDINGS

There were no financial statement findings in the prior year.

FEDERAL AWARDS

A Federal Single Audit was not required.

STATE AWARDS

A State Single Audit was not required.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2017

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate Surety</u>
John Browne	Mayor		
Marlene Jass	Deputy Mayor		
Robert Dovey	Committeeperson		
Kate Fitzpatrick	Committeeperson		
Michael Templeton	Committeeperson		
Richard Schwab	Township Administrator	\$ 1,000,000	(A)
Janice Lohr	Assistant Administrator, Deputy Treasurer	1,000,000	(A)
	Township Clerk, Dog License Clerk,		
	Municipal Improvement Search Officer,		
	Registrar of Vital Statistics, Municipal		
	Housing Liason	1,000,000	(A)
Katherine Martin	Deputy Municipal Clerk	1,000,000	(A)
Marie DiSibio	Deputy Registrar	1,000,000	(A)
Robert Hudnell	Chief Financial Officer	1,000,000	(B)
Jennifer Della Valle	Tax Collector, Tax Search Officer	1,000,000	(B)
Jennifer Esposito	Court Administrator	1,000,000	(A)
Corey E. Ahart	Municipal Magistrate	1,000,000	(A)
Thomas Casey	Construction Code Official	1,000,000	(A)
Joseph Rahman	Assessor		
Christopher Noll	Engineer		
Douglas Heinold	Solicitor		

All Bonds were examined and properly executed.

(A) Burlington County Municipal Joint Insurance Fund/ Municipal Excess Liability Joint insurance Fund.

(B) Burlington County Municipal Excess Liability Joint Insurance Fund - Seperate Bond.

ACKNOWLEDGMENT

I express my appreciation for the assistance and courtesies extended to the audit team by the Township Officials during the course of the audit.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountant



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

May 31, 2018