

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2017**

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH**

TABLE OF CONTENTS

	EXHIBIT	PAGE
PART I		
Independent Auditor's Report		1
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		5
Financial Statements – Regulatory Basis:		
<u>Current Fund:</u>		
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	A	9
Statement of Operations and Changes in Fund Balance – Regulatory Basis	A-1	11
Statement of Revenues – Regulatory Basis	A-2	12
Statement of Expenditures – Regulatory Basis	A-3	14
<u>Trust Fund:</u>		
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	B	21
Statements of Fund Balance – Regulatory Basis	B-1	22
<u>General Capital Fund:</u>		
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	C	23
Statements of Fund Balance – Regulatory Basis	C-1	24
<u>Water Utility Fund:</u>		
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	D	25
Statement of Operations and Changes in Fund Balance – Regulatory Basis	D-1	27
Statements of Fund Balance – Regulatory Basis	D-2	28
Statement of Revenues – Regulatory Basis	D-3	29
Statement of Appropriations – Regulatory Basis	D-4	30
<u>Sewer Utility Fund:</u>		
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	E	31
Statement of Operations and Changes in Fund Balance – Regulatory Basis	E-1	32
Statement of Revenues – Regulatory Basis	E-2	33
Statement of Appropriations – Regulatory Basis	E-3	34
Statement of Fund Balance - Regulatory Basis	E-4	35
<u>Payroll Fund:</u>		
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	F	37
<u>General Fixed Assets Account Group:</u>		
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	G	39
Notes to Financial Statements		43

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH**

TABLE OF CONTENTS

	EXHIBIT	PAGE
Supplemental Exhibits:		
<u>Current Fund:</u>		
Schedule of Cash - Treasurer	A-4	79
Schedule of Due from State of NJ – SC & Vets	A-5	80
Schedule of Taxes Receivable & Analysis of Property Tax Levy	A-6	81
Schedule of Tax Title Liens Receivable	A-7	82
Schedule of Foreclosed Property	A-8	83
Schedule of Revenue Accounts Receivable	A-9	84
Schedule of Due from Payroll Fund	A-10	85
Schedule of Due from Trust - Other Fund/Escrow	A-11	86
Schedule of Due from Animal Control Trust Fund	A-12	87
Schedule of 2016 Appropriation Reserves	A-13	88
Schedule of Accounts Payable	A-14	91
Schedule of Prepaid Taxes	A-15	92
Schedule of Marriage License Fees Payable	A-16	93
Schedule of Fire District Taxes Payable	A-17	94
Schedule of County Taxes Payable	A-18	95
Schedule of Regional District High School Tax	A-19	96
Schedule of Regional District School Tax	A-20	97
Schedule of Reserve for Sale of Municipal Assets	A-21	98
Schedule of Reserve for Tax Appeals Pending	A-22	99
Schedule of Reserve for Third Party Liens	A-23	100
Schedule of Reserve for Public Assistance	A-24	101
Schedule of Reserve for Premium on Tax Sale	A-25	102
Schedule of Reserve for Tax Overpayments	A-26	103
Schedule of Grants Receivable	A-27	104
Schedule of Reserve for Grants - Unappropriated	A-28	105
Schedule of Reserve for Grants - Appropriated	A-29	106
<u>Trust Fund:</u>		
Schedule of Cash - Treasurer	B-2	109
Schedule of Due to Current Fund	B-3	110
Schedule of Due to State of New Jersey	B-4	111
Schedule of Encumbrances Payable	B-5	112
Schedule of Reserve for Animal Control Fund Expenditures	B-6	113
Schedule of Due from County of Monmouth CDBG - Special Events	B-7	114
Schedule of Due to Current Fund - Trust - Other Fund	B-8	115
Schedule of Various Reserves -Trust - Other Fund	B-9	116

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH**

TABLE OF CONTENTS

	EXHIBIT	PAGE
<u>General Capital Fund:</u>		
Schedule of Cash - Treasurer	C-2	119
Schedule of Analysis of General Capital Cash	C-3	120
Schedule of State Grant Receivable	C-4	121
Schedule of Deferred Charges to Future Taxation - Funded	C-5	122
Schedule of Deferred Charges to Future Taxation - Unfunded	C-6	123
Schedule of Serial Bonds	C-7	124
Schedule of Improvement Authorizations	C-8	125
Schedule of Capital Improvement Fund	C-9	126
Schedule of Bonds and Notes Authorized But Not Issued	C-10	127
<u>Water Utility Fund</u>		
Schedule of Cash - Treasurer	D-5	131
Schedule of Analysis of Water Utility Capital Cash	D-6	132
Schedule of Investments	D-7	133
Schedule of Consumer Accounts Receivable	D-8	134
Schedule of Fixed Capital	D-9	135
Schedule of 2016 Appropriation Reserves	D-10	136
Schedule Accrued Interest on Bonds	D-11	137
Schedule of Water Rent Overpayments	D-12	138
Schedule of Serial Bonds	D-13	139
Schedule of Capital Improvement Fund	D-14	140
Schedule of Reserve for Amortization	D-15	141
Schedule of Improvement Authorizations	D-16	142
Schedule of Fixed Capital Authorized and Uncompleted	D-17	143
Schedule of Deferred Reserve for Amortization	D-18	144
<u>Sewer Utility Operating Fund:</u>		
Schedule of Cash – Treasurer	E-5	147
Schedule of Analysis of Sewer Utility Capital Fund Cash	E-6	148
Schedule of Sewer Rents Receivable	E-7	149
Schedule of Fixed Capital	E-8	150
Schedule of 2016 Appropriation Reserves	E-9	151
Schedule of Accrued Interest on Bonds	E-10	152
Schedule of Sewer Rent Overpayments	E-11	153
Schedule of Serial Bonds	E-12	154
Schedule of Capital Improvement Fund	E-13	155
Schedule of Reserve for Amortization	E-14	156
Schedule of Sewer Liens Receivable	E-15	157

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH**

TABLE OF CONTENTS

	EXHIBIT	PAGE
<u>Payroll Fund:</u>		
Schedule of Cash – Treasurer	F-1	161
Schedule of Due to Current Fund	F-2	162
Schedule of Payroll Deductions Payable	F-3	163
<u>General Fixed Assets Fund:</u>		
Schedule of General Fixed Assets	G-1	167
PART II		
Schedule of Financial Statement Findings - Government Auditing Standards		171
Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management		173
PART III		
<u>Letter of Comments and Recommendations - Regulatory Basis:</u>		
Officials in Office and Surety Bonds		177
Contracts and Agreements Required to be Advertised by (N.J.S.A.40A:11-4)		179
Collection of Interest on Delinquent Taxes and Assessments		180
Delinquent Taxes and Tax Title Liens		180
Appreciation		181

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Englishtown
County of Monmouth
Englishtown, New Jersey 07726

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Borough of Englishtown, County of Monmouth, 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, the related statements of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2017.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles and practices prescribed by 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

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

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

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

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

As discussed in Note 1 to the financial statements, the Borough of Englishtown prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws 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 our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Englishtown, County of Monmouth, 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 our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Borough of Englishtown, County of Monmouth, State of New Jersey, as of December 31, 2017 and 2016, and the results of its operations and changes in fund balance of such funds--regulatory basis for the years then ended, and the related statements of revenues--regulatory basis, statements of expenditures--regulatory basis of the various funds, and the related notes to financial statements, 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 Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. 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 is not a required part of the above financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements

themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2018, on our consideration of the Borough of Englishtown's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Borough of Englishtown's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

Freehold, New Jersey
May 17, 2018

This page intentionally left blank.

**INDEPENDENT AUDITOR'S 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***

Honorable Mayor and Members
of the Borough Council
Borough of Englishtown
County of Monmouth
Englishtown, New Jersey 07726

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the Borough of Englishtown (herein referred to as "the Municipality"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements, and have issued our report thereon dated May 17, 2018. Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by 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, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 Government 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 our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Municipality'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 Municipality's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

Freehold, New Jersey
May 17, 2018

BASIC FINANCIAL STATEMENTS

This page intentionally left blank

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<u>Assets</u>			
Operating Fund:			
Cash - Treasurer	A-4	\$ 1,366,958.95	\$ 1,138,821.72
Change Fund	A	275.00	275.00
Due To/From State of New Jersey - Seniors' and Veterans' Deductions	A-5	<u>-</u>	<u>149.97</u>
		<u>1,367,233.95</u>	<u>1,139,246.69</u>
Receivables With Full Reserves:			
Taxes Receivable	A-6	32,943.32	29.06
Tax Title Liens Receivable	A-7	68,957.82	58,167.19
Foreclosed Property	A-8	100.00	100.00
Revenue Accounts Receivable	A-9	17,428.94	25,163.38
Due From:			
Payroll Fund	A-10	11,983.60	11,983.60
Trust - Other Fund/Escrow	A-11	<u>8.81</u>	<u>4.87</u>
		<u>131,422.49</u>	<u>95,448.10</u>
Total Operating Fund		<u>1,498,656.44</u>	<u>1,234,694.79</u>
Grant Fund:			
Cash	A-4	90,857.54	78,944.74
Grants Receivable	A-27	<u>585.00</u>	<u>105,340.00</u>
Total Grant Fund		<u>91,442.54</u>	<u>184,284.74</u>
Total Assets		<u>\$ 1,590,098.98</u>	<u>\$ 1,418,979.53</u>

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

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	A-3	\$ 266,560.90	\$ 243,922.31
Encumbrances Payable	A-3	80,176.75	44,276.71
Due To/From State of New Jersey -			
Seniors' and Veterans' Deductions	A-5	100.03	-
Accounts Payable	A-14	14,590.97	38,301.82
Prepaid Taxes	A-15	106,811.17	20,161.30
Marriage License Fees Payable	A-16	25.00	25.00
County Taxes Payable	A-18	4,808.32	2,188.97
Regional District High School Tax Payable	A-19	172,317.15	130,214.15
Regional District School Tax Payable	A-20	125,574.79	92,306.79
Reserve for:			
Sale of Municipal Assets	A-21	-	1,645.68
Tax Appeals Pending	A-22	24,865.71	14,865.71
Public Assistance	A-24	3,341.36	3,341.36
Premium on Tax Sale	A-25	62,600.00	113,100.00
Tax Overpayments	A-26	2,798.05	23,806.19
		<u>864,570.20</u>	<u>728,155.99</u>
Reserve for Receivables	A	131,422.49	95,448.10
Fund Balance	A-1	<u>502,663.75</u>	<u>411,090.70</u>
		<u>634,086.24</u>	<u>506,538.80</u>
Total Operating Fund		<u>1,498,656.44</u>	<u>1,234,694.79</u>
Grant Fund:			
Reserve for Grants:			
Unappropriated	A-28	10,877.86	11,463.65
Appropriated	A-29	80,564.68	172,490.33
Encumbrances Payable	A-29	<u>-</u>	<u>330.76</u>
Total Grant Fund		<u>91,442.54</u>	<u>184,284.74</u>
Total Liabilities, Reserves and Fund Balance		<u><u>\$ 1,590,098.98</u></u>	<u><u>\$ 1,418,979.53</u></u>

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

BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 305,000.00	\$ 258,000.00
Miscellaneous Revenue Anticipated	662,446.53	709,070.56
Receipts From Delinquent Taxes	500.00	500.00
Receipts From Current Taxes	5,950,081.85	5,756,353.87
Non-Budget Revenue	65,733.86	31,949.19
Other Credits To Income:		
Unexpended Balance of Appropriation Reserves	159,859.55	126,138.92
Cancellation of Prior Year Purchase Orders	2,369.87	223.44
Interfunds Returned	4.87	4.75
Miscellaneous Lien Redeemed	-	730.00
	<hr/>	<hr/>
Total Revenue	7,145,996.53	6,882,970.73
	<hr/>	<hr/>
Expenditures:		
Budget Appropriations	2,301,559.87	2,268,458.29
County Taxes	707,675.61	683,550.10
Special District Taxes	472,925.00	469,000.00
Regional District High School Tax	1,003,281.00	914,651.00
Regional District School Tax	2,263,482.00	2,195,020.00
Prior Year Senior Citizen & Veteran Deduction	500.00	500.00
	<hr/>	<hr/>
Total Expenditures	6,749,423.48	6,531,179.39
	<hr/>	<hr/>
Excess in Revenue	396,573.05	351,791.34
Fund Balance, January 1	411,090.70	317,299.36
	<hr/>	<hr/>
	807,663.75	669,090.70
Decreased By:		
Utilized as Anticipated Revenue	305,000.00	258,000.00
	<hr/>	<hr/>
Fund Balance, December 31	<u>\$ 502,663.75</u>	<u>\$ 411,090.70</u>

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

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	\$ 305,000.00	\$ 305,000.00	\$ -
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	6,600.00	6,640.02	40.02
Fines and Costs:			
Municipal Court	209,000.00	263,071.55	54,071.55
Interest and Costs on Taxes	9,600.00	6,613.84	(2,986.16)
Interest on Investments and Deposits	12,000.00	24,261.33	12,261.33
Off-Duty Police Admin. Fee	12,000.00	12,000.00	-
General Capital Fund Surplus	75,000.00	75,000.00	-
Cable Franchise Fees	64,065.00	64,065.84	0.84
Energy Receipts Tax	129,358.00	129,358.00	-
Consolidated Municipal Property Tax			
Relief Aid	12,848.00	12,848.00	-
Fire District Interlocal Agreement	20,000.00	20,000.00	-
Tower Lease Agreement	25,000.00	26,290.97	1,290.97
Sale of Municipal Assets	1,645.68	1,645.68	-
Clean Communities Program	4,000.00	4,000.00	-
Highway Traffic Safety Grant	5,500.00	5,500.00	-
Body Armor Fund	1,061.39	1,061.39	-
Recycling Tonnage Grant	3,687.65	3,687.65	-
Drunk Driving Enforcement	4,528.89	4,528.89	-
Alcohol Education Rehabilitation Program	1,873.37	1,873.37	-
Total Miscellaneous Revenues	597,767.98	662,446.53	64,678.55
Receipts From Delinquent Taxes	-	500.00	500.00
Property Taxes for Support of Municipal			
Budget Appropriations:			
Local Tax for Municipal Purposes	1,506,132.02	1,609,827.07	103,695.05
Budget Totals	2,408,900.00	2,577,773.60	168,873.60
Non-Budget Revenue	-	65,733.86	65,733.86
	<u>\$ 2,408,900.00</u>	<u>\$ 2,643,507.46</u>	<u>\$ 234,607.46</u>

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

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Analysis of Realized Revenue

Revenue From Collections	\$ 5,950,081.85
Allocated To:	
Regional District School	\$ 2,263,482.00
Regional District High School	1,003,281.00
County Taxes	707,675.61
Special District Taxes	472,925.00
	<hr/> 4,447,363.61
Balance for Support of Municipal Budget Purposes	1,502,718.24
Add: Appropriation Reserve for Uncollected Taxes	<hr/> 107,108.83
Amount for Support of Municipal Budget Appropriations	<hr/> <hr/> \$ 1,609,827.07

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:	
Administrative Fees	\$ 197.80
Accident Report	731.25
Alarm Systems	280.00
Animal Control Statutory Excess	1,245.00
Assessor's List	90.00
CCO Inspections	6,000.00
Certified Copies	270.00
Clothing Bin	100.00
Commuter Parking Fee	240.00
DMV Inspection Fines	12,055.00
Duplicate Tax Bill	105.00
Food Handling License	1,040.00
JIF/HIF Dividend Award	27,560.00
Marriage License	15.00
Peddler's License	81.00
Planning Board Fees	7,210.00
Photocopies/OPRA	7.00
Raffle/Bingo License	40.00
Refund Prior Year's Expenditures	5,435.31
Road Opening Permits	260.00
Sale of Municipal Assets	2,536.50
Zoning Fees	230.00
Miscellaneous	5.00
	<hr/> \$ 65,733.86

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

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbered</u>	<u>Reserved</u>	
GENERAL GOVERNMENT						
Administration and Executive:						
Mayor & Council						
Salaries and Wages	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	-	\$ -	-
Other Expenses	900.00	900.00	410.18	-	489.82	-
General Administration:						
Other Expenses	7,100.00	11,100.00	7,712.92	2,500.00	887.08	-
Municipal Clerk's Office:						
Salaries and Wages	26,600.00	26,600.00	26,551.83	-	48.17	-
Other Expenses	11,900.00	10,900.00	9,422.85	337.74	1,139.41	-
Elections:						
Other Expenses	600.00	600.00	443.14	-	156.86	-
Annual Audit:						
Other Expenses	14,350.00	14,350.00	14,035.00	-	315.00	-
Assessment of Taxes:						
Salaries and Wages	11,675.00	11,675.00	11,673.20	-	1.80	-
Other Expenses	5,350.00	5,350.00	3,759.94	-	1,590.06	-
Department of Finance:						
Financial Administration:						
Salaries and Wages	31,200.00	31,200.00	30,981.19	-	218.81	-
Other Expenses	6,545.00	6,545.00	6,049.83	-	495.17	-
Collection of Taxes:						
Salaries and Wages	13,950.00	13,950.00	13,747.90	-	202.10	-
Other Expenses	5,300.00	5,300.00	3,830.44	-	1,469.56	-
Department of Law:						
Legal Services and Costs:						
Other Expenses	65,000.00	65,000.00	52,122.43	7,500.00	5,377.57	-

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

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbered</u>	<u>Reserved</u>	
Municipal Prosecutor:						
Salaries and Wages	10,500.00	10,500.00	9,450.00	-	1,050.00	-
Department of Parks, Recreation and Social Services:						
Dog Regulation:						
Other Expenses	100.00	100.00	-	-	100.00	-
Insurance:						
Employee Group Health	201,000.00	198,000.00	168,809.95	-	29,190.05	-
Health Benefits Waiver	7,500.00	7,500.00	7,500.00	-	-	-
Department of Public Safety:						
Police:						
Salaries and Wages	616,000.00	616,000.00	571,699.45	-	44,300.55	-
Other Expenses	106,800.00	106,800.00	48,265.27	38,603.60	19,931.13	-
Office of Emergency Management:						
Salaries and Wages	1,625.00	1,625.00	1,623.44	-	1.56	-
Other Expenses	400.00	400.00	-	75.00	325.00	-
Department of Community Development:						
Engineering Services and Costs:						
Other Expenses	13,000.00	13,000.00	5,925.42	-	7,074.58	-
Planning Board:						
Salaries and Wages	3,125.00	3,125.00	3,125.00	-	-	-
Other Expenses	5,000.00	5,000.00	49.93	-	4,950.07	-
Code Enforcement:						
Salaries and Wages	19,480.00	19,480.00	19,474.46	-	5.54	-
Other Expenses	300.00	300.00	24.45	-	275.55	-
Affordable Housing						
Salaries and Wages	590.00	590.00	588.64	-	1.36	-
Other Expenses	28,000.00	28,000.00	700.00	23,100.00	4,200.00	-

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

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbered</u>	<u>Reserved</u>	
Department of Public Works:						
Public Buildings and Grounds:						
Salaries and Wages	9,300.00	9,300.00	7,683.91	-	1,616.09	-
Other Expenses	40,000.00	40,000.00	26,682.84	6,420.18	6,896.98	-
Road Repairs and Maintenance:						
Salaries and Wages	9,300.00	9,300.00	8,155.98	-	1,144.02	-
Other Expenses	15,000.00	15,000.00	5,354.23	1,640.23	8,005.54	-
Garbage and Trash Removal:						
Other Expenses	150,000.00	150,000.00	118,616.08	-	31,383.92	-
Sanitary Landfill:						
Other Expenses	5,000.00	5,000.00	1,915.00	-	3,085.00	-
Recycling:						
Other Expenses	21,800.00	21,800.00	18,662.00	-	3,138.00	-
Snow Removal:						
Salaries and Wages	1,500.00	1,500.00	1,500.00	-	-	-
Other Expenses	4,000.00	4,000.00	4,000.00	-	-	-
Municipal Court:						
Salaries and Wages	103,500.00	103,500.00	80,591.70	-	22,908.30	-
Other Expenses	15,350.00	15,350.00	8,228.18	-	7,121.82	-
Public Defender						
Other Expenses	2,500.00	2,500.00	-	-	2,500.00	-
Celebrating Public Events:						
Other Expenses	100.00	100.00	-	-	100.00	-
Shade Tree Commission						
Salaries and Wages	905.00	905.00	-	-	905.00	-
Other Expenses	1,200.00	1,200.00	109.30	-	1,090.70	-

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

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbered</u>	<u>Reserved</u>	
UNCLASSIFIED						
Utilities:						
Electricity	19,000.00	19,000.00	14,574.02	-	4,425.98	-
Street Lighting	32,500.00	32,500.00	28,691.71	-	3,808.29	-
Telephone (excluding equipment acquisition)	8,000.00	8,000.00	6,891.52	-	1,108.48	-
Natural Gas	7,500.87	7,500.87	3,779.32	-	3,721.55	-
Gasoline	22,000.00	22,000.00	17,293.47	-	4,706.53	-
Water and Sewage	4,000.00	4,000.00	3,272.00	-	728.00	-
Total Operations - Within "CAPS"	1,711,345.87	1,711,345.87	1,398,978.12	80,176.75	232,191.00	-
Detail:						
Salaries and Wages	891,750.00	891,750.00	819,346.70	-	72,403.30	-
Other Expenses	819,595.87	819,595.87	579,631.42	80,176.75	159,787.70	-
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"						
Contribution To:						
Public Employees' Retirement System	40,600.00	40,600.00	39,800.00	-	800.00	-
Police and Firemen's Retirement System of NJ	127,000.00	127,000.00	118,145.00	-	8,855.00	-
Defined Contribution Retirement Program	4,000.00	4,000.00	2,435.17	-	1,564.83	-
Social Security System (O.A.S.I.)	34,700.00	34,700.00	32,092.90	-	2,607.10	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	206,300.00	206,300.00	192,473.07	-	13,826.93	-

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

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbered</u>	<u>Reserved</u>	
Total General Appropriations for Municipal Purposes - Within "CAPS"	1,917,645.87	1,917,645.87	1,591,451.19	80,176.75	246,017.93	-
Cost of Tax Appeals:						
Other Expenses	10,000.00	10,000.00	10,000.00	-	-	-
Due To School Business Personal Property:						
Other Expenses	12,250.00	12,250.00	12,250.00	-	-	-
Matching Funds for Grants	2,500.00	2,500.00	-	-	2,500.00	-
LOSAP:						
Other Expenses	5,500.00	5,500.00	-	-	5,500.00	-
Recycling (N.J.S.A. 13:1E-96.5):						
Other Expenses	3,300.00	3,300.00	2,483.85	-	816.15	-
Total Other Operations - Excluded from "CAPS"	33,550.00	33,550.00	24,733.85	-	8,816.15	-
Interlocal Municipal Service Agreements:						
911 Emergency Service Contract with County Fire District:	55,000.00	55,000.00	52,031.22	-	2,968.78	-
Salaries and Wages	18,000.00	18,000.00	17,999.96	-	0.04	-
Other Expenses	2,000.00	2,000.00	1,377.00	-	623.00	-
Interlocal Public Works Manager						
Salaries and Wages	20,000.00	20,000.00	11,865.00	-	8,135.00	-
Total Interlocal Municipal Service Agreements	95,000.00	95,000.00	83,273.18	-	11,726.82	-
Public and Private Programs Offset By Revenues:						
Clean Communities Program	4,000.00	4,000.00	4,000.00	-	-	-

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

BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Appropriations		Paid or <u>Charged</u>	Expended		Unexpended Balance <u>Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbered</u>	<u>Reserved</u>	
Drunk Driving Enforcement Grant	4,528.89	4,528.89	4,528.89	-	-	-
Body Armor Fund	1,061.39	1,061.39	1,061.39	-	-	-
Alcohol Education Rehabilitation Program	1,873.37	1,873.37	1,873.37	-	-	-
Recycling Tonnage Grant	3,687.65	3,687.65	3,687.65	-	-	-
SFSP Fire District Payment	444.00	444.00	444.00	-	-	-
Highway Traffic Safety Grant	-	5,500.00	5,500.00	-	-	-
Total Public and Private Programs Offset By Revenues	15,595.30	21,095.30	21,095.30	-	-	-
Total Operations - Excluded from "CAPS"	144,145.30	149,645.30	129,102.33	-	20,542.97	-
Detail:						
Salaries and Wages	38,000.00	38,000.00	29,864.96	-	8,135.04	-
Other Expenses	106,145.30	111,645.30	99,237.37	-	12,407.93	-
Capital Improvements - Excluded From "CAPS"						
Capital Improvement Fund	15,000.00	15,000.00	15,000.00	-	-	-
Total Capital Improvements - Excluded From "CAPS"	15,000.00	15,000.00	15,000.00	-	-	-
Municipal Debt Service - Excluded From "CAPS"						
Refunding Bond Principal	54,000.00	54,000.00	54,000.00	-	-	-
Payment of Bond Principal	80,000.00	80,000.00	80,000.00	-	-	-
Interest on Bonds	75,500.00	75,500.00	75,268.70	-	-	231.30
Total Municipal Debt Service - Excluded From "CAPS"	209,500.00	209,500.00	209,268.70	-	-	231.30

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

BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Appropriations</u>		<u>Paid or</u>	<u>Expended</u>		<u>Unexpended</u>
	<u>Original</u>	<u>Budget After</u>		<u>Encumbered</u>	<u>Reserved</u>	<u>Balance</u>
	<u>Budget</u>	<u>Modifications</u>	<u>Charged</u>			<u>Canceled</u>
Deferred Charges - Municipal - Excluded From "CAPS"						
Unfunded Ordinance	10,000.00	10,000.00	10,000.00	-	-	-
Total Deferred Charges - Municipal - Excluded From "CAPS"	10,000.00	10,000.00	10,000.00	-	-	-
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	378,645.30	384,145.30	363,371.03	-	20,542.97	231.30
Subtotal General Appropriations Reserve for Uncollected Taxes	2,296,291.17	2,301,791.17	1,954,822.22	80,176.75	266,560.90	231.30
	107,108.83	107,108.83	107,108.83	-	-	-
Total General Appropriations	\$ 2,403,400.00	\$ 2,408,900.00	\$ 2,061,931.05	\$ 80,176.75	\$ 266,560.90	\$ 231.30
Budget as Adopted	\$ 2,403,400.00					
Appropriated by N.J.S. 40A:4-87		<u>5,500.00</u>				
		<u>\$ 2,408,900.00</u>				
Analysis of Paid or Charged:						
Cash Disbursements			\$ 1,924,170.92			
Reserve for:						
Uncollected Taxes			107,108.83			
Tax Appeals Pending			10,000.00			
Grants Appropriated			<u>20,651.30</u>			
			<u>\$ 2,061,931.05</u>			

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

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<u>Assets</u>			
Animal Control Trust Fund:			
Cash - Treasurer	B-2	\$ 5,380.60	\$ 5,775.40
Trust - Other Funds:			
Cash - Treasurer	B-2	282,745.67	255,198.85
Due from Monmouth County - CDBG	B-7	114,862.00	114,862.00
Total Trust - Other		397,607.67	370,060.85
Total Assets		\$ 402,988.27	\$ 375,836.25
<u>Liabilities, Reserves and Fund Balance</u>			
Animal Control Trust Fund:			
Due To:			
State - License Fee	B-4	\$ 3.60	\$ 5.40
Reserve for Dangerous Animal	B-6	350.00	350.00
Reserve for Animal Control Fund Expenditures	B-6	5,027.00	5,420.00
		5,380.60	5,775.40
Trust - Other Funds:			
Due To Current Fund	B-8	8.81	4.87
Encumbrances Payable	B-9	5,543.81	405.50
Various Reserves	B-9	277,173.29	369,630.72
Due to General Capital Fund	B-9	114,862.00	-
Fund Balance	B-1	19.76	19.76
		397,607.67	370,060.85
Total Liabilities, Reserves and Fund Balance		\$ 402,988.27	\$ 375,836.25

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

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017 AND 2016**

Balance, December 31, 2017 and 2016

\$ 19.76

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<u>Assets</u>			
Cash - Treasurer	C-2,C-3	\$ 191,860.50	\$ 428,321.61
Grants Receivable	C-4	208,711.15	576,796.40
Due from Trust - Other	B	114,862.00	-
Deferred Charges To Future Taxation:			
Funded	C-5	1,584,000.00	1,718,000.00
Unfunded	C-6	<u>345,427.09</u>	<u>330,250.00</u>
Total Assets		<u>\$ 2,444,860.74</u>	<u>\$ 3,053,368.01</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds Payable	C-7	\$ 1,584,000.00	\$ 1,718,000.00
Encumbrances Payable	C-8	102,802.56	122,519.68
Improvement Authorizations:			
Funded	C-8	387,495.36	685,237.79
Unfunded	C-8	98,913.27	264,112.65
Capital Improvement Fund	C-9	61,552.81	88,052.81
Fund Balance	C-1	<u>210,096.74</u>	<u>175,445.08</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 2,444,860.74</u>	<u>\$ 3,053,368.01</u>

There were bonds authorized but not issued on December 31, 2017 in the amount of \$345,427.09 and on December 31, 2016 in the amount of \$330,250.00

BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

Balance, December 31, 2016		\$ 175,445.08
Increased By:		
Unexpended Balance of Funded Improvement		
Authorization Cancelled		<u>203,279.76</u>
		378,724.84
Decreased By:		
Anticipated in Current Fund Revenue	75,000.00	
Cancellation of Grants Receivable	<u>93,628.10</u>	
		<u>168,628.10</u>
Balance, December 31, 2017		<u><u>\$ 210,096.74</u></u>

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

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
WATER UTILITY FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<u>Assets</u>			
Operating Fund:			
Cash - Treasurer	D-5	\$ 465,852.12	\$ 447,284.33
Cash - Change Fund	D	25.00	25.00
		<u>465,877.12</u>	<u>447,309.33</u>
Receivables With Full Reserves:			
Consumer Accounts Receivable	D-8	10,037.59	32,318.58
Inventory - Materials and Supplies	D	195.00	195.00
		<u>10,232.59</u>	<u>32,513.58</u>
Total Operating Fund		<u>476,109.71</u>	<u>479,822.91</u>
Capital Fund:			
Cash	D-5, D-6	281,815.29	217,815.29
Investment	D-7	54,000.00	108,000.00
Fixed Capital	D-9	3,180,410.83	3,134,585.35
Fixed Capital Authorized & Uncompleted	D-17	22,703.12	22,703.12
Total Capital Fund		<u>3,538,929.24</u>	<u>3,483,103.76</u>
Total Assets		<u>\$ 4,015,038.95</u>	<u>\$ 3,962,926.67</u>

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

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
WATER UTILITY FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<u>Liabilities, Reserves and Fund Balances</u>			
Operating Fund:			
Appropriation Reserves	D-4	\$ 80,146.44	\$ 57,690.59
Encumbrances Payable	D-4	15,128.94	7,372.03
Accrued Interest on Bonds	D-11	1,712.50	1,812.50
Water Rent Overpayments	D-12	1,777.52	618.75
		<u>98,765.40</u>	<u>67,493.87</u>
Reserve for Receivables	D	10,037.59	32,318.58
Reserve for Inventory	D	195.00	195.00
Fund Balance	D-1	367,111.72	379,815.46
		<u>476,109.71</u>	<u>479,822.91</u>
Total Operating Fund			
		<u>476,109.71</u>	<u>479,822.91</u>
Capital Fund:			
Serial Bonds	D-13	425,000.00	455,000.00
Capital Improvement Fund	D-14	312,481.00	302,481.00
Reserve for Amortization	D-15	2,755,410.83	2,679,585.35
Improvement Authorization	D-16	22,703.12	22,703.12
Deferred Reserve for Amortization	D-18	22,703.12	22,703.12
Fund Balance	D-2	631.17	631.17
		<u>3,538,929.24</u>	<u>3,483,103.76</u>
Total Capital Fund			
		<u>3,538,929.24</u>	<u>3,483,103.76</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 4,015,038.95</u>	<u>\$ 3,962,926.67</u>

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

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
WATER UTILITY FUND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 223,700.00	\$ 210,000.00
Rents	492,424.34	479,726.39
Miscellaneous Revenue Not Anticipated	12,128.61	9,590.47
Unexpended Balance of Appropriation Reserves	35,093.31	29,873.86
Accrued Interest Cancelled	100.00	100.00
	<hr/>	<hr/>
Total Revenue	763,446.26	729,290.72
	<hr/>	<hr/>
Expenditures:		
Operating	407,000.00	392,800.00
Capital Improvements	76,000.00	36,000.00
Debt Service	51,750.00	52,950.00
Deferred Charges and Statutory Expenditures	17,700.00	17,200.00
	<hr/>	<hr/>
Total Expenditures	552,450.00	498,950.00
	<hr/>	<hr/>
Excess in Revenue	210,996.26	230,340.72
Fund Balance, January 1	379,815.46	359,474.74
	<hr/>	<hr/>
	590,811.72	589,815.46
Decreased By:		
Utilized as Anticipated Revenue	223,700.00	210,000.00
	<hr/>	<hr/>
Fund Balance, December 31	<u>\$ 367,111.72</u>	<u>\$ 379,815.46</u>

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

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
WATER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 & 2016

\$ 631.17

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Utilized	\$ 223,700.00	\$ 223,700.00	\$ -
Rents	329,000.00	492,424.34	163,424.34
Miscellaneous Revenue Not Anticipated	-	12,128.61	12,128.61
	<u>\$ 552,700.00</u>	<u>\$ 728,252.95</u>	<u>\$ 175,552.95</u>

Analysis of Rents:

Cash Receipts	\$ 491,805.59
Overpayments Applied	618.75
	<u>492,424.34</u>

Miscellaneous:

Interest on Investments	\$ 8,057.92
Delinquent Charges	3,990.69
Miscellaneous	80.00
	<u>\$ 12,128.61</u>

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

BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
WATER UTILITY FUND
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Cancelled</u>
Operating:					
Salaries and Wages	\$ 118,500.00	\$ 118,500.00	\$ 118,058.94	\$ -	\$ 441.06
Other Expenses	288,500.00	288,500.00	217,362.75	1,503.94	69,633.31
Total Operating	407,000.00	407,000.00	335,421.69	1,503.94	70,074.37
Capital Improvements:					
Capital Improvement Fund	10,000.00	10,000.00	10,000.00	-	-
Capital Outlay	66,000.00	66,000.00	42,411.48	13,625.00	9,963.52
Total Capital Improvements	76,000.00	76,000.00	52,411.48	13,625.00	9,963.52
Debt Service:					
Payment of Bonds	30,000.00	30,000.00	30,000.00	-	-
Interest on Bonds	22,000.00	22,000.00	21,750.00	-	250.00
Total Debt Service	52,000.00	52,000.00	51,750.00	-	250.00
Statutory Expenditures:					
Contributions To:					
Public Employees' Retirement System	7,600.00	7,600.00	7,560.00	-	40.00
Unemployment Compensation Insurance	1,000.00	1,000.00	1,000.00	-	-
Social Security System (O.A.S.I.)	9,100.00	9,100.00	9,031.45	-	68.55
Total Statutory Expenditures	17,700.00	17,700.00	17,591.45	-	108.55
Total Water Utility Appropriations	\$ 552,700.00	\$ 552,700.00	\$ 457,174.62	\$ 15,128.94	\$ 80,146.44
					\$ 250.00

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

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<u>Assets</u>			
Operating Fund:			
Cash - Treasurer	E-5	\$ 566,281.39	\$ 490,787.32
Receivables With Full Reserves:			
Sewer Rents Receivable	E-7	10,428.75	23,180.41
Sewer Lien Receivable	E-15	119.95	119.95
Total Operating Fund		576,830.09	514,087.68
Capital Fund:			
Cash	E-5, E-6	196,035.68	186,035.68
Fixed Capital	E-8	975,636.40	975,636.40
Total Capital Fund		1,171,672.08	1,161,672.08
Total Assets		\$ 1,748,502.17	\$ 1,675,759.76
<u>Liabilities, Reserves and Fund Balances</u>			
Operating Fund:			
Appropriation Reserves	E-4	\$ 41,940.05	\$ 30,142.22
Encumbrances Payable	E-4	-	749.25
Accrued Interest on Bonds	E-10	-	66.67
Sewer Rents Overpayments	E-11	1,448.63	830.37
		43,388.68	31,788.51
Reserve for Receivables	E	10,548.70	23,300.36
Fund Balance	E-1	522,892.71	458,998.81
Total Operating Fund		576,830.09	514,087.68
Capital Fund:			
Serial Bonds	E-12	-	20,000.00
Capital Improvement Fund	E-13	196,000.00	186,000.00
Reserve for:			
Amortization	E-14	975,636.40	955,636.40
Fund Balance	E-2	35.68	35.68
Total Capital Fund		1,171,672.08	1,161,672.08
Total Liabilities, Reserves and Fund Balances		\$ 1,748,502.17	\$ 1,675,759.76

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

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 200,000.00	\$ 224,600.00
Rents	546,416.51	503,957.95
Sewer Capital Surplus Anticipated	-	2,500.00
Miscellaneous Revenue	13,900.38	10,180.26
Unexpended Balance of Appropriation Reserves	28,510.34	38,257.88
Accrued Interest Cancelled	66.67	50.00
	<hr/>	<hr/>
Total Revenue	788,893.90	779,546.09
	<hr/>	<hr/>
Expenditures:		
Operating	470,200.00	474,700.00
Capital Improvements	25,000.00	20,000.00
Debt Service	20,800.00	16,400.00
Statutory Expenditures	9,000.00	9,100.00
Surplus (General Budget)	-	32,500.00
Refund of Prior Year Revenue	-	1,210.00
	<hr/>	<hr/>
Total Expenditures	525,000.00	553,910.00
	<hr/>	<hr/>
Excess in Revenue	263,893.90	225,636.09
	<hr/>	<hr/>
Fund Balance, January 1	458,998.81	457,962.72
	<hr/>	<hr/>
	722,892.71	683,598.81
Decreased By:		
Utilized as Anticipated Revenue	200,000.00	224,600.00
	<hr/>	<hr/>
Fund Balance, December 31	<u>\$ 522,892.71</u>	<u>\$ 458,998.81</u>

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

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 & 2016

\$ 35.68

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Utilized	\$ 200,000.00	\$ 200,000.00	\$ -
Rents	325,000.00	546,416.51	221,416.51
Miscellaneous Revenue Not Anticipated	-	13,900.38	13,900.38
	<u>\$ 525,000.00</u>	<u>\$ 760,316.89</u>	<u>\$ 235,316.89</u>

Analysis of Miscellaneous Revenue Not Anticipated

Interest Earned	\$ 8,505.25
Hookup Fees	1,864.00
Delinquent Charges Interest	3,531.13
	<u>\$ 13,900.38</u>

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

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY FUND
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Cancelled</u>
Operating:					
Salaries and Wages	\$ 60,000.00	\$ 60,000.00	\$ 54,751.07	\$ -	\$ 5,248.93
Other Expenses	410,200.00	410,200.00	389,260.42	-	20,939.58
Total Operating	470,200.00	470,200.00	444,011.49	-	26,188.51
Capital Improvements:					
Capital Improvement Fund	10,000.00	10,000.00	10,000.00	-	-
Capital Outlay	15,000.00	15,000.00	-	-	15,000.00
Total Capital Improvements	25,000.00	25,000.00	10,000.00	-	15,000.00
Debt Service:					
Payment of Bond Principal	20,000.00	20,000.00	20,000.00	-	-
Interest on Bonds	800.00	800.00	800.00	-	-
Total Debt Service	20,800.00	20,800.00	20,800.00	-	-
Statutory Expenditures:					
Contributions To:					
Public Employees' Retirement System	3,100.00	3,100.00	3,060.00	-	40.00
Unemployment Compensation Insurance	4,900.00	4,900.00	4,188.46	-	711.54
Social Security System (O.A.S.I.)	1,000.00	1,000.00	1,000.00	-	-
Total Statutory Expenditures	9,000.00	9,000.00	8,248.46	-	751.54
Total Sewer Utility Appropriations	\$ 525,000.00	\$ 525,000.00	\$ 483,059.95	\$ -	\$ 41,940.05

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

This page intentionally left blank.

BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
PAYROLL FUND
STATEMENT OF ASSETS, LIABILITIES AND RESERVES -
REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<u>Assets</u>			
Cash	F-1	\$ 25,887.11	\$ 35,945.09
Total Assets		<u>\$ 25,887.11</u>	<u>\$ 35,945.09</u>
<u>Liabilities and Reserves</u>			
Due To Current Fund	F-2	\$ 11,983.60	\$ 11,983.60
Payroll Taxes Payable	F-3	<u>13,903.51</u>	<u>23,961.49</u>
Total Liabilities and Reserves		<u>\$ 25,887.11</u>	<u>\$ 35,945.09</u>

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

This page intentionally left blank.

BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<u>Assets</u>			
Land	G-1	\$ 2,039,400.00	\$ 2,039,400.00
Buildings	G-1	510,300.00	510,300.00
Equipment	G-1	<u>974,261.22</u>	<u>791,467.17</u>
Total Assets		<u>\$ 3,523,961.22</u>	<u>\$ 3,341,167.17</u>
<u>Fund Balance</u>			
Investment in Fixed Assets	G-1	<u>\$ 3,523,961.22</u>	<u>\$ 3,341,167.17</u>
Total Fund Balance		<u>\$ 3,523,961.22</u>	<u>\$ 3,341,167.17</u>

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

This page intentionally left blank.

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

This page intentionally left blank

**BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The Borough of Englishtown, County of Monmouth, New Jersey ("Borough") operates under the Borough form of New Jersey municipal government, and is governed by a mayor and 6-member Borough Council. The financial statements of the Borough include every board, body, officer or commission maintained wholly or in part by funds appropriated by the Borough, as required by the provision of N.J.S. 40A:5-5.

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61 and 80, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Borough are not presented in accordance with GAAP (as discussed below). Therefore, the Borough had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61 and 80.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Borough of Englishtown 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 of Audit 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 State of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Borough of Englishtown 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 Fund – the various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund – the General Capital Fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Water/Sewer Utility Operating and Capital Funds - are used to account for water/sewer operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the water/sewer utility to the general public be financed through user fees. Operations relating to the acquisition of water/sewer capital facilities are recorded within the Water/Sewer Utility Capital Fund.

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 1. Summary of Significant Accounting Policies (continued):

General Fixed Asset Account Group – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Borough.

Payroll Fund - is used to account for the payroll activity of all of the funds and the disbursement of payroll withholdings to the various cognizant agencies.

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

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of 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 Borough's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

Cash, Cash Equivalents and Investments - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. 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.17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act, 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

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 1. Summary of Significant Accounting Policies (continued):

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 Borough of Englishtown 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 and Supplies - The cost 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 balance sheets of assets, liabilities, reserves and fund balance.

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 Borough has adopted a capitalization threshold of \$2,000.00. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough 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 Borough'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. All fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Utility Fixed Assets – Property and equipment purchases by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization in the utility capital fund represent the cost of the utility fixed assets reduced by the outstanding balances of bonds,

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 1. Summary of Significant Accounting Policies (continued):

loans, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Foreclosed property – Foreclosed Property or “Property Acquired for Taxes” 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 Borough 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.

Fund Balance – Fund Balance included in the Current Fund and Utility Operating Fund represent the amount available for anticipation as revenue in future year’s budgets, with certain restrictions.

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 Borough’s budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough’s Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenues when received.

Utility Revenues – Utility charges are levied quarterly based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Boroughs utility operating fund.

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 Borough’s annual budget, but also the amounts required in support of the budgets of the County of Monmouth, Manalapan-Englishtown Regional School District, Freehold Regional High School District and Englishtown Fire District #1. Unpaid property taxes are subject to tax sale in accordance with statutes.

County Taxes – The municipality is responsible for levying, collecting and remitting County taxes for the County of Monmouth. Operations are 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 May 5th 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 10th of the current year and due to be paid to the County by February 15th of the following year.

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Manalapan-Englishtown Regional School District and its share of the Freehold Regional School District.

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 1. Summary of Significant Accounting Policies (continued):

Operations are charged for the full amount required to be raised from taxation to operate the local and regional school district July 1 to June 30.

Deferred School Taxes – School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

Reserve for Uncollected Taxes – The inclusion of the “Reserve for Uncollected Taxes” appropriation in the Borough’s annual budget protects the Borough 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 – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for interest payments on outstanding general capital bonds and notes are provided on the cash basis. Appropriations for interest payments on outstanding utility capital bonds and notes are provided on the accrual basis.

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31st of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

Long-Term Debt - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General and Utility 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.

Compensated Absences – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has recently adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 1. Summary of Significant Accounting Policies (continued):

pronouncements; and there have been no GASB pronouncements effective for the current year that have a significant impact of the Borough's financial statements.

Note 2. Deposits and Investments

The Borough is governed by the deposit and investment limitations of New Jersey state law.

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits may not be returned. Although the Borough does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Borough in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Borough relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2017, the Borough's bank balance of \$3,673,138.97 was insured or collateralized as follows:

Uninsured & Uncollateralized	\$ 318,485.09
New Jersey Cash Management	49,997.11
Insured under FDIC and GUDPA	<u>3,304,656.77</u>
Total	<u><u>\$ 3,673,138.97</u></u>

Investments

Fair Value Measurement – The fair value measurements of investments are required to be reported based on the hierarchy established by generally accepted accounting principles. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available.

Under regulatory basis of accounting, investments are measured at cost in the Borough's financial statements. However, had the financial statements been prepared in accordance with GAAP, the Borough's fair value, hierarchy level and maturities of its investments at December 31, 2017 would be as followed:

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 2. Deposits and Investments (continued):

Investments (continued)

<u>Investment type</u>	<u>Carrying Value</u>	<u>Fair Value as of December 31, 2017</u>		<u>Investment Maturities (in Years)</u>
		<u>Level 1</u>	<u>Total</u>	<u>Less Than 1 Year</u>
General Capital Refunding Bonds	54,000.00	54,000.00	54,000.00	54,000.00
	<u>\$ 54,000.00</u>	<u>\$ 54,000.00</u>	<u>\$ 54,000.00</u>	<u>\$ 54,000.00</u>
<u>Fund</u>				
Water Utility Capital Fund	54,000.00	54,000.00	54,000.00	54,000.00
	<u>54,000.00</u>	<u>54,000.00</u>	<u>54,000.00</u>	<u>54,000.00</u>

Custodial credit risk related to Investments - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Borough will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Borough has no investment policy to limit exposure to custodial credit risk.

Interest rate risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Credit risk is the risk that an issuer to an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. As of December 31, 2017, the Borough's investments had the following ratings:

<u>Investment type</u>	<u>Standard & Poor's</u>	<u>Moody's</u>
Fixed Account Investment Contract	AAA	Aaa

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A; 5-15.1, the Borough's investment policies place no limit in the amount the Borough may invest in any one issuer. More than 5% of the Borough's investments are in Bonds. These investments represent 100% of the Borough's total investments.

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 3. Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

	2017	2016	2015
Total Tax Rate	\$ 2.453	\$ 2.392	\$ 2.322
Apportionment of Tax Rate:			
Municipal	0.621	0.621	0.591
County	0.290	0.283	0.293
Regional District School	0.933	0.913	0.873
Regional High School	0.414	0.380	0.373
Special District	0.195	0.195	0.192

Net Valuation Taxable

2017	\$ 242,616,500.00	
2016	\$ 240,537,900.00	
2015		\$ 239,850,700.00

Comparison of Tax Levies and Collection Currently

Year	Tax Levy	Cash Collections	Percentage Of Collection
2017	\$ 5,993,909.79	\$ 5,950,081.85	99.27%
2016	5,771,640.91	5,756,353.87	99.73%
2015	5,571,006.17	5,562,149.28	99.84%

Delinquent Taxes and Tax Title Liens

Year Ended December 31	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage Of Tax Levy
2017	\$ 35,014.84	\$ 32,943.32	\$ 67,958.16	1.13%
2016	24,224.21	29.06	24,253.27	0.42%
2015	10,840.80	17.09	10,857.89	0.19%

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 4. Water and Sewer Utility Service Charges

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

WATER UTILITY

YEAR ENDED DECEMBER 31	BEGINNING RECEIVABLE	LEVY	TOTAL	CASH COLLECTIONS	COLLECTION PERCENTAGE
2017	\$ 32,318.58	\$ 470,143.35	\$ 502,461.93	\$ 492,424.34	98.00%
2016	26,050.53	485,994.44	512,044.97	479,726.39	93.69%
2015	8,614.54	492,468.44	501,082.98	475,327.38	94.86%

SEWER UTILITY

YEAR ENDED DECEMBER 31	BEGINNING RECEIVABLE	LEVY	TOTAL	CASH COLLECTIONS	COLLECTION PERCENTAGE
2017	\$ 23,180.41	\$ 533,664.85	\$ 556,845.26	\$ 546,416.51	98.13%
2016	15,125.65	512,132.66	527,258.31	503,957.95	95.58%
2015	8,543.51	494,668.29	503,211.80	488,657.65	97.11%

Note 5. Property Acquired By Tax Title Lien Liquidation

The value of properties acquired by liquidation of tax title liens based on the last assessed valuation of such properties as of December 31, was as follows:

Year	Amount
2017	\$ 100.00
2016	100.00
2015	100.00

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 6. Fund Balances Appropriated

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

Year	Balance December 31,	Utilized In Budget of Succeeding Year	Percentage of Fund Balance Used
<u>Current Fund</u>			
2017	502,663.75	300,000.00	59.68%
2016	411,090.70	305,000.00	74.19%
2015	317,299.36	258,000.00	81.31%
2014	372,067.45	325,000.00	87.35%
2013	326,284.00	285,000.00	87.35%
<u>Water Utility Fund</u>			
2017	367,111.72	205,700.00	56.03%
2016	379,815.46	223,700.00	58.90%
2015	359,474.74	210,000.00	58.42%
2014	333,306.58	207,000.00	62.10%
2013	344,110.00	223,000.00	64.80%
<u>Sewer Utility Fund</u>			
2017	522,892.71	297,800.00	56.95%
2016	458,998.81	200,000.00	43.57%
2015	457,962.72	224,600.00	49.04%
2014	416,963.08	175,300.00	42.04%
2013	386,952.00	180,500.00	46.65%

Note 7. Disaggregated Receivable and Payable Balances

There are no significant components of receivable and payable balances reported in the financial statements.

Note 8. Interfund Receivables and Payables

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

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 8. Interfund Receivables and Payables (continued)

Fund	Interfunds Receivable	Interfunds Payable
Current Fund	\$ 11,992.41	\$ -
Trust Other Fund	-	114,870.81
General Capital Fund	114,862.00	-
Payroll Trust Fund	-	11,983.60
	<hr/>	<hr/>
Total	\$ 126,854.41	\$ 126,854.41

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

The summary of interfund transfers follows:

Current Fund	\$ 1,109,325.92	\$ 1,109,321.98
Trust Other Fund	4,714.87	119,580.81
General Capital Fund	460,918.26	346,056.26
Water Operating Fund	682,795.90	682,795.90
Water Capital Fund	2,680.76	2,680.76
Sewer Operating Fund	412,646.97	412,646.97
Sewer Capital Fund	2,170.85	2,170.85
Payroll Trust Fund	34,709.52	34,709.52
	<hr/>	<hr/>
Total	\$ 2,709,963.05	\$ 2,709,963.05

The purpose of interfund transfers were for the liquidation of prior year interfund receivables and payables and for payments made on behalf of other funds.

Note 9. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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

The following represents the membership tiers for PERS:

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)(continued):

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

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability.

Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2016, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2017, the Borough's contractually required contribution to the PERS plan was \$47,448.

Components of Net Pension Liability - At December 31, 2017, the Borough's proportionate share of the PERS net pension liability was \$1,192,273. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, which

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)(continued):

was rolled forward to June 30, 2017. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The Borough's proportion measured as of June 30, 2017, was 0.0051217992% which was a decrease of 0.0002582963% from its proportion measured as of June 30, 2016.

	<u>12/31/2017</u>	<u>12/30/2016</u>
Actuarial valuation date (including roll forward)	June 30, 2017	June 30, 2016
Deferred Outflows of Resources	\$ 293,873	\$ 443,242
Deferred Inflows of Resources	295,753	14,654
Net Pension Liability	1,192,273	1,593,430
Borough's portion of the Plan's total net pension Lia	0.00512%	0.00538%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2017, the Borough's proportionate share of the PERS expense, calculated by the plan as of June 30, 2017 measurement date is \$78,129. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$47,448 to the plan in 2017.

At December 31, 2017, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 28,074	\$ -
Changes of Assumptions	240,202	239,321
Net Difference between Projected and Actual Earnings on Pension Plan Investments	8,119	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	<u>17,478</u>	<u>56,432</u>
	<u>\$ 293,873</u>	<u>\$ 295,753</u>

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)(continued):

The Borough will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow 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 and Differences between Contributions and Proportionate Share of Contributions		
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
June 30, 2017	5.48	5.48

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)(continued):

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods.

Year Ending <u>Dec 31,</u>	<u>Amount</u>
2018	\$ 23,229
2019	37,813
2020	21,438
2021	(53,880)
2022	<u>(30,480)</u>
	<u><u>\$ (1,880)</u></u>

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	2.25%
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%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2011 - June 30, 2014

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

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)(continued):

static projection based on the 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 scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

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. Best estimates of arithmetic 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	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)(continued):

Discount Rate - The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. The single blended discount rate was based on 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 municipals 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 Municipality's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough'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:

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Borough's Proportionate Share of the Net Pension Liability	\$ 1,479,096	\$ 1,192,273	\$ 953,314

B. Police and Firemen's Retirement System (PFRS)

Plan Description – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as 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 PFRS:

<u>Tier</u>	<u>Definition</u>
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

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, 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 if 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.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2017, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2017, the Township's contractually required contributions to PFRS plan was \$125,541.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Net Pension Liability and Pension Expense - At December 31, 2017, the Borough's proportionate share of the PFRS net pension liability is valued to be \$2,189,910. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, to the measurement date of June 30, 2017. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The Borough's proportion measured as of June 30, 2017, was 0.0141851279 %, which was an increase of 0.0003542208% from its proportion measured as of June 30, 2016.

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS)(continued):

Collective Balances at December 31, 2017 and December 31, 2016

	<u>12/31/2017</u>	<u>12/31/2016</u>
Actuarial valuation date (including roll forward)	June 30, 2017	June 30, 2016
Deferred Outflows of Resources	\$ 589,581	\$ 832,743
Deferred Inflows of Resources	477,412	172,044
Net Pension Liability	2,189,910	2,642,057
Borough's portion of the Plan's total net pension Liability	0.01419%	0.01383%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2017, the Borough's proportionate share of the PFRS expense, calculated by the plan as of June 30, 2017 measurement date was \$226,216. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$125,541 to the plan in 2017.

At December 31, 2017, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 14,207	\$ 12,853
Changes of Assumptions	270,040	358,643
Net Difference between Projected and Actual Earnings on Pension Plan Investments	41,789	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	<u>263,545</u>	<u>105,916</u>
	<u>\$ 589,581</u>	<u>\$ 477,412</u>

The Borough will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS)(continued):

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of 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	-
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
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	6.17
June 30, 2015	5.53	5.53
June 30, 2016	5.58	5.58
June 30, 2017	5.59	5.59

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

Year Ending	
<u>Dec 31,</u>	<u>Amount</u>
2018	\$ 36,398
2019	72,784
2020	52,888
2021	(11,323)
2022	<u>(38,578)</u>
	<u>\$ 112,169</u>

Special Funding Situation – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The 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 non-employer 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 to report in the financial statements of the local participating employers related to this legislation.

Additionally, the State's proportionate share of the net pension liability attributable to the Borough is \$245,288 as of December 31, 2017. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, to the measurement date of June 30, 2017. The State's proportion of the net pension liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2017 was 0.0141851279%, which was an increase of 0.0003542208% from its proportion measured as of June 30, 2016, which is the same proportion as the Borough's. At December 31, 2017, the Borough's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 2,189,910
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>245,288</u>
	<u>\$ 2,435,198</u>

**BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

At December 31, 2017, the State's proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2017 measurement date was \$30,004.

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	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%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2010 - June 30, 2013

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

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

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in 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	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 6.14% as of June 30, 2017. The single blended discount rate was based on 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 municipals 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 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.

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

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

	1% Decrease <u>(5.14%)</u>	Current Discount Rate <u>(6.14%)</u>	1% Increase <u>(7.14%)</u>
Borough's Proportionate Share of the Net Pension Liability	\$ 2,885,387	\$ 2,189,910	\$ 1,618,497
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>323,187</u>	<u>245,288</u>	<u>181,285</u>
	<u><u>\$ 3,208,574</u></u>	<u><u>\$ 2,435,198</u></u>	<u><u>\$ 1,799,782</u></u>

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

Note 10. Municipal Debt

The following schedule represents the Borough's summary of debt, as filed in the Borough's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Municipal Debt (continued):

	<u>Summary of Debt (continued)</u>		
	Year 2017	Year 2015	Year 2015
Issued			
General:			
Bonds & Notes & Loans	\$ 1,584,000.00	\$ 1,718,000.00	\$ 1,852,000.00
Water Utility:			
Bonds & Notes & Loans	425,000.00	455,000.00	485,000.00
Sewer Utility:			
Bonds & Notes & Loans	-	20,000.00	35,000.00
Total Debt Issued	<u>2,009,000.00</u>	<u>2,193,000.00</u>	<u>2,372,000.00</u>
Authorized but Not Issued			
General Bonds and Notes	<u>345,427.09</u>	<u>330,250.00</u>	<u>238,000.00</u>
Total Authorized but Not Issued	<u>345,427.09</u>	<u>330,250.00</u>	<u>238,000.00</u>
Total Gross Debt	<u>\$ 2,354,427.09</u>	<u>\$ 2,523,250.00</u>	<u>\$ 2,610,000.00</u>
Deductions:			
Self-Liquidating Debt	<u>\$ 425,000.00</u>	<u>\$ 475,000.00</u>	<u>\$ 520,000.00</u>
Total Deductions	<u>425,000.00</u>	<u>475,000.00</u>	<u>520,000.00</u>
Net Debt	<u>\$ 1,929,427.09</u>	<u>\$ 2,048,250.00</u>	<u>\$ 2,090,000.00</u>

Summary of Statutory Debt Condition – Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

	Gross Debt	Deductions	Net Debt
Regional School Debt	\$ 1,276,514.70	\$ 1,276,514.70	\$ -
General	1,929,427.09	-	1,929,427.09
Water Utility Debt	<u>425,000.00</u>	<u>425,000.00</u>	<u>-</u>
Total	<u>\$ 3,630,941.79</u>	<u>\$ 1,701,514.70</u>	<u>\$ 1,929,427.09</u>

Net Debt \$1,929,427.09 divided by the average Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$241,657,822.33 equals 0.798%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2017 is calculated as follows:

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Municipal Debt (continued):

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 8,458,023.78
Net Debt	<u>1,929,427.09</u>
Remaining Borrowing Power	<u><u>\$ 6,528,596.69</u></u>

Calculation of Self-Liquidating Purpose - Water Utility per N.J.S.40A:2-45

Cash Receipts From Fees, Rents & Other Charges	\$ 728,252.95
Deductions:	
Operating & Maintenance Costs	\$ 424,700.00
Debt Service	<u>51,750.00</u>
	476,450.00
Excess Revenue - Self Liquidating	<u><u>\$ 251,802.95</u></u>

Calculation of Self-Liquidating Purpose - Sewer Utility per N.J.S.40A:2-45

Cash Receipts From Fees, Rents & Other Charges	\$ 760,316.89
Deductions:	
Operating & Maintenance Costs	\$ 479,200.00
Debt Service	<u>20,800.00</u>
	500,000.00
Excess Revenue - Self Liquidating	<u><u>\$ 260,316.89</u></u>

General Debt

A. Serial Bonds Payable

On 12/2013, the Borough issued \$465,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 3% to 5% and mature on 12/1/2027.

On 12/2013, the Borough issued \$1,355,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 2% to 5% and mature on 12/1/2033.

On 11/2015, the Borough issued \$162,000 of General Obligation Bonds. The General Obligation Bonds were issued at an interest rate of 0% and mature on 12/2018. These are held by the Water Utility Capital Fund as an investment.

**BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 10. Municipal Debt (continued):

General Debt (continued)

A. Serial Bonds Payable (continued)

	<u>General</u>		
Year	Principal	Interest	Total
2018	\$ 139,000.00	\$ 72,068.79	\$ 211,068.79
2019	85,000.00	68,668.76	153,668.76
2020	90,000.00	65,268.76	155,268.76
2021	95,000.00	60,768.76	155,768.76
2022	90,000.00	56,018.76	146,018.76
2023-2027	545,000.00	204,843.80	749,843.80
2028-2032	445,000.00	79,793.80	524,793.80
2033	95,000.00	3,918.73	98,918.73
Total	<u>\$ 1,584,000.00</u>	<u>\$ 611,350.16</u>	<u>\$ 2,195,350.16</u>

B. Bond Anticipation Notes Payable – Short Term Debt

The Borough has no bond anticipation notes outstanding at December 31, 2017.

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2017, the Borough had \$345,427.09 General Capital bonds and notes authorized but not issued.

Water/Sewer Utility Debt

A. Serial Bonds Payable

On 12/2013, the Borough issued \$515,000 of Utility Revenue Bonds. The Bonds were issued at interest rates varying from 3% to 5% and mature on 12/2027.

On 12/2013, the Borough issued \$50,000 of Utility Revenue Bonds. The Bonds were issued at interest rates varying from 3% to 4% and mature on 12/2017.

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Municipal Debt (continued):

Water/Sewer Utility Debt (continued)

A. Serial Bonds Payable (continued)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	35,000.00	20,550.00	55,550.00
2019	35,000.00	19,150.00	54,150.00
2020	35,000.00	17,750.00	52,750.00
2021	35,000.00	16,000.00	51,000.00
2022	40,000.00	14,250.00	54,250.00
2023-2027	245,000.00	38,250.00	283,250.00
	<u>\$ 425,000.00</u>	<u>\$ 125,950.00</u>	<u>\$ 550,950.00</u>

B. Bond Anticipation Notes Payable – Short Term Debt

The Borough has no bond anticipation notes outstanding at December 31, 2017.

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2017, the Borough had \$0 in various bonds and notes authorized but not issued.

Summary of Principal Debt

A summary of the changes in long-term and short term debt of the Borough is as follows:

	Balance December 31, <u>2016</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2017</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	<u>\$ 1,718,000.00</u>	<u>\$ -</u>	<u>\$ 134,000.00</u>	<u>\$ 1,584,000.00</u>	<u>\$ 139,000.00</u>
	<u>\$ 1,718,000.00</u>	<u>\$ -</u>	<u>\$ 134,000.00</u>	<u>\$ 1,584,000.00</u>	<u>\$ 139,000.00</u>
Utility Capital:					
Utility Bonds	<u>\$ 475,000.00</u>	<u>\$ -</u>	<u>\$ 50,000.00</u>	<u>\$ 425,000.00</u>	<u>\$ 35,000.00</u>
	<u>\$ 475,000.00</u>	<u>\$ -</u>	<u>\$ 50,000.00</u>	<u>\$ 425,000.00</u>	<u>\$ 35,000.00</u>

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 11. Deferred School District Taxes

School taxes have been raised and the liability deferred by statutes. The balance of unpaid local and regional school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, are as follows:

	Balance Decemeber 2017	Balance Decemeber 2016
Regional School Taxes:		
Balance of Tax	\$ 951,997.76	\$ 918,729.76
Deferred	<u>826,422.97</u>	<u>826,422.97</u>
 Taxes Payable	 <u><u>\$ 125,574.79</u></u>	 <u><u>\$ 92,306.79</u></u>
 Regional High School Taxes:		
Balance of Tax	\$ 569,399.62	\$ 527,296.62
Deferred	<u>397,082.47</u>	<u>397,082.47</u>
 Taxes Payable	 <u><u>\$ 172,317.15</u></u>	 <u><u>\$ 130,214.15</u></u>

Note 12. 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 Borough had no deferred charges to be raised in succeeding budgets.

Note 13. Risk Management

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

Joint Insurance Pool

The Borough is a member of the Municipal Excess Liability Joint Insurance Fund. The Fund provides the Borough with the following coverage

Employee Theft - Per Loss Coverage	\$1,000,000.00
Forgery or Alteration	1,000,000.00
Inside the Premises - Theft of Money and Securities	1,000,000.00
Inside the Premises - Robbery or Safe Burglary of Other Property	1,000,000.00
Computer Fraud	1,000,000.00
Public Employee Dishonesty	1,000,000.00

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 13. Risk Management (continued)

Contributions to the Funds are payable in one installment and are based on actuarial assumptions determined by the Funds' actuaries. The Fund publishes its own financial report for the year ended December 31, 2017 which can be obtained on the Fund's website.

Note 14. Accumulated Absences

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation, sick pay and compensation time. The Borough permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$45,441.48 at December 31, 2017.

Note 15. Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and previous two years:

<u>Fiscal</u> <u>Year</u>	<u>Borough</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Ending</u> <u>Balance</u>
2017	\$ 2,033.33	\$ 18,598.19	\$ 51,117.31
2016	2,229.66	-	30,485.79
2015	2,227.27	-	28,256.13

BOROUGH OF ENGLISHTOWN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 16. General Fixed Assets

Fixed Assets activity for the year ended December 31, 2017 was as follows:

	Balance January 1, 2017	Increases	Decreases	Balance December 31, 2017
Land	\$ 2,039,400.00	\$ -	\$ -	\$ 2,039,400.00
Buildings & Improvements	510,300.00	-	-	510,300.00
Machinery, Equipment & Vehicles	791,467.17	185,470.58	(2,676.53)	974,261.22
Total Fixed Assets	\$ 3,341,167.17	\$ 185,470.58	\$ (2,676.53)	\$ 3,523,961.22

Note 17. Contingencies

Grantor Agencies

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2017 the Borough estimates that no material liabilities will result from such audits.

Litigation

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

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2017.

This page intentionally left blank.

SUPPLEMENTARY SCHEDULES

This page intentionally left blank

CURRENT FUND

This page intentionally left blank

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Current Fund</u>	<u>Grant Fund</u>
Balance, December 31, 2016	\$ 1,138,821.72	\$ 78,944.74
Increased By Receipts:		
Taxes Receivable	\$ 5,926,468.60	\$ -
Revenue Accounts Receivable	640,149.55	-
Miscellaneous Revenue Not Anticipated	65,733.86	-
Due From:		
State of New Jersey - Senior Citizens' and Veterans' Deductions	6,500.00	-
Trust - Other Fund	4.87	-
Trust - Animal Control Fund	2,508.40	-
Prepaid Taxes	106,811.17	-
Dut to State - Marriage Licenses	125.00	-
Premium on Tax Sale	45,300.00	-
Reserve for Third Party Liens	48,916.05	-
Grants Receivable	-	15,942.65
Grants - Unappropriated	-	10,877.86
	<u>6,842,517.50</u>	<u>26,820.51</u>
	<u>7,981,339.22</u>	<u>105,765.25</u>
Decreased By Disbursements:		
2017 Appropriations	1,924,170.92	-
2016 Appropriation Reserves	124,718.84	-
Accounts Payable	24,961.61	-
Due to State - Marriage Licenses	125.00	-
Fire District Taxes Payable	472,925.00	-
County Taxes Payable	705,056.26	-
Regional District High School Tax Payable	961,178.00	-
Regional District School Tax Payable	2,230,214.00	-
Premium on Tax Sale	95,800.00	-
Tax Overpayments	23,806.19	-
Third Party Liens	48,916.05	-
Due From:		
Trust - Animal Control Fund	2,508.40	-
Grants - Appropriated	-	14,907.71
	<u>6,614,380.27</u>	<u>14,907.71</u>
Balance, December 31, 2017	<u><u>\$ 1,366,958.95</u></u>	<u><u>\$ 90,857.54</u></u>

BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE (TO)/FROM STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

Balance, December 31, 2016		\$	149.97
Increased By:			
Senior Citizens' & Veterans Deductions			
Per Duplicate			<u>6,750.00</u>
			6,899.97
Decreased By:			
Senior Citizens' Deductions Disallowed - Prior Year	500.00		
Cash Received From State of New Jersey	<u>6,500.00</u>		
			<u>7,000.00</u>
Balance, December 31, 2017		\$	<u><u>(100.03)</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Year</u>	<u>Balance December 31, 2016</u>	<u>2017 Levy</u>	<u>Added</u>	<u>2016 Collections</u>	<u>2017</u>	<u>Transfer to Tax Title Liens</u>	<u>Due From State of New Jersey</u>	<u>Cancelled</u>	<u>Balance December 31, 2017</u>
2015	\$ 17.09	\$ -	\$ -	\$ -	\$ -	\$ 17.09	\$ -	\$ -	\$ -
2016	11.97	-	-	-	500.00	11.97	(500.00)	-	-
2017	-	5,953,242.66	40,667.13	20,161.30	5,923,170.55	10,746.59	6,750.00	138.03	32,943.32
	<u>\$ 29.06</u>	<u>\$ 5,953,242.66</u>	<u>\$ 40,667.13</u>	<u>\$ 20,161.30</u>	<u>\$ 5,923,670.55</u>	<u>\$ 10,775.65</u>	<u>\$ 6,250.00</u>	<u>\$ 138.03</u>	<u>\$ 32,943.32</u>

Cash Receipts \$ 5,926,468.60
Overpayments Created (2,798.05)

\$ 5,923,670.55

Analysis of Property Tax Levy

Tax Yield
General Purpose Tax \$ 5,953,242.66
Added Taxes (R.S. 54-4-63, 1 et seq.) 40,667.13
\$ 5,993,909.79

Tax Levy
Special District Taxes 472,925.00
Regional District High School Tax 1,003,281.00
Regional District School Tax 2,263,482.00
County Taxes:
County Tax \$ 611,707.53
County Library Tax 42,878.78
County Health Tax 12,338.58
County Open Space Tax 35,942.40
Due County for Added and Omitted Taxes 4,808.32
707,675.61

Local Tax for Municipal Purposes 1,506,132.02
Add: Additional Tax Levied 40,414.16
1,546,546.18
\$ 5,993,909.79

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$	58,167.19
Increased By:			
Penalty	\$	14.98	
Transfer From Taxes Receivable		<u>10,775.65</u>	
			<u>10,790.63</u>
Balance, December 31, 2017		\$	<u><u>68,957.82</u></u>
	<u>Detail of Balance</u>		
	Tax Title Liens:	\$	35,014.84
	Municipal Special Charges Liens:		<u>33,942.98</u>
		\$	<u><u>68,957.82</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF FORECLOSED PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 & 2016

\$ 100.00

Analysis of Balance

Block 18, Lot 1

\$ 100.00

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, <u>2016</u>	Accrued in <u>2017</u>	<u>Collections</u>	Balance December 31, <u>2017</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 6,640.02	\$ 6,640.02	\$ -
Fines and Costs:				
Municipal Court	25,163.38	255,337.11	263,071.55	17,428.94
Interest and Costs on Taxes	-	6,613.84	6,613.84	-
Interest on Investments and Deposits	-	24,261.33	24,261.33	-
Off-Duty Police Admin. Fees	-	12,000.00	12,000.00	-
General Capital Fund Surplus	-	75,000.00	75,000.00	-
Cable Franchise Fees	-	64,065.84	64,065.84	-
Energy Receipts Tax	-	129,358.00	129,358.00	-
Fire District Interlocal Agreement	-	20,000.00	20,000.00	-
Consolidated Municipal Property Tax Relief	-	12,848.00	12,848.00	-
Sale of Municipapl Assets	-	1,645.68	1,645.68	-
Tower Lease Agreement	-	26,290.97	26,290.97	-
	<u>\$ 25,163.38</u>	<u>\$ 634,060.79</u>	<u>\$ 641,795.23</u>	<u>\$ 17,428.94</u>
Cash Receipts			\$ 640,149.55	
Sale of Municipapl Assets			<u>1,645.68</u>	
			<u>\$ 641,795.23</u>	

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE FROM PAYROLL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 & 2016

\$ 11,983.60

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE FROM TRUST - OTHER FUND/ESCROW
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$	4.87
Increased By:			
Interest on Investments	\$	8.81	
Expended		<u>4,710.00</u>	<u>4,718.81</u>
			4,723.68
Decreased By:			
Cash Receipts		4.87	
Accrued as Current Revenue		<u>4,710.00</u>	<u>4,714.87</u>
Balance, December 31, 2017		\$	<u><u>8.81</u></u>

BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE FROM ANIMAL CONTROL TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

Balance, December 31, 2016		\$	-
Increased By:			
Statutory Excess in Dog Fund	\$	1,245.00	
Cash Disbursements		<u>2,508.40</u>	
			<u>3,753.40</u>
			3,753.40
Decreased By:			
Cash Receipts		2,508.40	
Recognized as Miscellaneous Revenue Not Anticipated		<u>1,245.00</u>	
			<u>3,753.40</u>
Balance, December 31, 2017		\$	<u><u>-</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance, December 31, <u>2016</u>	<u>Encumbrances</u>	Balance after <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
GENERAL GOVERNMENT					
Administration and Executive:					
Office of the Mayor:					
Salaries and Wages	\$ 875.02	\$ -	\$ 875.02	\$ -	\$ 875.02
Other Expenses	250.00	250.00	500.00	250.00	250.00
General Administration:					
Other Expenses	2,217.72	107.11	1,324.83	107.51	1,217.32
Municipal Clerk's Office:					
Salaries and Wages	48.96	-	48.96	-	48.96
Other Expenses	2,190.04	2,057.69	3,747.73	2,069.69	1,678.04
Elections:					
Other Expenses	99.45	-	99.45	-	99.45
Annual Audit:					
Other Expenses	885.00	-	885.00	-	885.00
Assessment of Taxes:					
Salaries and Wages	0.60	-	0.60	-	0.60
Other Expenses	4,456.76	-	4,456.76	2,840.08	1,616.68
Department of Finance:					
Financial Administration:					
Salaries and Wages	153.70	-	153.70	-	153.70
Other Expenses	677.18	233.24	910.42	233.24	677.18
Collection of Taxes:					
Salaries and Wages	239.33	-	239.33	-	239.33
Other Expenses	1,460.40	-	960.40	315.00	645.40
Department of Law:					
Legal Services and Costs:					
Other Expenses	24,469.13	-	24,469.13	13,018.00	11,451.13
Municipal Prosecutor:					
Salaries and Wages	700.00	-	700.00	-	700.00
Department of Parks, Rec & Social Services:					
Dog Regulation:					
Other Expenses	100.00	-	100.00	-	100.00
Insurance (N.J.S.A. 40A:4-45.3(00)):					
Employee Group Health	11,735.57	-	11,735.57	554.53	11,181.04
Health Benefits Waiver	0.03	-	0.03	-	0.03
Department of Public Safety:					
Police:					
Salaries and Wages	33,894.91	-	29,894.91	2,493.90	27,401.01
Other Expenses	38,077.63	13,646.27	51,723.90	51,700.39	23.51
Emergency Management:					
Salaries and Wages	3.32	-	3.32	-	3.32
Other Expenses	325.00	75.00	400.00	27.16	372.84

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance, December 31, <u>2016</u>	<u>Encumbrances</u>	Balance after <u>Modifications</u>	<u>Paid or Charged</u>	<u>Lapsed</u>
GENERAL GOVERNMENT (continued)					
Department of Community Development:					
Engineering Services and Costs:					
Other Expenses	1,737.50	396.00	2,133.50	990.00	1,143.50
Planning Board:					
Salaries and Wages	1.70	-	1.70	-	1.70
Other Expenses	4,661.75	-	4,661.75	-	4,661.75
Affordable Housing:					
Other Expenses	4,200.00	23,800.00	28,000.00	23,800.00	4,200.00
Code Enforcement:					
Salaries and Wages	6.87	-	6.87	-	6.87
Other Expenses	249.55	-	249.55	-	249.55
Department of Public Works:					
Public Buildings and Grounds:					
Salaries and Wages	926.79	-	926.79	180.81	745.98
Other Expenses	636.48	2,718.52	3,355.00	3,224.80	130.20
Road Repairs and Maintenance:					
Salaries and Wages	775.13	-	775.13	147.06	628.07
Other Expenses	3,157.60	745.61	3,903.21	1,346.87	2,556.34
Garbage and Trash Removal:					
Other Expenses	20,714.58	-	14,714.58	10,574.91	4,139.67
Sanitary Landfill:					
Other Expenses	3,085.00	-	3,085.00	-	3,085.00
Recycling:					
Other Expenses	2,468.38	-	2,468.38	1,294.42	1,173.96
Snow Removal:					
Salaries and Wages	-	-	1,000.00	-	1,000.00
Other Expenses	-	-	9,000.00	-	9,000.00
Municipal Court:					
Salaries and Wages	16,262.29	-	16,262.29	-	16,262.29
Other Expenses	5,770.99	152.27	5,923.26	489.27	5,433.99
Public Defender:					
Other Expenses	3,000.00	-	3,000.00	3,000.00	-
Celebrating Public Events:					
Other Expenses	100.00	-	2,100.00	2,100.00	-
Shade Tree Commission:					
Salaries and Wages	905.00	-	905.00	-	905.00
Other Expenses	732.00	95.00	827.00	95.00	732.00
UNCLASSIFIED					
Utilities:					
Electricity	4,823.36	-	4,823.36	1,348.91	3,474.45
Street Lighting	4,132.88	-	4,132.88	44.82	4,088.06
Telephone (excluding equipment acquisition)	1,310.67	-	1,310.67	626.24	684.43
Natural Gas	3,930.54	-	3,930.54	-	3,930.54
Gasoline	5,530.20	-	5,530.20	1,545.01	3,985.19
Water and Sewage	127.65	-	127.65	-	127.65

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance, December 31, <u>2016</u>	<u>Encumbrances</u>	Balance after <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
Contribution To:					
Public Employees' Retirement System	700.00	-	700.00	473.28	226.72
Police and Firemen's Retirement System of NJ	4,106.00	-	4,106.00	-	4,106.00
Defined Contribution Retirement Program	3,435.33	-	3,435.33	-	3,435.33
Social Security System (O.A.S.I.)	2,157.86	-	2,157.86	101.16	2,056.70
Health Insurance:					
Other Expenses	3,420.00	-	3,420.00	-	3,420.00
Matching Funds for Grants	2,500.00	-	2,500.00	-	2,500.00
LOSAP:					
Other Expenses	5,500.00	-	5,500.00	1,900.00	3,600.00
Recycling (N.J.S.A. 13:1E-96.5):					
Other Expenses	792.14	-	792.14	222.41	569.73
Interlocal Municipal Service Agreements:					
911 Emergency Service Contract with County	2,968.78	-	2,968.78	-	2,968.78
Fire District:					
Salaries and Wages	0.54	-	0.54	-	0.54
Other Expenses	550.00	-	550.00	-	550.00
Interlocal Public Works Manager					
Salaries and Wages	5,685.00	-	5,685.00	1,225.00	4,460.00
Total General Appropriations	<u>\$ 243,922.31</u>	<u>\$ 44,276.71</u>	<u>\$ 288,199.02</u>	<u>\$ 128,339.47</u>	<u>\$ 159,859.55</u>

Appropriation Reserves	\$ 243,922.31
Encumbrances Payable	<u>44,276.71</u>
	<u>\$ 288,199.02</u>

Cash Disbursed	\$ 124,718.84
Transferred To Accounts Payable	<u>3,620.63</u>
	<u>\$ 128,339.47</u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$	38,301.82
Increased by:			
Current Year Payables			<u>3,620.63</u>
			41,922.45
Decreased By:			
Cash Disbursements	\$	24,961.61	
Cancellation of Prior Year Payables		<u>2,369.87</u>	
			<u>27,331.48</u>
Balance, December 31, 2017		\$	<u><u>14,590.97</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 20,161.30
Increased By:	
Cash Receipts	<u>106,811.17</u>
	126,972.47
Decreased By:	
Applied To Taxes Receivable	<u>20,161.30</u>
Balance, December 31, 2017	<u><u>\$ 106,811.17</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF MARRIAGE LICENSE FEES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 25.00
Increased By:	
Cash Receipts	<u>125.00</u>
	150.00
Decreased By:	
Cash Disbursements	<u>125.00</u>
Balance, December 31, 2017	<u><u>\$ 25.00</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF FIRE DISTRICT TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ -
Increased By:	
Tax Levy	<u>472,925.00</u>
	472,925.00
Decreased By:	
Cash Disbursed	<u>472,925.00</u>
Balance, December 31, 2017	<u><u>\$ -</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$	2,188.97
Increased By:			
2017 Tax Levy:			
County Tax	\$	611,707.53	
County Library Tax		42,878.78	
County Health Tax		12,338.58	
County Open Space Tax		35,942.40	
Added and Omitted Taxes		4,808.32	
			<u>707,675.61</u>
			709,864.58
Decreased By:			
Cash Disbursed			<u>705,056.26</u>
Balance, December 31, 2017		\$	<u><u>4,808.32</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REGIONAL DISTRICT HIGH SCHOOL TAX
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		
School Tax Payable	\$ 130,214.15	
School Tax Deferred	<u>397,082.47</u>	
		\$ 527,296.62
Increased By:		
Levy - School Year July 1, 2017 to June 30, 2018		<u>1,003,281.00</u>
		1,530,577.62
Decreased By:		
Cash Disbursed		<u>961,178.00</u>
Balance, December 31, 2017		
School Tax Payable	\$ 172,317.15	
School Tax Deferred	<u>397,082.47</u>	
		<u>\$ 569,399.62</u>
<u>2017 Liability for Regional District High School Tax</u>		
Tax Payable, December 31, 2017	\$ 172,317.15	
Tax Paid	<u>961,178.00</u>	
		\$ 1,133,495.15
Less:		
Tax Payable, December 31, 2016		<u>130,214.15</u>
Amount Charged To 2017 Operations		<u>\$ 1,003,281.00</u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		
School Tax Payable	\$ 92,306.79	
School Tax Deferred	<u>826,422.97</u>	
		\$ 918,729.76
Increased By:		
Levy - School Year July 1, 2017 to June 30, 2018		<u>2,263,482.00</u>
		3,182,211.76
Decreased By:		
Cash Disbursed		<u>2,230,214.00</u>
Balance, December 31, 2017		
School Tax Payable	\$ 125,574.79	
School Tax Deferred	<u>826,422.97</u>	
		<u>\$ 951,997.76</u>
<u>2017 Liability for Regional District School Tax</u>		
Tax Payable, December 31, 2017	\$ 125,574.79	
Tax Paid	<u>2,230,214.00</u>	
		\$ 2,355,788.79
Less:		
Tax Payable, December 31, 2016		<u>92,306.79</u>
Amount Charged to 2017 Operations		<u>\$ 2,263,482.00</u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 1,645.68
Decreased By:	
Revenue Realized	<u>1,645.68</u>
Balance, December 31, 2017	<u><u>\$ -</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR TAX APPEALS PENDING
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 14,865.71
Increased By:	
Current Appropriations	<u>10,000.00</u>
Balance, December 31, 2017	<u><u>\$ 24,865.71</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR THIRD PARTY LIENS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ -
Increased By:	
Cash Receipts	<u>48,916.05</u>
	48,916.05
Decreased By:	
Cash Disbursements	<u>48,916.05</u>
Balance, December 31, 2017	<u><u>\$ -</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 & 2016

\$ 3,341.36

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR PREMIUM ON TAX SALE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 113,100.00
Increased By:	
Cash Receipts	<u>45,300.00</u>
	158,400.00
Decreased By:	
Cash Disbursements	<u>95,800.00</u>
Balance, December 31, 2017	<u><u>\$ 62,600.00</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 23,806.19
Increased By:	
Overpayments Created	<u>2,798.05</u>
	26,604.24
Decreased By:	
Cash Disbursements	<u>23,806.19</u>
Balance, December 31, 2017	<u><u>\$ 2,798.05</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, <u>2016</u>	2017 Budget Revenue <u>Realized</u>	<u>Received</u>	Transferred From Unappropriated <u>Reserves</u>	<u>Cancelled</u>	Balance December 31, <u>2017</u>
Federal:						
Highway Traffic Safety - Drive Sober Hazard Mitigation Grant	\$ 5,000.00 98,000.00	\$ 5,500.00 -	\$ 10,500.00 -	\$ - -	\$ - 98,000.00	\$ - -
Sub-Total Federal	103,000.00	5,500.00	10,500.00	-	98,000.00	-
State:						
Clean Communities Grant	-	4,000.00	-	4,000.00	-	-
Drunk Driving Enforcement Fund	-	4,528.89	-	4,528.89	-	-
Recycling Tonnage Grant	-	3,687.65	3,687.65	-	-	-
Body Armor Grant	2,340.00	1,061.39	1,755.00	1,061.39	-	585.00
Alcohol Education Rehabilitation Program	-	1,873.37	-	1,873.37	-	-
Sub-Total State	2,340.00	15,151.30	5,442.65	11,463.65	-	585.00
Total	\$ 105,340.00	\$ 20,651.30	\$ 15,942.65	\$ 11,463.65	\$ 98,000.00	\$ 585.00

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, <u>2016</u>	Cash <u>Received</u>	Decreased By Budget <u>Appropriation</u>	Balance December 31, <u>2017</u>
State:				
Alcohol Education Rehabilitation Program	\$ 1,873.37	\$ 2,123.22	\$ 1,873.37	\$ 2,123.22
Clean Communities Grant	4,000.00	4,000.00	4,000.00	4,000.00
Body Armor Fund	1,061.39	1,062.42	1,061.39	1,062.42
Drunk Driving Enforcement Fund	4,528.89	-	4,528.89	-
Recycling Tonnage Grant	-	3,692.22	-	3,692.22
Sub-Total State	11,463.65	10,877.86	11,463.65	10,877.86
Total	\$ 11,463.65	\$ 10,877.86	\$ 11,463.65	\$ 10,877.86

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, <u>2016</u>	Transferred From Encumbrances <u>Payable</u>	Transferred from 2017 Budget <u>Appropriations</u>	Paid or <u>Charged</u>	<u>Cancelled</u>	Balance December 31, <u>2017</u>
Federal:						
Highway Traffic Safety	\$ 2,650.00	\$ -	\$ 5,500.00	\$ 8,150.00	\$ -	\$ -
Hazard Mitigation Grant	98,000.00	-	-	-	98,000.00	-
Sub-Total Federal	100,650.00	-	5,500.00	8,150.00	98,000.00	-
State:						
Clean Communities Program	13,265.64	-	4,000.00	3,764.95	-	13,500.69
Recycling Tonnage Grant	35,666.33	-	3,687.65	1,252.00	-	38,101.98
Alcohol Rehabilitation Program	6,883.13	-	1,873.37	925.00	-	7,831.50
Drunk Driving Enforcement Fund	2,686.77	330.76	4,528.89	815.76	-	6,730.66
Body Armor Fund	7,638.45	-	1,061.39	-	-	8,699.84
Sub-Total State	66,140.32	330.76	15,151.30	6,757.71	-	74,864.67
Local:						
Cable Technology Grant	5,700.01	-	-	-	-	5,700.01
Sub-Total Local	5,700.01	-	-	-	-	5,700.01
Total	\$ 172,490.33	\$ 330.76	\$ 20,651.30	\$ 14,907.71	\$ 98,000.00	\$ 80,564.68

TRUST FUND

This page intentionally left blank

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUNDS
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Animal Control <u>Trust Fund</u>	Other <u>Trust Funds</u>
Balance, December 31, 2016	\$ 5,775.40	\$ 255,198.85
Increased By Receipts:		
Due To:		
State of New Jersey	287.40	-
Current Fund	69.20	4,798.72
License Fees	3,002.00	-
Various Reserves	-	153,430.11
	<u>3,358.60</u>	<u>158,228.83</u>
Total Receipts		
	<u>3,358.60</u>	<u>158,228.83</u>
Subtotal	<u>9,134.00</u>	<u>413,427.68</u>
Decreased By Disbursements:		
Due To Current Fund	3,753.40	4,794.78
Various Reserves	-	125,887.23
	<u>3,753.40</u>	<u>130,682.01</u>
Total Disbursements		
	<u>3,753.40</u>	<u>130,682.01</u>
Balance, December 31, 2017	<u>\$ 5,380.60</u>	<u>\$ 282,745.67</u>

BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

Balance, December 31, 2016		\$	-
Increased By:			
Interest	\$	69.20	
Payment To State of New Jersey		289.20	
Dog Fund Expenditures		2,150.00	
Statutory Excess		1,245.00	
			<u>3,753.40</u>
			3,753.40
Decreased By:			
Cash Disbursements			<u>3,753.40</u>
Balance, December 31, 2017		\$	<u><u>-</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 5.40
Increased By:	
State Share of Dog License Fee	<u>287.40</u>
	292.80
Decreased By:	
Paid By Current Fund	<u>289.20</u>
Balance, December 31, 2017	<u><u>\$ 3.60</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ -
Increased By:	
Current Year Encumbrances	<u>2,439.20</u>
	2,439.20
Decreased By:	
Paid by Current	<u>2,439.20</u>
Balance, December 31, 2017	<u><u>\$ -</u></u>

BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND
EXPENDITURES / DANGEROUS ANIMAL
FOR THE YEAR ENDED DECEMBER 31, 2017

Balance, December 31, 2016		\$ 5,770.00
Increased By:		
Dog License Fees Collected		<u>3,002.00</u>
		8,772.00
Decreased By:		
Expenditures	2,150.00	
Statutory Excess	<u>1,245.00</u>	
		<u>3,395.00</u>
Balance, December 31, 2017		<u><u>\$ 5,377.00</u></u>

License Fees Collected

2016	\$ 2,285.60
2015	<u>3,091.40</u>
	<u><u>\$ 5,377.00</u></u>

Analysis of Balance

Reserve For Expenditures	\$ 5,027.00
Reserve For Dangerous Animal	<u>350.00</u>
	<u><u>\$ 5,377.00</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF DUE FROM COUNTY OF MONMOUTH CDBG - SPECIAL EVENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 & 2016

\$ 114,862.00

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 4.87
Increased By:	
Interest Earned	<u>4,798.72</u>
	4,803.59
Decreased By:	
Cash Disbursements	<u>4,794.78</u>
Balance, December 31, 2017	<u><u>\$ 8.81</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, 2016	Transfer from Encumbrances Payable	Increased	Decreased	Transfer to Encumbrances Payable	Balance December 31, 2017
Reserve for:						
Builder's Contributions	\$ 49,442.50	\$ -	\$ -	\$ -	\$ -	\$ 49,442.50
Municipal Court Parking - POAA	86.00	-	32.00	-	-	118.00
Off-Duty Employment - Police	31,217.27	-	111,270.00	110,317.12	-	32,170.15
Public Defender	2,817.25	-	4,520.00	4,849.07	-	2,488.18
Snow Removal	29,984.48	198.00	5,500.00	4,653.45	5,201.31	25,827.72
COAH	149.18	-	0.36	-	-	149.54
Law Enforcement Trust Fund	2,659.39	-	517.38	-	-	3,176.77
Police Safety Equipment	5,498.34	-	5.51	-	-	5,503.85
Special Events	1,194.07	-	2,204.81	1,357.59	-	2,041.29
Performance Bonds	94,068.21	-	136.34	-	-	94,204.55
Planning Board Escrow	6,810.63	82.50	7,610.00	4,710.00	217.50	9,575.63
Escrow Fees	0.79	125.00	1,002.19	-	125.00	1,002.98
Unemployment	30,485.79	-	20,631.52	-	-	51,117.31
Community Development Block Grant	115,216.82	-	-	114,862.00	-	354.82
	<u>\$ 369,630.72</u>	<u>\$ 405.50</u>	<u>\$ 153,430.11</u>	<u>\$ 240,749.23</u>	<u>\$ 5,543.81</u>	<u>\$ 277,173.29</u>

Cash Receipts/Disbursements
Due to General Capital

\$ 153,430.11	\$ 125,887.23
-	114,862.00
<u>\$ 153,430.11</u>	<u>\$ 240,749.23</u>

GENERAL CAPITAL FUND

This page intentionally left blank

BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2017

Balance, December 31, 2016		\$ 428,321.61
Increased By:		
Deferred Charges Unfunded	\$ 10,000.00	
Grants Receivable	159,595.15	
Capital Improvement Fund	<u>15,000.00</u>	
		<u>184,595.15</u>
		612,916.76
Decreased By:		
Improvement Authorizations	346,056.26	
Fund Balance	<u>75,000.00</u>	
		<u>421,056.26</u>
Balance, December 31, 2017		<u><u>\$ 191,860.50</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, <u>2017</u>
Capital Improvement Fund	\$ 61,552.81
Encumbrances Payable	102,802.56
Fund Balance	210,096.74
Grants Receivable	(208,711.15)
Due from Trust - Other	(114,862.00)

<u>Ordinance Number</u>	<u>Improvement Description</u>	
2011-08	Property Acquisition/Various Improvements	145,106.56
2012-05	Road Reconstruction/Various Equipment	61,158.65
2012-13	Demolition of Hazardous Structure	91,117.02
2014-02	ADA Intersection Improvements-CDBG	737.53
2014-03	Property Acquisition/Various Improvements	87,937.50
2014-04	Road Reconstruction/Various Improvements	(143,313.85)
2015-09	Acquisition of Leaf Machine	(37,611.00)
2015-14	Tax Appeal	1,438.10
2016-04	Various Capital Improvements	(33,040.97)
2017-03	Various Capital Improvements	(14,540.00)
2017-04	DPW Dump Truck	(18,008.00)
		<u>\$ 191,860.50</u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 576,796.40
Decreased By:		
Cancellation of Grants Receivable	\$ 93,628.10	
Grant Receipts	159,595.15	
Due from Trust - Other	114,862.00	
	<u>368,085.25</u>	
Balance, December 31, 2017		<u><u>\$ 208,711.15</u></u>

Analysis of Balance

Ord#2014-03 Monmouth County Open Space Grant	\$ 95,000.00
Ord#2014-04 NJ Hazardous Mitigation - Local Project Program	75,000.00
Ord#2016-04 NJ Department of Transportation Grant	<u>38,711.15</u>
	<u><u>\$ 208,711.15</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 1,718,000.00
Decreased By:	
Serial Bonds Paid by Current Fund	<u>134,000.00</u>
Balance, December 31, 2017	<u><u>\$ 1,584,000.00</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2017**

Ordinance Number	Ordinance Date	Improvement Description	Balance December 31,		Decreases	Balance December 31, 2017	Analysis of Balance	
			2016	Increases			Unexpended Improvement Authorizations	Expenditures
2014-02	05/23/14	ADA Intersection Improvements-CDBG	\$ 14,400.00	\$ -	\$ -	\$ 14,400.00	\$ 14,400.00	\$ -
2014-04	08/27/14	Road Reconstruction/Various Improvements	180,600.00	-	37,286.15	143,313.85	-	143,313.85
2015-09	05/27/15	Acquisition of Leaf Machine	38,000.00	-	389.00	37,611.00	-	37,611.00
2016-04	05/25/16	Road Reconstruction	97,250.00	-	647.76	96,602.24	63,561.27	-
2017-03	06/28/17	Various Capital Improvements	-	28,500.00	-	28,500.00	13,960.00	14,540.00
2017-04	09/27/17	DPW Dump Truck	-	25,000.00	-	25,000.00	6,992.00	18,008.00
			\$ 330,250.00	\$ 53,500.00	\$ 38,322.91	\$ 345,427.09	\$ 98,913.27	\$ 213,472.85
Cash Receipts Cancelled								
			\$ 10,000.00					
			28,322.91					
					\$ 38,322.91			

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding December 31, 2017</u>		<u>Interest Rate</u>	<u>Balance December 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2017</u>
			<u>Date</u>	<u>Amount</u>					
Monmouth County Improvement Authority Bonds	12/24/13	\$ 1,355,000.00	12/01/18	50,000.00	4.000%	\$ 1,205,000.00	\$ -	\$ 50,000.00	\$ 1,155,000.00
			12/01/19	50,000.00	4.000%				
			12/01/20	55,000.00	5.000%				
			12/01/21	55,000.00	5.000%				
			12/01/22	60,000.00	5.000%				
			12/01/23	65,000.00	5.000%				
			12/01/24	65,000.00	5.000%				
			12/01/25	70,000.00	5.000%				
			12/01/26	70,000.00	5.000%				
			12/01/27	75,000.00	5.000%				
			12/01/28	80,000.00	5.000%				
			12/01/29	85,000.00	5.000%				
			12/01/30	90,000.00	5.000%				
			12/01/31	95,000.00	4.000%				
			12/01/32	95,000.00	4.000%				
			12/01/33	95,000.00	4.125%				
Refunding Bonds	12/24/13	465,000.00	12/01/18	35,000.00	4.000%	405,000.00	-	30,000.00	375,000.00
			12/01/19	35,000.00	4.000%				
			12/01/20	35,000.00	5.000%				
			12/01/21	40,000.00	5.000%				
			12/01/22	30,000.00	5.000%				
			12/01/23	40,000.00	5.000%				
			12/01/24	35,000.00	5.000%				
			12/01/25	40,000.00	5.000%				
			12/01/26	45,000.00	5.000%				
			12/01/27	40,000.00	5.000%				
Refunding Bonds	09/21/15	162,000.00	10/18/18	54,000.00	N/A	108,000.00	-	54,000.00	54,000.00
						\$ 1,718,000.00	\$ -	\$ 134,000.00	\$ 1,584,000.00

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Ordinance Number	Ordinance Date	Improvement Description	Ordinance Amount	Balance December 31, 2016		2017 Authorizations	Transfer from Encumbrance Payable	Expended		Canceled	Balance December 31, 2017	
				Funded	Unfunded			Expended	Encumbered		Funded	Unfunded
2011-08	09/15/11	Property Acquisition/Various Improvements	\$ 542,100.00	\$ 145,714.06	\$ -	\$ -	\$ 2,500.00	\$ 607.50	\$ 2,500.00	\$ -	\$ 145,106.56	\$ -
2012-05	07/13/12	Road Reconstruction/Various Equipment	595,600.00	63,239.65	-	-	-	-	725.00	1,356.00	61,158.65	-
2012-13	12/17/12	Demolition of Hazardous Structure	125,000.00	91,117.02	-	-	-	-	-	-	91,117.02	-
2013-01	04/07/13	Reconstruction of Center Street	500,000.00	200,158.70	-	-	2,372.56	607.50	-	201,923.76	-	-
2014-02	05/23/14	ADA Intersection Improvements-CDBG	130,000.00	9,227.00	14,400.00	-	91,247.00	98,541.72	1,194.75	-	737.53	14,400.00
2014-03	07/23/14	Property Acquisition/Various Improvements	95,000.00	87,937.50	-	-	-	-	-	-	87,937.50	-
2014-04	08/27/14	Road Reconstruction/Various Improvements	450,000.00	-	152,073.65	-	-	118,470.00	6,317.50	27,286.15	-	-
2015-09	05/27/15	Acquisition of Leaf Machine	40,000.00	-	389.00	-	-	-	-	389.00	-	-
2015-14	08/26/15	Tax Appeal	162,000.00	1,438.10	-	-	-	-	-	-	1,438.10	-
2016-04	05/25/16	Various Capital Improvements	245,000.00	86,405.76	97,250.00	-	26,400.12	125,072.04	20,774.81	647.76	-	63,561.27
2017-03	06/28/17	Various Capital Improvements	30,000.00	-	-	30,000.00	-	2,357.50	13,682.50	-	-	13,960.00
2017-04	09/27/17	DPW Dump Truck	65,000.00	-	-	65,000.00	-	400.00	57,608.00	-	-	6,992.00
				\$ 685,237.79	\$ 264,112.65	\$ 95,000.00	\$ 122,519.68	\$ 346,056.26	\$ 102,802.56	\$ 231,602.67	\$ 387,495.36	\$ 98,913.27

Capital Improvement Fund	41,500.00
Deferred Charges Unfunded	53,500.00
	<u>\$ 95,000.00</u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 88,052.81
Increased By:	
Current Fund Appropriation	<u>15,000.00</u>
	103,052.81
Decreased By:	
Improvement Authorizations	<u>41,500.00</u>
Balance, December 31, 2017	<u><u>\$ 61,552.81</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Ordinance Number</u>	<u>Ordinance Date</u>	<u>Improvement Description</u>	Balance December 31, <u>2016</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2017</u>
2014-02	05/23/14	ADA Intersection Improvements-CDBG	\$ 14,400.00	\$ -	\$ -	\$ 14,400.00
2014-04	08/27/14	Road Reconstruction/Various Improvements	180,600.00	-	37,286.15	143,313.85
2015-09	05/27/15	Acquisition of Leaf Machine	38,000.00	-	389.00	37,611.00
2016-04	05/25/16	Various Capital Improvements	97,250.00	-	647.76	96,602.24
2017-03	06/28/17	Various Capital Improvements	-	28,500.00	-	28,500.00
2017-04	09/27/17	DPW Dump Truck	-	25,000.00	-	25,000.00
			<u>\$ 330,250.00</u>	<u>\$ 53,500.00</u>	<u>\$ 38,322.91</u>	<u>\$ 345,427.09</u>

This page intentionally left blank.

WATER UTILITY FUND

This page intentionally left blank

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
WATER UTILITY FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2016	\$ 447,284.33	\$ 217,815.29
Increased By Receipts:		
Miscellaneous Revenue Not Anticipated	\$ 12,128.61	\$ -
Consumer Accounts Receivable	491,805.59	-
Rent Overpayments	1,777.52	-
Investments	-	54,000.00
Capital Improvement Fund	-	10,000.00
	<u>505,711.72</u>	<u>64,000.00</u>
	952,996.05	281,815.29
Decreased By Disbursements:		
2017 Budget Appropriations	457,174.62	-
2016 Appropriation Reserves	<u>29,969.31</u>	<u>-</u>
	<u>487,143.93</u>	<u>-</u>
Balance, December 31, 2017	<u><u>\$ 465,852.12</u></u>	<u><u>\$ 281,815.29</u></u>

BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF ANALYSIS OF WATER UTILITY CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2017

		Balance December 31, <u>2017</u>
Capital Improvement Fund		\$ 312,481.00
Investments		(54,000.00)
Fund Balance		631.17
Ordinance		
<u>Date</u>	<u>Improvement Description</u>	
09/15/11	Water Plant Roof	<u>22,703.12</u>
		<u><u>\$ 281,815.29</u></u>

**COUNTY OF MONMOUTH, NEW JERSEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 108,000.00
Decreased By:	
Cash Receipts - From Current Fund	<u>54,000.00</u>
Balance, December 31, 2017	<u><u>\$ 54,000.00</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$	32,318.58
Increased By:			
Water Rents Levied			<u>470,143.35</u>
			502,461.93
Decreased By:			
Collections	\$	491,805.59	
Overpayments Applied		<u>618.75</u>	
			<u>492,424.34</u>
Balance, December 31, 2017		\$	<u><u>10,037.59</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Description</u>	Balance December 31, <u>2016</u>	<u>Increased</u>	Balance December 31, <u>2017</u>
Water Supply and Distribution System	\$ 440,206.49	\$ -	\$ 440,206.49
Extension of Water Lines, South Main Street	2,846.70	-	2,846.70
Extension of Water Lines, Mount Vernon Avenue	16,298.05	-	16,298.05
Purchase of Water Meters	37,596.76	-	37,596.76
Installation of Pump	48,128.79	-	48,128.79
Installation of Backwash Settling Tank	9,399.00	-	9,399.00
Improvements To Water System	1,950,616.22	45,825.48	1,996,441.70
Purchase of Utility Billing Software and Equipment	11,699.70	-	11,699.70
Purchase of Truck	57,965.00	-	57,965.00
Water Storage Tank Painting	498,362.76	-	498,362.76
Installation of Interconnection Meter Pit	61,465.88	-	61,465.88
	<u>\$ 3,134,585.35</u>	<u>\$ 45,825.48</u>	<u>\$ 3,180,410.83</u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
WATER UTILITY FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, <u>2016</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 1,804.46	\$ 1,804.46	\$ 580.32	\$ 1,224.14
Other Expenses	37,483.54	40,930.57	25,909.59	15,020.98
	<hr/>			
Total Operating	39,288.00	42,735.03	26,489.91	16,245.12
	<hr/>			
Capital Improvements:				
Capital Outlay	18,117.50	22,042.50	3,414.00	18,628.50
	<hr/>			
Total Capital Improvements	18,117.50	22,042.50	3,414.00	18,628.50
	<hr/>			
Statutory Expenditures:				
Contributions To:				
Public Employees' Retirement System	21.00	21.00	21.00	-
Social Security	264.09	264.09	44.40	219.69
	<hr/>			
Total Statutory Expenditures	285.09	285.09	65.40	219.69
	<hr/>			
Total Water Utility Fund Appropriations	\$ 57,690.59	\$ 65,062.62	\$ 29,969.31	\$ 35,093.31
	<hr/> <hr/>			
Appropriation Reserves		\$ 57,690.59		
Encumbrances Payable		<u>7,372.03</u>		
		<u>\$ 65,062.62</u>		

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
WATER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 1,812.50
Decreased By:	
Cancel To Operations	<u>100.00</u>
Balance, December 31, 2017	<u><u>\$ 1,712.50</u></u>

Analysis of Accrued Interest

<u>Principal Outstanding</u> <u>December 31, 2017</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Months</u>	<u>Amount</u>
Serial Bonds (Capital):					
\$ 425,000.00	Various	12/1/2017	12/31/2017	1	<u>\$ 1,712.50</u>
					<u><u>\$ 1,712.50</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
WATER UTILITY OPERATING FUND
SCHEDULE OF WATER RENT OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 618.75
Increased By:	
Overpayments	<u>1,777.52</u>
	2,396.27
Decreased By:	
Overpayments Applied	<u>618.75</u>
Balance, December 31, 2017	<u><u>\$ 1,777.52</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding</u> December 31, 2017		<u>Interest Rate</u>	<u>Balance</u> December 31,	
			<u>Date</u>	<u>Amount</u>		<u>2016</u>	<u>Decreased</u> <u>2017</u>
Refunding Bonds	12/24/13	\$ 515,000.00	12/01/18	35,000.00	4.000%	\$ 455,000.00	\$ 30,000.00
			12/01/19	35,000.00	4.000%		
			12/01/20	35,000.00	5.000%		
			12/01/21	35,000.00	5.000%		
			12/01/22	40,000.00	5.000%		
			12/01/23	40,000.00	5.000%		
			12/01/24	50,000.00	5.000%		
			12/01/25	50,000.00	5.000%		
			12/01/26	50,000.00	5.000%		
			12/01/27	55,000.00	5.000%		
						<u>\$ 455,000.00</u>	<u>\$ 30,000.00</u>
						<u>\$ 425,000.00</u>	<u>\$ 425,000.00</u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 302,481.00
Increased By:	
Cash Receipts	<u>10,000.00</u>
Balance, December 31, 2017	<u><u>\$ 312,481.00</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016			\$ 2,679,585.35
Increased By:			
Capital Outlay - Current Budget Appropriation	\$	42,411.48	
Capital Outlay - Reserve Year		3,414.00	
Serial Bonds Reduced		<u>30,000.00</u>	
			<u>75,825.48</u>
Balance, December 31, 2017			<u><u>\$ 2,755,410.83</u></u>

BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date</u>	<u>Amount</u>	<u>Balance</u> <u>December 31, 2016</u>		<u>Paid or Charged</u>	<u>Balance</u> <u>December 31, 2017</u>	
				<u>Funded</u>	<u>Unfunded</u>		<u>Funded</u>	<u>Unfunded</u>
Water Plant Roof	2011-08	09/15/11	\$ 26,000.00	\$ 22,703.12	\$ -	\$ -	\$ 22,703.12	\$ -
				\$ 22,703.12	\$ -		\$ 22,703.12	\$ -

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 & 2016

\$ 22,703.12

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 & 2016

\$ 22,703.12

SEWER UTILITY FUND

This page intentionally left blank

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance, December 31, 2016	\$ 490,787.32	\$ 186,035.68
Increased By Receipts:		
Miscellaneous Revenue Not Anticipated	\$ 13,900.38	\$ -
Sewer Rents Receivable	546,416.51	-
Overpayments	618.26	
Capital Improvement Fund	-	10,000.00
	<u>560,935.15</u>	<u>10,000.00</u>
	1,051,722.47	196,035.68
Decreased By Disbursements:		
Budget Appropriations	483,059.95	-
Appropriation Reserves	<u>2,381.13</u>	<u>-</u>
	<u>485,441.08</u>	<u>-</u>
Balance, December 31, 2017	<u><u>\$ 566,281.39</u></u>	<u><u>\$ 196,035.68</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF ANALYSIS OF SEWER UTILITY CAPITAL FUND CASH
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, <u>2017</u>
Capital Improvement Fund	\$ 196,000.00
Fund Balance	<u>35.68</u>
	<u><u>\$ 196,035.68</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER RENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 23,180.41
Increased By:	
Sewer Rents Levied	<u>533,664.85</u>
	556,845.26
Decreased By:	
Cash Collections	<u>546,416.51</u>
Balance, December 31, 2017	<u><u>\$ 10,428.75</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 & 2016

\$ 975,636.40

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, <u>2016</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 4,587.72	\$ 4,587.72	\$ 178.56	\$ 4,409.16
Other Expenses	14,640.55	15,389.80	2,188.91	13,200.89
Total Operating	19,228.27	19,977.52	2,367.47	17,610.05
Capital Improvements:				
Capital Outlay	10,000.00	10,000.00	-	10,000.00
Total Capital Improvements	10,000.00	10,000.00	-	10,000.00
Statutory Expenditures:				
Contributions To:				
Social Security System (O.A.S.I.)	913.95	913.95	13.66	900.29
Total Statutory Expenditures	913.95	913.95	13.66	900.29
Total Sewer Utility Appropriations	\$ 30,142.22	\$ 30,891.47	\$ 2,381.13	\$ 28,510.34
Appropriation Reserves		\$ 30,142.22		
Encumbrances Payable		749.25		
		\$ 30,891.47		

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 66.67
Decreased By:	
Accrued Interest Cancelled	<u>66.67</u>
Balance, December 31, 2017	<u><u>\$ -</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER RENT OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 830.37
Increased By:	
Rent Overpayments	<u>618.26</u>
Balance, December 31, 2017	<u><u>\$ 1,448.63</u></u>

154

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 186,000.00
Increased By:	
Cash Receipts	<u>10,000.00</u>
Balance, December 31, 2017	<u><u>\$ 196,000.00</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 955,636.40
Increased By:	
Bond Principal Reduced	<u>20,000.00</u>
Balance, December 31, 2017	<u><u>\$ 975,636.40</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING
SCHEDULE OF SEWER LIENS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 & 2016

\$ 119.95

This page intentionally left blank.

PAYROLL FUND

This page intentonally left blank

BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
PAYROLL FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2017

Balance, December 31, 2016		\$	35,945.09
Increased By Receipts:			
Interfund - Current Fund	\$	34,709.52	
Payroll Taxes Payable		<u>596,778.44</u>	
			<u>631,487.96</u>
			667,433.05
Decreased By Disbursements:			
Interfund - Current Fund		34,709.52	
Payroll Taxes Payable		<u>606,836.42</u>	
			<u>641,545.94</u>
Balance, December 31, 2017		\$	<u><u>25,887.11</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
PAYROLL FUND
SCHEDULE OF DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 11,983.60
Increased By:	
Cash Receipts	<u>34,709.52</u>
	46,693.12
Decreased By:	
Cash Disbursements	<u>34,709.52</u>
Balance, December 31, 2017	<u><u>\$ 11,983.60</u></u>

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
PAYROLL FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance December 31, <u>2016</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance December 31, <u>2017</u>
Federal Withholding Taxes	\$ -	\$ 138,676.22	\$ 138,676.22	\$ -
State Income Tax	-	34,923.50	34,923.50	-
Social Security Taxes	-	97,698.89	97,698.89	-
State Pension Systems				
PERS	41.88	74,758.15	72,626.20	2,173.83
PFRS	(0.19)	182,978.36	177,981.96	4,996.21
DCRP	-	10,857.66	10,359.13	498.53
PBA Dues	-	6,335.00	5,845.00	490.00
AFLAC	208.84	1,255.68	1,359.88	104.64
Unemployment	18,598.19	5,323.40	21,660.71	2,260.88
Health Insurance	8,829.80	32,570.66	34,709.52	6,690.94
Flexible Spending Account	(4,020.00)	4,020.00	3,540.00	(3,540.00)
Disability Insurance	242.97	5,216.53	5,291.02	168.48
Family Leave Insurance	-	724.39	724.39	-
Deferred Compensation	60.00	1,440.00	1,440.00	60.00
	<u>\$ 23,961.49</u>	<u>\$ 596,778.44</u>	<u>\$ 606,836.42</u>	<u>\$ 13,903.51</u>

This page intentionally left blank.

GENERAL FIXED ASSETS ACCOUNT GROUP

This page intentionally left blank

**BOROUGH OF ENGLISHTOWN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance, December 31, <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2017</u>
Land	\$ 2,039,400.00	\$ -	\$ -	\$ 2,039,400.00
Buildings	510,300.00	-	-	510,300.00
Equipment	791,467.17	185,470.58	2,676.53	974,261.22
	<u>\$ 3,341,167.17</u>	<u>\$ 185,470.58</u>	<u>\$ 2,676.53</u>	<u>\$ 3,523,961.22</u>

This page intentionally left blank.

BOROUGH OF ENGLISHTOWN

PART II

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS -
GOVERNMENT AUDITING STANDARDS**

FOR THE YEAR ENDED DECEMBER 31, 2017

This page intentionally left blank

**BOROUGH OF ENGLISHTOWN
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Section II – Financial Statement Findings

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

None.

**BOROUGH OF ENGLISHTOWN
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Section III – Federal Awards & State Financial Assistance Findings & 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

N/A – Federal single audit not required

STATE FINANCIAL ASSISTANCE

N/A – State single audit not required

**BOROUGH OF ENGLISHTOWN
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

FEDERAL AWARDS

N/A – No Federal Single Audit in prior year.

STATE FINANCIAL ASSISTANCE

N/A – No State Single Audit in prior year.

This page intentionally left blank

BOROUGH OF ENGLISHTOWN

PART III

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

This page intentionally left blank

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2017:

<u>Name</u>	<u>Title</u>
Thomas Reynolds	Mayor
Gregory Wojyn	Council President
Cindy Robilotti	Council Member
Lori Cooke	Council Member
Dan Marter	Council Member
Eric Mann	Council Member
Maryanne Krawiec	Council Member
Joseph Yousseuf	Attorney
Laurie Finger	Chief Financial Officer/Treasurer
Janice Garcia	Tax Collector
Lisa Langlois	Court Administrator
Mark Fitzpatrick	Tax Assessor
James Newman	Magistrate
Celia Hecht	Water/Sewer Utilities Clerk
Peter Gorbaturk	Borough Clerk

This page intentionally left blank



HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

680 Hooper Avenue, Bldg B, Toms River, NJ 08753 • Tel: 732.797.1333
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800
194 East Bergen Place, Red Bank, NJ 07701 • Tel: 732.747.0010

www.hfacpas.com

Honorable Mayor and Members
of the Borough Council
Borough of Englishtown
Englishtown, New Jersey 07726

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2017.

GENERAL COMMENTS:

Contracts and Agreements required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 states every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$17,500 for the year ended December 31, 2017.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold “for the performance of any work, or the furnishing of any materials, supplies or labor” other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 3, 2017 adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW THEREFORE, BE IT RESOLVED, that if said taxes are deemed to be delinquent for non-payment of taxes, the Tax Collector shall charge eight (8%) percent per annum on the first \$1,500.00 of the delinquency, and eighteen (18%) percent per annum on any amount in excess of \$1,500.00; and

BE IT FURTHER RESOLVED, by the Borough Council of the Borough of Englishtown, that the Tax Collector shall allow that no interest will be charged on payments received and made by the tenth calendar day following the date upon which the same became payable; and

BE IT FURTHER RESOLVED, by the Borough Council of the Borough of Englishtown, that the Tax Collector shall charge, in addition to the interest for delinquent taxes, as noted above, a penalty of six (6%) percent of the amount of the delinquency in taxes in excess of \$10,000.00 to a taxpayer who fails to pay the delinquency prior to the end of the calendar year.

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 16, 2017.

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

<u>Year</u>	<u>Number</u>
2017	5
2016	4
2015	4

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get properties back on a taxpaying basis.

OTHER COMMENTS (FINDINGS):

None.

RECOMMENDATIONS:

None.

Appreciation

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

Freehold, New Jersey
May 17, 2018