

TOWNSHIP OF BURLINGTON
AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2017

This page intentionally left blank.

**TOWNSHIP OF BURLINGTON
COUNTY OF BURLINGTON**

CONTENTS

PART 1

| | | PAGE |
|---|-----------------|-------------|
| 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>Governmental Auditing Standards</i> | | 5 |
| Financial Statements – Regulatory Basis: | EXHIBITS | |
| Current Fund: | | |
| Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis | A | 9 |
| Statements 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 |
| Trust Fund: | | |
| Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis | B | 18 |
| General Capital Fund: | | |
| Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis | C | 19 |
| Sewer Utility Fund: | | |
| Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis | D | 20 |
| Statements of Operations & Change In Operating Fund Balance-Regulatory Basis | D-1 | 22 |
| Statement of Assessment Trust Fund Balance | D-2 | 22 |
| Statement of Capital Fund Balance-Regulatory Basis | D-3 | 23 |
| Statement of Revenues – Operating Fund-Regulatory Basis | D-4 | 23 |
| Statement of Expenditures – Regulatory Basis | D-5 | 24 |
| Water Utility Fund: | | |
| Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis | E | 25 |
| Statements of Operations & Change In Operating Fund Balance-Regulatory Basis | E-1 | 27 |
| Statement of Capital Fund Balance-Regulatory Basis | E-2 | 28 |
| Statement of Revenues – Operating Fund-Regulatory Basis | E-3 | 28 |
| Statement of Expenditures – Regulatory Basis | E-4 | 29 |

(continued)

| | EXHIBITS | PAGE |
|--|-----------------|-------------|
| Bond and Coupon Account | | |
| Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis | F | 30 |
| Fixed Assets: | | |
| Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis | G | 31 |
| Notes to Financial Statements | | 35 |
| Supplemental Exhibits: | | |
| Current Fund: | | |
| Schedule of Current Cash - Treasurer | A-4 | 77 |
| Schedule of Current Cash – Collector | A-5 | 78 |
| Schedule of Change Funds | A-6 | 78 |
| Schedule of Taxes Receivable & Analysis of Property | | |
| Tax Levy | A-7 | 79 |
| Schedule of Tax Title Liens | A-8 | 80 |
| Schedule of Property Acquired for Taxes- Assessed Valuation | A-9 | 80 |
| Schedule of Revenue Accounts Receivable | A-10 | 81 |
| Schedule of Interfunds Receivable | A-11 | 82 |
| Schedule of Federal & State Grants Receivable | A-12 | 82 |
| Schedule of 2016 Appropriation Reserves | A-13 | 83 |
| Schedule of Interfunds Payable | A-14 | 86 |
| Schedule of County Taxes Payable | A-15 | 86 |
| Schedule of Due County for Added & Omitted Taxes | A-16 | 87 |
| Schedule of Special District Taxes | A-17 | 87 |
| Schedule of Local District School Taxes Payable | A-18 | 88 |
| Schedule of Reserves for Grants – Unappropriated | A-19 | 89 |
| Schedule of Reserves for Grants – Appropriated | A-20 | 89 |
| Trust Fund: | | |
| Schedule of Cash - Treasurer | B-1 | 93 |
| Schedule of Cash – Collector | B-2 | 94 |
| Schedule of Assessments Deferred Per Ch.341,P.L. 1975 | B-3 | 94 |
| Schedule of Reserves for Assessments – Trust Fund | B-4 | 94 |
| Schedule of Reserve for Dog Fund Expenditures | B-5 | 95 |
| Schedule of Escrow Deposits | B-6 | 96 |
| Schedule of Reserve for Recreational Expenditures | B-7 | 96 |
| Schedule of Reserve for Tax Sale Premiums | B-8 | 96 |
| Schedule of Reserve for NJ Unemployment Compensation | B-9 | 97 |
| Schedule of Reserve for Recreation Capital Improvements | B-10 | 97 |
| Schedule of Reserve for Special Law Enforcement Funds | B-11 | 97 |
| Schedule of Miscellaneous Trust Items | B-12 | 98 |
| Schedule of Reserve for Self-Insurance Funds | B-13 | 99 |
| Schedule of Interfunds Payable – Other Trust Funds | B-14 | 99 |
| Schedule of Reserve for Payroll Taxes | B-15 | 100 |

(continued)

| | EXHIBITS | PAGE |
|---|-----------------|-------------|
| General Capital Fund: | | |
| Schedule of Fund Balance | C-1 | 103 |
| Schedule of Cash and Investments – Treasurer | C-2 | 103 |
| Analysis of General Capital Cash | C-3 | 104 |
| Schedule of Deferred Charges to Future Taxation – Funded | C-4 | 104 |
| Schedule of Deferred Charges to Future Taxation – Unfunded | C-5 | 105 |
| Schedule of Improvement Authorizations | C-6 | 106 |
| Schedule of Capital Improvement Fund | C-7 | 107 |
| Schedule of Interfunds Payable | C-8 | 107 |
| Schedule of General Serial Bonds | C-9 | 108 |
| Schedule of Green Trust Loan Payable | C-10 | 109 |
| Schedule of Dam Restoration Loan Payable | C-11 | 111 |
| Schedule of Bond Anticipation Notes Payable | C-12 | 112 |
| Schedule of Bonds & Notes Authorized But Not Issued | C-13 | 113 |
| Schedule of Grants Receivable | C-14 | 114 |
| Sewer Utility Operating Fund: | | |
| Schedule of Cash – Treasurer | D-6 | 117 |
| Schedule of Cash – Sewer Collector | D-7 | 118 |
| Analysis of Sewer Utility Assessment Trust Cash | D-8 | 118 |
| Analysis of Cash- Sewer Utility Capital Fund | D-9 | 119 |
| Schedule of Interfunds Receivables | D-10 | 120 |
| Schedule of Sewer Rent Receivable | D-11 | 120 |
| Schedule of NJ Wastewater Fund Loan Payable | D-12 | 121 |
| Schedule of Bond Anticipation Notes | D-13 | 121 |
| Schedule of Fixed Capital | D-14 | 121 |
| Schedule of Fixed Capital Authorized & Uncompleted | D-15 | 122 |
| Schedule of 2016 Appropriation Reserves | D-16 | 123 |
| Schedule of Accrued Interest on Bonds & Loans | D-17 | 123 |
| Schedule of Interfunds Payable | D-18 | 124 |
| Schedule of Reserves for Assessments | D-19 | 124 |
| Schedule of Improvement Authorizations | D-20 | 125 |
| Schedule of Contracts Payable | D-21 | 126 |
| Schedule of Interfunds Payable – Sewer Utility Capital Fund | D-22 | 126 |
| Schedule of Reserve for Future Sewer Improvements | D-23 | 127 |
| Schedule of Reserve for Amortization | D-24 | 127 |
| Schedule of Capital Improvement Fund | D-25 | 127 |
| Schedule of Sewer Capital Serial Bonds | D-26 | 128 |
| Schedule of Bonds and Notes Authorized but Not Issued | D-27 | 129 |
| Schedule of NJ Wastewater Trust Loan Payable | D-28 | 130 |
| Water Utility Operating Fund: | | |
| Schedule of Cash – Treasurer | E-5 | 135 |
| Schedule of Cash – Collector | E-6 | 136 |
| Analysis of Assessment Trust Cash | E-7 | 136 |

(continued)

| | EXHIBITS | PAGE |
|--|-----------------|-------------|
| Water Sewer Utility Operating Fund (continued): | | |
| Analysis of Capital Cash | E-8 | 137 |
| Schedule of Interfunds Receivable | E-9 | 137 |
| Schedule of Water Rents Receivable | E-10 | 138 |
| Schedule of Deferred Assessments Per Ch.341, P.L. 1975 | E-11 | 138 |
| Schedule of Bonds & Notes Authorized But Not Issued | E-12 | 139 |
| Schedule of Fixed Capital | E-13 | 139 |
| Schedule of Fixed Capital Authorized & Uncompleted | E-14 | 140 |
| Schedule of Contracts Payable | E-15 | 140 |
| Schedule of 2016 Appropriation Reserves | E-16 | 141 |
| Schedule of Accrued Interest on Bonds | E-17 | 141 |
| Schedule of Reserve for Assessments & Liens | E-18 | 142 |
| Schedule of Improvement Authorizations | E-19 | 143 |
| Schedule of Reserve for Amortization | E-20 | 144 |
| Schedule of Water Capital Improvement Fund | E-21 | 144 |
| Schedule of Interfunds Payables | E-22 | 144 |
| Schedule of Water Serial Bonds | E-23 | 145 |
| Schedule of Bond Anticipation Notes | E-24 | 146 |
| Schedule of Fund Balance | E-25 | 146 |
| | | |
| Bond and Coupon Account: | | |
| Analysis of Interest Coupons Payable | F-1 | 149 |
| | | |
| PART II | | |
| | | |
| Schedule of Findings & Questioned Costs | | |
| Financial Statement Findings | | 153 |
| Summary Schedule of Prior Year Audit Findings | | 154 |
| | | |
| PART III | | |
| | | |
| Letter of Comments and Recommendations | | |
| Officials in Office and Surety Bonds | | 157 |
| General Comments | | 158 |
| Other Comments | | 159 |
| Recommendations | | 159 |
| Acknowledgment | | 160 |
| | | (concluded) |

**TOWNSHIP OF BURLINGTON
COUNTY OF BURLINGTON**

PART I

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

This page intentionally left blank.



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Council
Township of Burlington
County of Burlington
Burlington, New Jersey

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 Township of Burlington 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 statement of revenues - regulatory basis, and statements of expenditures - regulatory basis for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

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

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

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

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

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township, as of December 31, 2017 and 2016, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the statements of revenues - regulatory basis, statements of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, 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

Other Information

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

The supplemental schedules presented for the various funds are 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.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated June 11, 2018 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Township's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
RMA No. 435

Medford, New Jersey
June 11, 2018



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 Township Council
Township of Burlington
Burlington, New Jersey

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 Township of Burlington, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township’s basic financial statements, and have issued our report thereon dated June 11, 2018. Our report indicated that the Township’s financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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 Township'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 and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

We noted certain other matters that are not required to be reported under Governmental Auditing Standards, that we reported to management in the accompanying letter of comments and recommendations section of this report as required 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 Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
RMA No. 435

Medford, New Jersey
June 11, 2018

This page intentionally left blank.

BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

**TOWNSHIP OF BURLINGTON
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

| ASSETS | REFERENCE | <u>2017</u> | <u>2016</u> |
|---|-----------|--------------------------|--------------------------|
| Regular Fund: | | | |
| Cash: | | | |
| Treasurer | A-4 | 11,507,396 | \$ 10,331,737 |
| Collector | A-5 | 1,525,218 | 284,011 |
| Change Funds | A-6 | <u>650</u> | <u>650</u> |
| Total Regular Fund | | <u>13,033,264</u> | <u>10,616,398</u> |
| Receivables & Other Assets With Full Reserves: | | | |
| Delinquent Property Taxes Receivable | A-7 | 880,874 | 976,885 |
| Tax Title Liens Receivable | A-8 | 611,059 | 568,807 |
| Foreclosed Property - Assessed Valuation | A-9 | 1,238,201 | 1,238,201 |
| Revenue Accounts Receivable | A-10 | 32,890 | 40,605 |
| Interfunds Receivable | A-11 | <u>174,201</u> | <u>74,416</u> |
| Total Receivables & Other Assets With Full Reserves | | <u>2,937,225</u> | <u>2,898,914</u> |
| Deferred Charges To Future Taxation: | | | |
| Special Emergency Appropriation | A | <u>460,000</u> | <u>575,000</u> |
| Total Deferred Charges | | <u>460,000</u> | <u>575,000</u> |
| Total Regular Fund, Receivables & Other Assets With Full Reserves | | <u>16,430,489</u> | <u>14,090,312</u> |
| State & Federal Grants: | | | |
| Cash - Treasurer | A-4 | 304,868 | 274,586 |
| Grants Receivable | A-12 | <u>12,597</u> | <u>18,299</u> |
| Total State & Federal Grants | | <u>317,465</u> | <u>292,885</u> |
| Total Assets | | <u>\$ 16,747,954</u> | <u>\$ 14,383,197</u> |

**TOWNSHIP OF BURLINGTON
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

| LIABILITIES RESERVES & FUND BALANCE | REFERENCE | 2017 | 2016 |
|---|-----------|----------------------|----------------------|
| Regular Fund: | | | |
| Liabilities: | | | |
| Appropriation Reserves | A-3 | \$ 1,422,513 | \$ 2,027,389 |
| Encumbrances Payable | A-3 | 264,249 | 262,868 |
| Prepaid Taxes | A-5 | 2,098,128 | 520,603 |
| Due County for Added & Omitted Taxes | A-16 | 76,929 | 61,119 |
| Local District School Tax Payable | A-18 | 3,433,505 | 2,989,018 |
| Fire District Tax Payable | A-17 | - | 14,790 |
| Tax Overpayments | A | 2,153 | 169,788 |
| Due to State of New Jersey for Senior Citizen & Veteran Deductions | A | 95,512 | 86,897 |
| Reserves for: | | | |
| Sale of Municipal Assets | A | 3,000 | 3,000 |
| Special Emergency - Reassessment Program | A | - | 23,401 |
| Revaluation | A | 82,038 | 144,208 |
| FEMA Snow Trust | A | 206,217 | 206,217 |
| Interfunds Payable | A-14 | 29,087 | 214,126 |
| Subtotal Regular Fund | | <u>7,713,331</u> | <u>6,723,424</u> |
| Reserve for Receivables & Other Assets | A | 2,937,225 | 2,898,914 |
| Fund Balance | A-1 | <u>5,779,932</u> | <u>4,467,974</u> |
| Total Regular Fund | | <u>16,430,488</u> | <u>14,090,312</u> |
| State & Federal Grants: | | | |
| Appropriated Reserves | A-20 | 206,239 | 210,729 |
| Unappropriated Reserves | A-19 | 46,814 | 25,520 |
| Encumbrances Payable | A-20 | 12,777 | - |
| Due from Current Fund | A-11 | 51,636 | 56,636 |
| Total State & Federal Grants | | <u>317,466</u> | <u>292,885</u> |
| Total Liabilities, Reserves & Fund Balance | | <u>\$ 16,747,954</u> | <u>\$ 14,383,197</u> |

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

**TOWNSHIP OF BURLINGTON
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

| | 2017 | 2016 |
|--|--------------|--------------|
| Revenue & Other Income Realized: | | |
| Fund Balance Utilized | \$ 2,735,000 | \$ 4,160,000 |
| Miscellaneous Revenue Anticipated | 8,077,036 | 7,808,240 |
| Receipts From Delinquent Taxes & Tax Title Liens | 915,000 | 780,028 |
| Receipts From Current Taxes | 67,327,548 | 65,603,661 |
| Nonbudget Revenue | 542,678 | 459,667 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Reserves | 1,544,654 | 1,372,355 |
| Third Party Premium and Lien Adjustments | 299,246 | - |
| Cancellation of Prior Year Payable | 14,790 | - |
| Interfunds Receivable Liquidated | 43,264 | 13,113 |
| | 81,499,216 | 80,197,064 |
| Total | | |
| Expenditures: | | |
| Budget Appropriations Within "CAPS": | | |
| Operations: | | |
| Salaries & Wages | 9,415,586 | 9,302,645 |
| Other Expenses | 7,745,145 | 8,385,367 |
| Deferred Charges & Statutory Expenditures | 2,439,454 | 2,311,089 |
| Excluded From "CAPS": | | |
| Operations: | | |
| Other Expenses | 288,435 | 291,461 |
| Capital Improvements | 100,000 | 100,000 |
| Municipal Debt Service | 1,707,371 | 2,132,692 |
| County Taxes | 9,800,329 | 10,090,311 |
| Due County for Added & Omitted Taxes | 76,929 | 61,119 |
| Local District School Tax | 43,925,344 | 43,036,371 |
| Special District Tax | 1,948,000 | 1,880,000 |
| Interfunds Created | 5,665 | 208,855 |
| Refund of Prior Year Revenue | - | 548,853 |
| | 77,452,258 | 78,348,763 |
| Total Expenditures | | |
| Regulatory Excess to Fund Balance | 4,046,958 | 1,848,301 |
| Adjustment to Income Before Fund Balance: | | |
| Expenditures Included Above which are by Statute | | |
| Deferred Charges to Budget of Succeeding Year | - | 575,000 |
| | 4,046,958 | 2,423,301 |
| Statutory Excess to Fund Balance | | |
| Fund Balance January 1 | 4,467,974 | 6,204,673 |
| | | |
| Total | 8,514,932 | 8,627,974 |
| Decreased by: Utilization as Anticipated Revenue | 2,735,000 | 4,160,000 |
| Fund Balance December 31 | \$ 5,779,932 | \$ 4,467,974 |

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

**TOWNSHIP OF BURLINGTON
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | ANTICIPATED | | EXCESS OR (DEFICIT) |
|--|---------------|---------------|------------------------|
| | BUDGET | REALIZED | |
| Fund Balance Utilized | \$ 2,735,000 | \$ 2,735,000 | \$ - |
| Miscellaneous Revenue: | | | |
| Licenses: | | | |
| Alcoholic Beverages | 17,500 | 15,000 | (2,500) |
| Other | 14,000 | 17,989 | 3,989 |
| Fees & Permits | | | |
| Construction Code | 653,000 | 782,080 | 129,080 |
| Other | 160,000 | 130,760 | (29,240) |
| Municipal Court Fines & Costs | 550,000 | 513,279 | (36,721) |
| Interest & Costs on Taxes | 200,000 | 210,411 | 10,411 |
| Interest on Investments & Deposits | 20,000 | 87,083 | 67,083 |
| Assisunk Facility Fees | 9,000 | 9,387 | 387 |
| Recreation Fees | 65,000 | 76,702 | 11,702 |
| Energy Receipts | 4,587,305 | 4,587,305 | - |
| Interlocal Services Agreement - Sale of Gasoline | 91,000 | 158,825 | 67,825 |
| Interlocal Shared Services - Burlington City Municipal Court | 375,000 | 397,953 | 22,953 |
| Emergency Management Grant | 12,000 | 12,000 | - |
| Click it of Ticket | 9,102 | 9,102 | - |
| Clean Communities | 44,045 | 44,045 | - |
| Body Armor Replacement | 8,145 | 8,145 | - |
| Recycling Tonnage | 37,631 | 37,631 | - |
| Bullet Proof Vests | 4,012 | 4,012 | - |
| Driver Sober or Get Pulled Over | 5,500 | 5,500 | - |
| Distracted Driver Crackdown | 5,500 | 5,500 | - |
| Cell Tower Rental | 300,000 | 264,327 | (35,673) |
| Capital Surplus | 300,000 | 300,000 | - |
| Utility Operating Surplus of Prior Year - Utility | 400,000 | 400,000 | - |
| Total Miscellaneous Revenues | 7,867,740 | 8,077,036 | 209,296 |
| Receipts From Delinquent Taxes | 750,000 | 915,000 | 165,000 |
| Local Tax for Municipal Purposes | 12,048,962 | 13,250,345 | 1,201,383 |
| Budget Totals | 23,401,702 | 24,977,381 | 1,575,679 |
| Nonbudget Revenues | - | 542,678 | 542,678 |
| Total | \$ 23,401,702 | \$ 25,520,059 | \$ 2,118,357 |

**TOWNSHIP OF BURLINGTON
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

ANALYSIS OF REALIZED REVENUES

| | |
|--|--------------------------|
| Allocation of Current Tax Collections: | |
| Revenue From Collections | \$ 67,327,548 |
| Less: School & County Taxes | <u>55,750,602</u> |
| Total Allocation of Current Tax Collections | 11,576,946 |
| Add: Budget Appropriation Reserve for Uncollected Taxes | <u>1,673,399</u> |
| Total Amount for Support of Municipal Budget Appropriation | <u>\$ 13,250,345</u> |

ANALYSIS OF NONBUDGET REVENUES

| | |
|---|-----------------------|
| Treasurer: | |
| Insurance Refund & Rebates | \$ 97,517 |
| Cable TV Franchise Fees | 79,019 |
| Extra Duty Admin Fee | 64,586 |
| Senior Citizen and Vet Administrative Fee | 3,596 |
| School Resource Officer | 132,002 |
| PILOT | 33,171 |
| Miscellaneous | <u>132,787</u> |
| Nonbudget Revenue | <u>\$ 542,678</u> |

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

**TOWNSHIP OF BURLINGTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| OPERATIONS | APPROPRIATIONS | | EXPENDED | |
|---|----------------|---------------------------|-----------------|----------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED |
| General Government: | | | | |
| Township Council: | | | | |
| Salaries and Wages | \$ 41,341 | \$ 41,341 | \$ 41,341 | \$ - |
| Other Expenses | 4,500 | 4,500 | 1,143 | 3,357 |
| Human Resources (Personnel): | | | | |
| Salaries and Wages | 24,367 | 24,367 | 23,973 | 394 |
| Other Expenses | 600 | 600 | - | 600 |
| Mayor & Council: | | | | |
| Salaries and Wages | 11,920 | 11,920 | 11,920 | - |
| Other Expenses | 900 | 900 | - | 900 |
| Municipal Clerk: | | | | |
| Salaries and Wages | 220,613 | 220,613 | 215,301 | 5,312 |
| Other Expenses | 65,500 | 56,500 | 38,202 | 18,298 |
| Financial Administration (Treasurer): | | | | |
| Salaries and Wages | 124,875 | 124,875 | 113,587 | 11,288 |
| Other Expenses | 16,700 | 16,700 | 13,594 | 3,106 |
| Audit Services: | | | | |
| Other Expenses: | | | | |
| Annual Audit | 30,000 | 30,000 | 30,000 | - |
| Special Accounting Services | 12,100 | 12,100 | 1,350 | 10,750 |
| Revenue Administration (Tax Collection): | | | | |
| Salaries and Wages | 84,920 | 84,920 | 74,831 | 10,089 |
| Other Expenses | 66,654 | 56,654 | 41,945 | 14,709 |
| Tax Assessment Administration/County Board of Taxation: | | | | |
| Salaries and Wages | 56,321 | 56,321 | 56,320 | 1 |
| Other Expenses | 146,536 | 133,536 | 105,524 | 28,012 |
| Office of Township Administrator: | | | | |
| Salaries and Wages | 297,609 | 303,609 | 303,557 | 52 |
| Other Expenses | 93,800 | 93,800 | 73,606 | 20,194 |
| Special Township Council: | | | | |
| Other Expenses | 170,000 | 210,000 | 207,945 | 2,055 |
| Office of Purchasing Agent: | | | | |
| Salaries and Wages | 20,000 | 20,000 | 20,000 | - |
| Other Expenses | 8,000 | 8,000 | 5,188 | 2,812 |
| Engineering Services: | | | | |
| Salaries and Wages | 410,712 | 410,712 | 400,207 | 10,505 |
| Other Expenses | 40,350 | 35,350 | 17,782 | 17,568 |
| Land Use Administration: | | | | |
| Planning Board: | | | | |
| Salaries and Wages | 7,500 | 7,500 | 7,500 | - |
| Other Expenses: | | | | |
| Legal Services | 34,200 | 19,200 | 14,147 | 5,053 |
| Miscellaneous Other Expenses | 23,200 | 18,200 | 13,002 | 5,198 |
| Zoning Board of Adjustment: | | | | |
| Salaries and Wages - Engineer | 5,000 | 5,000 | 5,000 | - |
| Other Expenses | 21,895 | 13,432 | 2,928 | 10,504 |
| Office of Affordable Housing: | | | | |
| Other Expenses | 33,650 | 15,250 | 128 | 15,122 |

**TOWNSHIP OF BURLINGTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| OPERATIONS (continued) | APPROPRIATIONS | | EXPENDED | |
|--|----------------|---------------------------|-----------------|----------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED |
| Insurance: | | | | |
| New Jersey Unemployment | 40,000 | 40,000 | 40,000 | - |
| Liability Insurance | 175,000 | 240,000 | 237,923 | 2,077 |
| Workmen's Compensation | 175,000 | 175,000 | 125,572 | 49,428 |
| Group Insurance Plans for Employees | 2,935,306 | 2,919,306 | 2,874,552 | 44,754 |
| Medical Waivers | 40,000 | 56,000 | 55,323 | 677 |
| Public Safety Functions: | | | | |
| Police: | | | | |
| Salaries and Wages | 5,398,948 | 5,358,948 | 5,212,757 | 146,191 |
| Other Expenses | 309,250 | 349,250 | 306,609 | 42,641 |
| Office of Emergency Management: | | | | |
| Salaries and Wages | 9,746 | 9,746 | - | 9,746 |
| First Aid Organization - Contribution | 53,000 | 53,000 | - | 53,000 |
| Office of Prosecutor: | | | | |
| Other Expenses | 30,000 | 30,000 | 30,000 | - |
| Public Works Functions: | | | | |
| Road Repairs & Maintenance: | | | | |
| Salaries and Wages | 737,343 | 737,343 | 634,445 | 102,898 |
| Other Expenses | 194,200 | 194,200 | 176,578 | 17,622 |
| Weed Control: | | | | |
| Other Expenses | 31,500 | 31,500 | 31,107 | 393 |
| Environmental Commission (N.J.S.40:56A-1): | | | | |
| Other Expenses: | 300 | 300 | - | 300 |
| Office of Public Work Superintendent: | | | | |
| Salaries and Wages | 107,075 | 107,075 | 106,586 | 489 |
| Other Expenses | 2,885 | 2,885 | 2,835 | 50 |
| Traffic Lights: | | | | |
| Other Expenses | 33,200 | 33,200 | 9,523 | 23,677 |
| Garbage & Trash Removal: | | | | |
| Salaries and Wages | 550,732 | 550,732 | 522,478 | 28,254 |
| Other Expenses | 1,097,300 | 1,097,300 | 974,239 | 123,061 |
| Condominium Service Law | 80,000 | 70,000 | 14,534 | 55,466 |
| Apartment Trash Contribution: | | | | |
| Other Expenses | 280,000 | 280,000 | 274,993 | 5,007 |
| Buildings & Grounds: | | | | |
| Salaries and Wages | 29,593 | 29,593 | 27,056 | 2,537 |
| Other Expenses | 109,300 | 109,300 | 93,608 | 15,692 |
| Recycling: | | | | |
| Salaries and Wages | 2,841 | 2,841 | 2,841 | - |
| Other Expenses | 50,900 | 50,900 | 45,243 | 5,657 |
| Health and Welfare: | | | | |
| Mayors Safety Advisory Committee: | | | | |
| Other Expenses | 4,000 | 4,000 | 1,340 | 2,660 |
| Animal Control Services: | | | | |
| Other Expenses | 20,000 | 20,000 | 12,595 | 7,405 |
| Park & Recreation Functions: | | | | |
| Board of Recreation Commissioners: | | | | |
| Salaries and Wages | 485,457 | 485,457 | 466,005 | 19,452 |
| Other Expenses | 132,979 | 132,979 | 123,529 | 9,450 |

**TOWNSHIP OF BURLINGTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| OPERATIONS | APPROPRIATIONS | | EXPENDED | |
|--|-------------------|---------------------------|-------------------|------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED |
| Utility Expenses & Bulk Purchases: | | | | |
| Electricity | 290,000 | 280,000 | 208,491 | 71,509 |
| Street Lighting | 290,000 | 284,000 | 192,120 | 91,880 |
| Telephone (Excluding Equipment Acquisition) | 50,000 | 50,000 | 36,746 | 13,254 |
| Sewer Service Charges | 20,000 | 20,000 | 20,000 | - |
| Gasoline | 369,000 | 369,000 | 193,378 | 175,622 |
| State Uniform Construction Code: | | | | |
| Construction Code Official: | | | | |
| Salaries and Wages | 349,955 | 357,955 | 354,103 | 3,852 |
| Other Expenses | 57,728 | 45,728 | 30,420 | 15,308 |
| Sub-Code Officials: | | | | |
| Fire Inspector: | | | | |
| Salaries and Wages | 4,000 | 4,000 | 3,923 | 77 |
| Municipal Court: | | | | |
| Burlington Township Municipal Court: | | | | |
| Salaries and Wages | 351,413 | 351,413 | 342,006 | 9,407 |
| Other Expenses | 46,250 | 46,250 | 44,546 | 1,704 |
| Burlington City Municipal Court: | | | | |
| Salaries and Wages | 109,305 | 109,305 | 98,047 | 11,258 |
| Public Defender: | | | | |
| Other Expenses | 20,000 | 20,000 | 18,800 | 1,200 |
| Unclassified: | | | | |
| Celebration of Public Event, Anniversary or Holiday: | | | | |
| Other Expenses | 3,925 | 3,925 | 1,938 | 1,987 |
| Commission on Aging: | | | | |
| Other Expenses | 12,000 | 12,400 | 8,936 | 3,464 |
| Total Operations Within "CAPS" | 17,163,194 | 17,160,731 | 15,795,746 | 1,364,985 |
| Detail: | | | | |
| Salaries and Wages | 9,441,586 | 9,415,586 | 9,043,784 | 371,802 |
| Other Expenses | 7,721,608 | 7,745,145 | 6,751,962 | 993,183 |
| Deferred Charges & Statutory Expenditures | | | | |
| Municipal Within "CAPS": | | | | |
| Deferred Charges: | | | | |
| Prior Year Bills | 16,713 | 16,713 | 16,713 | - |
| Special Emergency- Revaluation | 115,000 | 115,000 | 115,000 | - |
| Statutory Expenditures: | | | | |
| Contributions to: | | | | |
| DCRP | 2,000 | 2,000 | 1,299 | 701 |
| Social Security System (O.A.S.I.) | 670,000 | 670,000 | 648,245 | 21,755 |
| Employee's Retirement System | 656,867 | 659,330 | 659,330 | - |
| Police & Firemen's Retirement | 976,411 | 976,411 | 976,411 | - |
| Total Deferred Charges & Statutory Expenditures Within "CAPS" | 2,436,991 | 2,439,454 | 2,416,998 | 22,456 |
| Total General Appropriations for Municipal Purposes Within "CAPS" | 19,600,185 | 19,600,185 | 18,212,744 | 1,387,441 |

**TOWNSHIP OF BURLINGTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| OPERATIONS | APPROPRIATIONS | | EXPENDED | | |
|--|----------------|---------------------------|-----------------|--------------|-----------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | CANCELLED |
| Operations Excluded From "CAPS": | | | | | |
| Matching Funds for Grants | 5,000 | 5,000 | - | 5,000 | - |
| Aid to Library (N.J.S.A.40:54-35): | 7,500 | 7,500 | 7,500 | - | - |
| Interlocal Municipal Service Agreements | | | | | |
| Gasoline Purchase Burlington City | 150,000 | 150,000 | 119,928 | 30,072 | - |
| Public & Private Programs Offset by Revenues: | | | | | |
| Emergency Management Grant | 12,000 | 12,000 | 12,000 | - | - |
| Click it of Ticket | 3,602 | 9,102 | 9,102 | - | - |
| Clean Communities | - | 44,045 | 44,045 | - | - |
| Body Armor Replacement | 4,029 | 8,145 | 8,145 | - | - |
| Recycling Tonnage | 5,395 | 37,631 | 37,631 | - | - |
| Bullet Proof Vests | 494 | 4,012 | 4,012 | - | - |
| Driver Sober or Get Pulled Over | - | 5,500 | 5,500 | - | - |
| Distracted Driver Crackdown | - | 5,500 | 5,500 | - | - |
| Total Operations Excluded From "CAPS" | 188,020 | 288,435 | 253,363 | 35,072 | - |
| Detail: | | | | | |
| Other Expenses | 188,020 | 288,435 | 253,363 | 35,072 | - |
| Capital Improvements - Excluded from "CAPS": | | | | | |
| Capital Improvement Fund | 100,000 | 100,000 | 100,000 | - | - |
| Total Capital Improvements Excluded From "CAPS" | 100,000 | 100,000 | 100,000 | - | - |
| Municipal Debt Service - Excluded From "CAPS": | | | | | |
| Payment of Bond Principal | 1,375,000 | 1,375,000 | 1,375,000 | - | - |
| Interest on Notes | 34,848 | 34,848 | 34,848 | - | - |
| Interest on Bonds | 202,250 | 202,250 | 169,938 | - | 32,312 |
| Green Trust Loan Program: | | | | | |
| Loan Repayments for Principal & Interest | 70,579 | 70,579 | 70,579 | - | - |
| DEP Loan Principal & Interest | 57,006 | 57,006 | 57,006 | - | - |
| Total Municipal Debt Service Excluded From "CAPS" | 1,739,683 | 1,739,683 | 1,707,371 | - | 32,312 |
| Subtotal General Appropriations | 21,627,888 | 21,728,303 | 20,273,478 | 1,422,513 | 32,312 |
| Reserve For Uncollected Taxes | 1,673,399 | 1,673,399 | 1,673,399 | - | - |
| Total General Appropriations | \$ 23,301,287 | \$ 23,401,702 | \$ 21,946,877 | \$ 1,422,513 | \$ 32,312 |
| Original Budget | | \$ 23,301,287 | | | |
| Appropriation by 40A:4-87 | | 100,415 | | | |
| Total | | \$ 23,401,702 | | | |

ANALYSIS OF EXPENDITURES

| | |
|-------------------------------|---------------|
| Appropriated Reserves: | |
| State & Federal Grants | \$ 125,935 |
| Encumbrances Payable | 264,249 |
| Deferred Charges | 115,000 |
| Reserve for Uncollected Taxes | 1,673,399 |
| Refunds | (600,083) |
| Cash Disbursed | 20,368,377 |
| Total | \$ 21,946,877 |

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

**TOWNSHIP OF BURLINGTON
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

| ASSETS | REFERENCE | 2017 | 2016 |
|--|-----------|---------------------|---------------------|
| Assessment Fund: | | | |
| Deferred Assessments | B-3 | \$ 1,988 | \$ 1,988 |
| Total Assessment Fund | | <u>1,988</u> | <u>1,988</u> |
| Animal Control Trust Fund: | | | |
| Cash - Treasurer | B-1 | 49,384 | 48,548 |
| Total Animal Control Trust Fund | | <u>49,384</u> | <u>48,548</u> |
| Other Trust Funds: | | | |
| Cash - Treasurer | B-1 | 6,266,911 | 6,491,117 |
| Cash - Collector | B-2 | 73,125 | 155,503 |
| Due from Current Fund | A-14 | 29,087 | 212,996 |
| Total Other Trust Funds | | <u>6,369,123</u> | <u>6,859,616</u> |
| Total - All Funds | | <u>\$ 6,420,495</u> | <u>\$ 6,910,152</u> |
| LIABILITIES & RESERVES | | | |
| Assessment Fund: | | | |
| Reserve for Assessments | B-3 | \$ 1,988 | \$ 1,988 |
| Animal Control Trust Fund: | | | |
| Due to Current | A | 7,934 | 9,484 |
| Prepaid Licenses | B-1 | 3,810 | 4,371 |
| Reserve for Animal Control Expenditures | B-5 | 37,640 | 34,693 |
| Total Animal Control Trust Fund | | <u>49,384</u> | <u>48,548</u> |
| Other Trust Funds: | | | |
| Escrow Deposits | B-6 | 806,347 | 1,933,804 |
| Reserve For: | | | |
| Recreation Expenditures | B-7 | 251,443 | 235,576 |
| Special Law Enforcement Funds | B-11 | 28,514 | 19,292 |
| Recreation Capital Improvements | B-10 | 76,613 | 251,613 |
| Miscellaneous Trust Items | B-12 | 4,154,658 | 3,310,156 |
| NJ Unemployment Trust Funds | B-9 | 38,162 | 12,033 |
| Deposits for Redemption of Tax Sale Certificates | B-2 | 73,125 | 155,504 |
| Self-Insurance Funds | B-13 | 2,582 | 45 |
| Tax Sale Premiums | B-8 | 800,800 | 814,000 |
| Payroll Taxes Payable | B-15 | 46,632 | 126,583 |
| Interfunds Payable | B-14 | 90,247 | 1,010 |
| Total Other Trust Funds | | <u>6,369,123</u> | <u>6,859,616</u> |
| Total Liabilities & Reserves | | <u>\$ 6,420,495</u> | <u>\$ 6,910,152</u> |

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

**TOWNSHIP OF BURLINGTON
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

| ASSETS | REFERENCE | 2017 | 2016 |
|---|-----------|----------------------|----------------------|
| Cash and Cash Equivalents | C-2 | \$ 3,075,075 | \$ 2,656,752 |
| State Aid Receivable | C-14 | 386,486 | 536,486 |
| County Open Space Receivable | C-14 | 180,000 | 200,000 |
| Deferred Charges to Future Taxation: | | | |
| Funded | C-4 | 13,687,309 | 7,892,007 |
| Unfunded | C-5 | 1,464,458 | 6,403,983 |
| Total | | <u>\$ 18,793,328</u> | <u>\$ 17,689,228</u> |
| LIABILITIES, RESERVES & FUND BALANCE | | | |
| General Serial Bonds | C-9 | \$ 12,977,000 | \$ 7,070,000 |
| Green Trust Loan Payable | C-10 | 549,482 | 608,188 |
| Dam Restoration & Clean Water Trust Loan Payable | C-11 | 160,827 | 213,819 |
| Bond Anticipation Notes | C-12 | - | 5,361,166 |
| Improvement Authorizations: | | | |
| Funded | C-6 | 2,459,056 | 133,549 |
| Unfunded | C-6 | 326,812 | 2,316,768 |
| Encumbrances Payable | C-6 | 833,915 | 637,153 |
| Interfund Payables | C-8 | 24,384 | 7,286 |
| Capital Improvement Fund | C-7 | 162,911 | 164,011 |
| Reserve for Grant Receivables | C | 566,486 | 736,486 |
| Reserve for Park Repair | C | 1,000 | 1,000 |
| Reserve for Future Debt Service | C | 591,575 | - |
| Fund Balance (Capital Surplus) | C-1 | 139,880 | 439,802 |
| Total Liabilities, Reserves & Fund Balance | | <u>\$ 18,793,328</u> | <u>\$ 17,689,228</u> |

There were \$1,464,458 of bonds and notes authorized but not issued as of December 31, 2017 & \$1,042,817 as of December 31, 2016.

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

**TOWNSHIP OF BURLINGTON
SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

| ASSETS | REFERENCE | 2017 | 2016 |
|---|-----------|----------------------|----------------------|
| Operating Fund: | | | |
| Cash - Treasurer | D-6 | \$ 2,925,928 | \$ 915,518 |
| Cash - Collector | D-7 | 318,750 | 330,043 |
| Interfunds Receivable | D-10 | - | 58,238 |
| Total | | <u>3,244,678</u> | <u>1,303,799</u> |
| Receivables & Other Assets With Full Reserves: | | | |
| Sewer Rents Receivable | D-11 | 616,183 | 594,415 |
| Total Receivable & Other Assets With Full Reserves | | <u>616,183</u> | <u>594,415</u> |
| Total Operating Fund | | <u>3,860,861</u> | <u>1,898,214</u> |
| Assessment Trust Fund: | | | |
| Cash and Cash Equivalents | D-6 | - | 23,924 |
| Deferred Assessments | D | - | 215,048 |
| Total Assessment Trust Fund | | <u>-</u> | <u>238,972</u> |
| Capital Fund: | | | |
| Cash and Cash Equivalents - Treasurer | D-6 | 413,873 | 1,874,263 |
| Interfund Receivable - Sewer Operating | D-22 | 878,197 | - |
| Fixed Capital | D-14 | 26,641,384 | 26,641,384 |
| Fixed Capital Authorized But Uncompleted | D-15 | 11,383,245 | 10,258,245 |
| Total Capital Fund | | <u>39,316,699</u> | <u>38,773,892</u> |
| Total Operating, Assessment & Capital Funds | | <u>\$ 43,177,560</u> | <u>\$ 40,911,078</u> |

There were \$3,444,051 of bonds and notes authorized but not issued on December 31, 2017 & \$3,500,586 on December 31, 2016.

**TOWNSHIP OF BURLINGTON
SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

| LIABILITIES RESERVES & FUND BALANCE | REFERENCE | 2017 | 2016 |
|---|-----------|----------------------|---------------------|
| Operating Fund - Liabilities: | | | |
| Appropriation Reserves | D-5 | \$ 642,663 | \$ 535,237 |
| Encumbrances Payable | D-5 | 47,797 | 99,450 |
| Accrued Interest on Bonds & Loans | D-17 | 39,060 | 30,172 |
| Prepaid Sewer Rents | D | 124 | 263 |
| Overpayments | D | 13,480 | 12,018 |
| Due from Capital Fund | D-11 | 878,197 | - |
| Subtotal | | <u>1,621,321</u> | <u>677,140</u> |
| Reserve for Receivables | D | 616,183 | 594,415 |
| Fund Balance | D-1 | <u>1,623,357</u> | <u>626,659</u> |
| Total Operating Fund | | <u>3,860,861</u> | <u>1,898,214</u> |
| Assessment Trust Fund: | | | |
| Reserve for Assessments | D-19 | - | 215,048 |
| Interfunds Payable | D-18 | - | 41 |
| Fund Balance | D-2 | <u>-</u> | <u>23,883</u> |
| Total Assessment Trust Fund | | <u>-</u> | <u>238,972</u> |
| Capital Fund: | | | |
| Serial Bonds | D-26 | 3,329,000 | 1,880,000 |
| Bond Anticipation Note Payable | D-13 | - | 1,424,551 |
| New Jersey Wastewater Treatment Program: | | | |
| Fund Loan Payable | D-12 | 2,159,796 | 1,651,999 |
| Trust Loan Payable | D-28 | 1,217,154 | 1,059,513 |
| Improvement Authorizations: | | | |
| Funded | D-20 | 2,150,056 | 734,455 |
| Unfunded | D-20 | 1,867,690 | 2,924,492 |
| Encumbrances Payable | D-21 | 40,790 | 1,006,708 |
| Interfunds Payable | D-22 | - | 58,197 |
| Reserves for: | | | |
| Amortization | D-24 | 27,874,628 | 27,382,980 |
| Future Sewer System Improvements | D-23 | - | 334,377 |
| Future Interest Payable | D | 94,345 | 67,406 |
| Preliminary Costs | D | 2,500 | 2,500 |
| Capital Improvement Fund | D-25 | 246,714 | 246,714 |
| Fund Balance | D-3 | <u>334,026</u> | <u>-</u> |
| Total Capital Fund | | <u>39,316,699</u> | <u>38,773,892</u> |
| Total Liabilities, Reserves & Fund Balance | | <u>\$ 43,177,560</u> | <u>\$40,911,078</u> |

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

**TOWNSHIP OF BURLINGTON
SEWER UTILITY FUND
STATEMENTS OF OPERATIONS AND CHANGE
IN OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

| | 2017 | 2016 |
|---|------------------|----------------|
| Revenue & Other Income Realized: | | |
| Sewer Rents | \$ 4,838,536 | \$ 4,736,957 |
| Miscellaneous | 360,346 | 108,744 |
| Sewer Rents - Public Buildings | 20,000 | 20,000 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriated Reserves | 440,170 | 281,431 |
| Total Income | 5,659,052 | 5,147,132 |
| Expenditures: | | |
| Operating | 3,927,226 | 3,917,938 |
| Debt Service | 567,128 | 1,141,094 |
| Deferred Charges & Statutory Expenditures | 68,000 | 68,000 |
| Surplus (General Budget) | 100,000 | - |
| Total Expenditures | 4,662,354 | 5,127,032 |
| Excess/Deficit in Revenue | 996,698 | 20,100 |
| Fund Balance January 1 | 626,659 | 606,559 |
| Fund Balance December 31 | \$ 1,623,357 | \$ 626,659 |

**STATEMENT OF ASSESSMENT TRUST FUND BALANCE- REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | |
|---------------------------|-----------|
| Balance December 31, 2016 | \$ 23,882 |
| Decreased by: | |
| Disbursements | 23,882 |
| Balance December 31, 2017 | \$ - |

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

**TOWNSHIP OF BURLINGTON
SEWER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | | |
|--|----|---------|
| Balance December 31, 2016 | \$ | - |
| Increased by: | | |
| Cancellation of Reserve | | 334,377 |
| Decreased by: | | |
| Appropriated to Finance Improvement Authorizations | | 351 |
| Balance December 31, 2017 | \$ | 334,026 |

**STATEMENT OF REVENUES - OPERATING FUND - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | ANTICIPATED | REALIZED | EXCESS OR (DEFICIT) |
|--------------------------------|--------------|--------------|------------------------|
| Surplus Anticipated | \$ 45,767 | \$ 45,767 | \$ - |
| Sewer Rents | 4,500,000 | 4,838,536 | 338,536 |
| Miscellaneous | 100,000 | 360,346 | 260,346 |
| Sewer Rents - Public Buildings | 20,000 | 20,000 | - |
| Total | \$ 4,665,767 | \$ 5,264,649 | \$ 598,882 |

ANALYSIS OF SEWER RENTS

| | | |
|---------------------------------|----|-----------|
| Collection of Consumer Accounts | \$ | 4,838,536 |
| Total Sewer Rents | \$ | 4,838,536 |

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

**TOWNSHIP OF BURLINGTON
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | APPROPRIATIONS | | EXPENDED | | UNEXPENDED BALANCE CANCELED |
|---|---------------------|---------------------------------|---------------------|-------------------|-----------------------------------|
| | ORIGINAL BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | |
| Operating: | | | | | |
| Salaries and Wages | \$ 849,176 | \$ 849,176 | \$ 810,719 | \$ 38,457 | \$ - |
| Other Expenses | 3,078,050 | 3,078,050 | 2,484,376 | 593,674 | - |
| Debt Service: | | | | | |
| Payment of Bond Principal | 250,000 | 250,000 | 250,000 | - | - |
| Interest on Notes | 9,260 | 9,260 | 9,260 | - | - |
| Interest on Bonds | 54,000 | 54,306 | 54,306 | - | - |
| New Jersey Environmental Infrastructure Loan | 257,281 | 256,975 | 253,562 | - | 3,413 |
| Deferred Charges: | | | | | |
| Contribution to: | | | | | |
| Social Security System (O.A.S.I.) | 65,000 | 65,000 | 57,468 | 7,532 | - |
| Unemployment Compensation Insurance | 3,000 | 3,000 | - | 3,000 | - |
| Surplus | 100,000 | 100,000 | 100,000 | - | - |
| Total Expenditures | \$ 4,665,767 | \$ 4,665,767 | \$ 4,019,691 | \$ 642,663 | \$ 3,413 |

| | |
|--------------------------|--------------------|
| Cash Disbursements | \$4,026,937 |
| Budget Refunds | (63,930) |
| Accrued Interest on Debt | 8,887 |
| Encumbrances Payable | 47,797 |
| Total | <u>\$4,019,691</u> |

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

**TOWNSHIP OF BURLINGTON
WATER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

| ASSETS | REFERENCE | 2017 | 2016 |
|---|-----------|----------------------|----------------------|
| Operating Fund: | | | |
| Cash - Treasurer | E-5 | \$ 1,321,756 | \$ 1,159,702 |
| Cash - Collector | E-6 | 98,268 | 100,166 |
| Interfunds Receivable | E-9 | <u>139,397</u> | <u>36,501</u> |
| Total | | <u>1,559,421</u> | <u>1,296,369</u> |
| Receivables & Other Assets With Full Reserves: | | | |
| Water Rents Receivable | E-10 | <u>306,044</u> | <u>302,264</u> |
| Total Receivable & Other Assets With Full Reserves | | <u>306,044</u> | <u>302,264</u> |
| Deferred Charges To Future Taxation: | | | |
| Overexpenditure of Appropriation | E | <u>-</u> | <u>45,000</u> |
| Total Deferred Charges | | <u>-</u> | <u>45,000</u> |
| Total Operating Fund | | <u>1,865,465</u> | <u>1,643,633</u> |
| Assessment Trust Fund: | | | |
| Cash and Cash Equivalents - Treasurer | E-5 | - | 167 |
| Cash - Collector | E-6 | - | 47 |
| Deferred Assessments | E-11 | <u>-</u> | <u>109,558</u> |
| Total Assessment Trust Fund | | <u>-</u> | <u>109,772</u> |
| Capital Fund: | | | |
| Cash and Cash Equivalents - Treasurer | E-5 | 1,473,046 | 1,681,737 |
| Fixed Capital | E-13 | 15,263,424 | 15,263,424 |
| Fixed Capital Authorized But Uncompleted | E-14 | <u>5,893,500</u> | <u>5,243,500</u> |
| Total Capital Fund | | <u>22,629,970</u> | <u>22,188,661</u> |
| Total Operating, Assessment & Capital Funds | | <u>\$ 24,495,435</u> | <u>\$ 23,942,066</u> |

There were \$878,500 of bonds and notes authorized but not issued as of December 31, 2017 & 2016.

**TOWNSHIP OF BURLINGTON
WATER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

| LIABILITIES RESERVES & FUND BALANCE | REFERENCE | <u>2017</u> | <u>2016</u> |
|--|-----------|----------------------|----------------------|
| Operating Fund: | | | |
| Liabilities: | | | |
| Appropriation Reserves | E-4 | \$ 324,515 | \$ 360,168 |
| Accounts Payable | E-4 | 76,532 | 20,852 |
| Accrued Interest on Bonds | E-17 | 16,354 | 15,460 |
| Prepaid/Overpaid Water Payments | E | <u>8,652</u> | <u>6,518</u> |
| Subtotal | | <u>426,053</u> | <u>402,998</u> |
| Reserve for Receivables | E | 306,044 | 302,264 |
| Fund Balance | E-1 | <u>1,133,368</u> | <u>938,371</u> |
| Total Operating Fund | | <u>1,865,465</u> | <u>1,643,633</u> |
| Assessment Trust Fund: | | | |
| Reserve for Assessments | E-18 | - | 109,558 |
| Interfunds Payable | E-9 | - | 1 |
| Fund Balance | E-25 | <u>-</u> | <u>213</u> |
| Total Assessment Trust Fund | | <u>-</u> | <u>109,772</u> |
| Capital Fund: | | | |
| Serial Bonds | E-23 | 5,808,000 | 1,895,000 |
| Bond Anticipation Note Payable | E-24 | - | 3,488,340 |
| Improvement Authorizations: | | | |
| Funded | E-19 | 878,434 | 83,184 |
| Unfunded | E-19 | 77,594 | 907,054 |
| Reserves for: | | | |
| Amortization | E-20 | 14,470,424 | 14,245,084 |
| Repayment of Interest | E | 1,022 | 1,023 |
| Capital Improvement Fund | E-21 | 200,000 | 200,000 |
| Contracts Payable | E-15 | 509,573 | 611,610 |
| Interfunds Payable | E-22 | 139,397 | 36,500 |
| Fund Balance | E-2 | <u>545,526</u> | <u>720,866</u> |
| Total Capital Fund | | <u>22,629,970</u> | <u>22,188,661</u> |
| Total Liabilities, Reserves & Fund Balance | | <u>\$ 24,495,435</u> | <u>\$ 23,942,066</u> |

The accompanying Notes to the Financial Statement is an integral part of this Statement.

**TOWNSHIP OF BURLINGTON
WATER UTILITY OPERATING FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE
IN OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

| | 2017 | 2016 |
|--|------------------|----------------|
| Revenue & Other Income Realized: | | |
| Water Rents | \$ 2,298,898 | \$ 2,403,215 |
| Miscellaneous | 227,361 | 81,040 |
| Capital Fund Balance Utilized | 175,000 | - |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriated Reserves | 285,729 | 111,488 |
| Total Income | 2,986,988 | 2,595,743 |
| Expenditures: | | |
| Operating | 2,084,216 | 2,056,457 |
| Debt Service | 287,775 | 278,171 |
| Deferred Charges & Statutory Expenditures | 120,000 | 75,000 |
| Total Expenditures | 2,491,991 | 2,409,628 |
| Excess/(Deficit) in Revenue | 494,997 | 186,115 |
| Adjustments to Income Before Fund Balance: | | |
| Surplus to Current Fund as Anticipated Revenue | (300,000) | (200,000) |
| Overexpenditure of Appropriation | - | 45,000 |
| Statutory Excess to Fund Balance | 194,997 | 31,115 |
| Fund Balance January 1 | 938,371 | 907,256 |
| Fund Balance December 31 | \$ 1,133,368 | \$ 938,371 |

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

**TOWNSHIP OF BURLINGTON
WATER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | | |
|--|---------|-------------------|
| Balance December 31, 2016 | | \$ 720,866 |
| Decreased by: | | |
| Funding of Ordinance | \$ 340 | |
| Budgeted Fund Balance in Water Operating | 175,000 | 175,340 |
| | | <hr/> |
| Balance December 31, 2017 | | <u>\$ 545,526</u> |

**STATEMENT OF REVENUES - OPERATING FUND - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | ANTICIPATED | REALIZED | EXCESS OR (DEFICIT) |
|-----------------|---------------------|---------------------|------------------------|
| Surplus | \$ 135,991 | \$ 135,991 | \$ - |
| Water Rents | 2,400,000 | 2,298,898 | (101,102) |
| Miscellaneous | 81,000 | 227,361 | 146,361 |
| Capital Surplus | 175,000 | 175,000 | - |
| | | | <hr/> |
| Total | <u>\$ 2,791,991</u> | <u>\$ 2,837,250</u> | <u>\$ 45,259</u> |

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

**TOWNSHIP OF BURLINGTON
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | <u>APPROPRIATIONS</u> | | <u>EXPENDED</u> | |
|--|-----------------------|---------------------------------|---------------------|---------------------|
| | ORIGINAL BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED |
| Operating: | | | | |
| Salaries and Wages | \$ 965,466 | \$ 965,466 | \$ 918,627 | \$ 46,839 |
| Other Expenses | 1,118,750 | 1,118,750 | 849,741 | 269,009 |
| Debt Service: | | | | |
| Payment of Bond Principal | 225,000 | 225,000 | 225,000 | - |
| Interest on Notes | 22,675 | 22,675 | 22,675 | - |
| Interest on Bonds | 40,100 | 40,100 | 40,100 | - |
| Deferred Charges: | | | | |
| Overexpenditure of Appropriations | 45,000 | 45,000 | 45,000 | - |
| Statutory Expenditures: | | | | |
| Contribution to: | | | | |
| Social Security System (O.A.S.I.) | 72,000 | 72,000 | 66,333 | 5,667 |
| Unemployment Compensation Insurance | 3,000 | 3,000 | - | 3,000 |
| Surplus General Budget | 300,000 | 300,000 | 300,000 | - |
| | <hr/> | | | |
| Total Expenditures | <u>\$ 2,791,991</u> | <u>\$ 2,791,991</u> | <u>\$ 2,467,476</u> | <u>\$ 324,515</u> |
| | | | | |
| | | | Cash Disbursed | \$ 2,414,229 |
| | | | Deferred Charges | 45,000 |
| | | | Refunds | (69,179) |
| | | | Accrued Interest | 894 |
| | | | Encumbrances | 76,532 |
| | | | <u>Total</u> | <u>\$ 2,467,476</u> |

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

**TOWNSHIP OF BURLINGTON
BOND AND COUPON ACCOUNT
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

| ASSETS | REFERENCE | <u>2017</u> | <u>2016</u> |
|--------------------------|-----------|-------------|-----------------|
| Due from Current Fund | A-14 | \$ - | \$ 1,130 |
| Total Assets | | <u>\$ -</u> | <u>\$ 1,130</u> |
| LIABILITIES | | | |
| Interest Coupons Payable | F-1 | \$ - | \$ 1,130 |
| Total Liabilities | | <u>\$ -</u> | <u>\$ 1,130</u> |

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

**TOWNSHIP OF BURLINGTON
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF ASSETS AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

| ASSETS | <u>2017</u> | <u>2016</u> |
|------------------------------------|----------------------|----------------------|
| Land & Land Improvements | \$ 1,278,200 | \$ 1,278,200 |
| Buildings | 6,403,945 | 6,403,945 |
| Equipment & Machinery | <u>8,374,520</u> | <u>7,900,286</u> |
| Total | <u>\$ 16,056,665</u> | <u>\$ 15,582,431</u> |
| | | |
| FUND BALANCE | | |
| Investment in General Fixed Assets | <u>\$ 16,056,665</u> | <u>\$ 15,582,431</u> |
| Total | <u>\$ 16,056,665</u> | <u>\$ 15,582,431</u> |

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

This page intentionally left blank.

**TOWNSHIP OF BURLINGTON
COUNTY OF BURLINGTON**

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

This page intentionally left blank.

TOWNSHIP OF BURLINGTON
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 Township of Burlington is a community of approximately 14.20 square miles located in the northern portion of Burlington County along the Delaware River. The population according to the 2010 census is 22,826.

The Township has a Mayor-Council form of government known as the Mayor-Council Plan E under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. There are seven Council Members each elected to four-year terms. The governing body consists of a mayor and a seven-member Township Council, all of whom are elected at-large in partisan elections to four-year terms in office on a staggered basis as part of the November general election. Either three or four council seats are up for vote every other year in even years, with the mayoral seat up for vote during the same cycle where three council seats are up for vote. Administrative responsibility falls under the Township.

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 Township are not presented in accordance with GAAP (as discussed below). Therefore, the Township 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 Township contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements 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 further in this note.

In accordance with the "Requirements", the Township accounts for its financial transactions through the use of separate funds, which are described as follows:

Current Fund – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds – These funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

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

Utility Operating and Capital Funds – These funds accounts for utility 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 utility to the general public be financed through user fees. Operations relating to the acquisition of capital facilities for utility purposes are recorded in the Utility Capital Fund.

Utility Assessment Fund – The Water and Sewer Assessment Trust Fund accounts for the receipt and disbursement of funds for special assessments levied on specific property owners.

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 Township.

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its Current and Utility 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 Township'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. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at. Therefore unrealized gains or losses on investments have not been recorded.

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

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

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

institution in New Jersey. Public depositories include State or federally chartered banks savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

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

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

Inventories 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 statements 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 Township has adopted a capitalization threshold of \$2,000, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. 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 Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

Utility Revenues – Utility charges are levied semi-annually 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 Townships 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 Township’s annual budget, but also the amounts required in support of the budgets of the County of Burlington, Burlington Township Fire District and Township of Burlington School District. 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 Burlington. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10th 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.

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

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

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Township of Burlington School District. Operations are charged for the full amount required to be raised from taxation to operate the local 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 Township’s annual budget protects the Township from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures – 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.

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

Note 2. Deposits and Investments

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

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township’s deposits may not be returned. Although the Township 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 Township 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 Township 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 Township’s bank balance of \$29,310,609 was insured or collateralized as follows:

| | | |
|--------------------------------|----|------------|
| Insured under FDIC and GUDPA | \$ | 17,481,113 |
| NJ Cash Management Fund | | 5,581,584 |
| Uninsured and Uncollateralized | | 6,247,912 |
| | \$ | 29,310,609 |

Investments

The Township had no investments as of December 31, 2017.

TOWNSHIP OF BURLINGTON
NOTES TO 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.

Comparison Schedule of Tax Rates

| | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|----------------------------|-----------------|-----------------|-----------------|
| Tax Rate | <u>\$ 2.941</u> | <u>\$ 3.000</u> | <u>\$ 2.948</u> |
| Apportionment of Tax Rate: | | | |
| Municipal | 0.523 | 0.513 | 0.513 |
| County General | 0.426 | 0.456 | 0.432 |
| Local School | 1.907 | 1.946 | 1.920 |
| Fire District | 0.085 | 0.085 | 0.083 |

Assessed Valuation

| <u>Year</u> | <u>Amount</u> |
|-------------|------------------|
| 2017 | \$ 2,303,668,195 |
| 2016 | 2,212,207,335 |
| 2015 | 2,192,554,551 |

Comparison of Tax Levies and Collections

| <u>Year</u> | <u>Tax Levy</u> | <u>Cash Collections</u> | <u>Percentage Of Collection</u> |
|-------------|-----------------|-------------------------|---------------------------------|
| 2017 | \$ 68,278,645 | \$ 67,327,548 | 98.60% |
| 2016 | 66,814,542 | 65,603,662 | 98.18% |
| 2015 | 65,203,508 | 64,050,579 | 98.23% |

Delinquent Taxes and Tax Title Liens

| <u>Year</u> | <u>Tax Title Liens</u> | <u>Delinquent Taxes</u> | <u>Total Delinquent</u> | <u>Percentage Of Tax Levy</u> |
|-------------|------------------------|-------------------------|-------------------------|-------------------------------|
| 2017 | \$ 611,059 | \$ 880,874 | \$ 1,491,933 | 2.19% |
| 2016 | 568,807 | 976,885 | 1,545,692 | 2.31% |
| 2015 | 525,814 | 935,292 | 1,461,106 | 2.24% |

**TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 3. Property Taxes (continued):

Number of Tax Title Liens

| <u>Year</u> | <u>Number</u> |
|-------------|---------------|
| 2017 | 34 |
| 2016 | 39 |
| 2015 | 37 |

The last tax sale was held on September 27, 2017.

Note 4: 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:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2017 | \$ 1,238,201 |
| 2016 | 1,238,201 |
| 2015 | 1,238,201 |

The Township had no properties acquired by liquidation of tax title liens as of December 31, 2017, 2016 or 2015.

Note 5: Sewer Utility Service Charges

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

| <u>Year</u> | <u>Beginning Balance</u> | <u>Levy</u> | <u>Total</u> | <u>Cash Collections</u> | <u>Percentage Of Collection</u> |
|-------------|--------------------------|--------------|--------------|-------------------------|---------------------------------|
| 2017 | \$ 594,415 | \$ 4,878,453 | \$ 5,472,868 | \$ 4,856,685 | 88.74% |
| 2016 | 538,130 | 4,805,259 | 5,343,389 | 4,748,974 | 88.87% |
| 2015 | 502,411 | 4,428,356 | 4,930,767 | 4,392,637 | 89.08% |

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 6: Water Utility Service Charges

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

| <u>Year</u> | <u>Beginning Balance</u> | <u>Levy</u> | <u>Total</u> | <u>Cash Collections</u> | <u>Percentage Of Collection</u> |
|-------------|--------------------------|--------------|--------------|-------------------------|---------------------------------|
| 2017 | \$ 302,264 | \$ 2,309,714 | \$ 2,611,978 | \$ 2,305,934 | 88.28% |
| 2016 | 284,350 | 2,426,420 | 2,710,770 | 2,408,506 | 88.84% |
| 2015 | 294,561 | 2,369,409 | 2,663,970 | 2,379,620 | 89.32% |

Note 7. Fund Balances Appropriated

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

| <u>Year</u> | <u>Balance December 31,</u> | <u>Utilized in Budget of Succeeding Year</u> | <u>Percentage of Fund Balance Used</u> |
|--------------------------------------|-----------------------------|--|--|
| Current Fund: | | | |
| 2017 | \$ 5,779,932 | \$ 3,180,000 | 55.02% |
| 2016 | 4,467,974 | 2,735,000 | 61.21% |
| 2015 | 6,204,673 | 4,160,000 | 67.05% |
| Sewer Utility Operating Fund: | | | |
| 2017 | \$ 1,623,357 | \$ - | 0.00% |
| 2016 | 626,659 | 45,767 | 7.30% |
| 2015 | 606,559 | 549,228 | 90.55% |
| Water Utility Operating Fund: | | | |
| 2017 | \$ 1,133,368 | \$ 399,952 | 35.29% |
| 2016 | 938,371 | 135,991 | 14.49% |
| 2015 | 907,256 | 119,806 | 13.21% |

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 8. Interfund Receivables, Payables and Transfers

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

| Fund | Interfund Receivable | Interfund Payable |
|------------------------------|-------------------------|----------------------|
| Current Fund | \$ 174,201 | \$ 29,087 |
| State and Federal Grant Fund | - | 51,636 |
| Animal Control Trust | - | 7,934 |
| Trust Other Fund | 29,087 | 90,247 |
| Capital Fund | - | 24,384 |
| Sewer Utility Operating Fund | - | 878,197 |
| Sewer Utility Capital Fund | 878,197 | - |
| Water Utility Operating Fund | 139,397 | - |
| Water Utility Capital Fund | - | 139,397 |
| | <u>\$ 1,220,882</u> | <u>\$ 1,220,882</u> |

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.

A summary of interfund transfers is as follows:

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

Note 9. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group 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 and Improvements | \$ 1,278,200 | \$ - | \$ - | \$ 1,278,200 |
| Buildings | 6,403,945 | - | - | 6,403,945 |
| Equipment & Machinery | 7,900,286 | 621,619 | (147,385) | 8,374,520 |
| | <u>\$ 15,582,431</u> | <u>\$ 621,619</u> | <u>\$ (147,385)</u> | <u>\$ 16,056,665</u> |

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. 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 <http://www.nj.gov/treasury/pensions/financial-reports.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:

| <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

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Pension Obligations

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

liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2017, 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 Township's contractually required contribution to PERS plan was \$684,782.

Components of Net Pension Liability - At December 31, 2017, the Township's proportionate share of the PERS net pension liability was \$17,207,197. 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 was rolled forward to June 30, 2017. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The Township's proportion measured as of June 30, 2017, was .0739191522% which was an increase of .0002852579% from its proportion measured as of June 30, 2016.

Collective Balances at December 31, 2017 and December 31, 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 | \$ 4,573,448 | \$ 6,447,956 |
| Deferred Inflows of Resources | 3,673,633 | 309,720 |
| Net Pension Liability | 17,207,197 | 21,808,247 |
| | | |
| Burlington's portion of the Plan's total net pension Liability | 0.07392% | 0.07363% |

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2017, the Township's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2017 measurement date is \$1,241,125. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$684,782 to the plan in 2017.

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

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Pension Obligations

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between Expected and Actual Experience | \$ 405,170 | \$ 3,453,948 |
| Changes of Assumptions | 3,466,657 | 219,685 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | 117,167 | - |
| Changes in Proportion and Differences between Burlington Contributions and Proportionate Share of Contributions | 584,454 | - |
| | \$ 4,573,448 | \$ 3,673,633 |

The Township 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 |

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Pension Obligations

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 | Amount |
|-----------------------|-------------------|
| <u>Dec 31,</u> | |
| 2018 | \$ 516,343 |
| 2019 | 709,047 |
| 2020 | 518,938 |
| 2021 | (306,013) |
| 2022 | <u>(538,500)</u> |
| | <u>\$ 899,815</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

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Pension Obligations

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> | |

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Pension Obligations

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 Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current rate:

| | 1% Decrease <u>(4.00%)</u> | Current Discount Rate <u>(5.00%)</u> | 1% Increase <u>(6.00%)</u> |
|--|---|---|---|
| Burlington's Proportionate Share of the Net Pension Liability | <u>\$ 21,346,696</u> | <u>\$ 17,207,197</u> | <u>\$ 13,758,482</u> |

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 <http://www.nj.gov/treasury/pensions/financial-reports.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.

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Pension Obligations

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

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 |

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 \$1,026,628.

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 Township's proportionate share of the PFRS net pension liability was \$17,908,272. 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

**TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 10. Pension Obligations

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

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 Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The Township's proportion measured as of June 30, 2017, was 0.1160007445%, which was a decrease of .0037542399% from its proportion measured as of June 30, 2016.

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 | \$ 3,044,509 | \$ 5,293,579 |
| Deferred Inflows of Resources | 3,654,358 | 363,967 |
| Net Pension Liability | 17,908,272 | 22,876,265 |
| Burlington's portion of the Plan's total net pension Liab | 0.11600% | 0.11975% |

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2017, the Township's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2017 measurement date was \$1,624,156. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$1,026,628 to the plan in 2017.

At December 31, 2017, the Township 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 | \$ 116,178 | \$ 105,107 |
| Changes of Assumptions | 2,208,289 | 2,932,851 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | 341,732 | - |
| Changes in Proportion and Differences between Burlington Contributions and Proportionate Share of Contributions | 378,310 | 616,400 |
| | <u>\$ 3,044,509</u> | <u>\$ 3,654,358</u> |

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Pension Obligations

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

The Township will amortize the above sources of deferred outflows and inflows related to PFRS 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 | - | 5.53 |
| 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 |

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Pension Obligations

B. Police and Firemen’s Retirement System (PFRS) (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 | \$ | 221,298 |
| 2019 | | 586,611 |
| 2020 | | (20,790) |
| 2021 | | (974,510) |
| 2022 | | (422,458) |
| | | <u>(609,849)</u> |
| | <u>\$</u> | <u>(609,849)</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 PFRS net pension liability attributable to the Township is \$2,005,877 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 Township was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2017 was .1160007445%, which was a decrease of .0037542399% from its proportion measured as of June 30, 2016, which is the same proportion as the Township’s. At December 31, 2017, the Township’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Pension Obligations

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

| | |
|---|----------------------|
| Burlington's Proportionate Share of Net Pension Liability | \$ 17,908,272 |
| State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Burlington | <u>2,005,877</u> |
| | <u>\$ 19,914,149</u> |

At December 31, 2017, the State's proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2017 measurement date was \$245,364.

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).

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Pension Obligations

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

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

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

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Pension Obligations

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

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.

Sensitivity of the Township’s proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township’s proportionate share of the net pension liability 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> |
|---|---|---|---|
| Burlington's Proportionate Share of the Net Pension Liability | \$ 23,595,623 | \$ 17,908,272 | \$ 13,235,466 |
| State of New Jersey's Proportionate Share of Net Pension Liability associated with the Burlington | 2,642,908 | 2,005,877 | 1,482,483 |
| | \$ 26,238,531 | \$ 19,914,149 | \$ 14,717,949 |

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

Note 11. Municipal Debt

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

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 11. Municipal Debt (continued)

| | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|----------------------|----------------------|----------------------|
| Issued: | | | |
| General: | | | |
| Bonds, Notes and Loans | \$ 13,687,309 | \$ 13,253,173 | \$ 12,079,169 |
| Utility: | | | |
| Bonds, Notes and Loans | 12,513,950 | 11,399,403 | 10,449,776 |
| | <hr/> | <hr/> | <hr/> |
| Total Debt Issued | 26,201,259 | 24,652,576 | 22,528,945 |
| | <hr/> | <hr/> | <hr/> |
| Authorized but not issued: | | | |
| General: | | | |
| Bonds, Notes and Loans | 1,464,458 | 1,042,817 | 2,819,317 |
| Utility: | | | |
| Bonds, Notes and Loans | 4,322,551 | 4,379,086 | 4,594,086 |
| | <hr/> | <hr/> | <hr/> |
| Total Authorized But Not Issued | 5,787,009 | 5,421,903 | 7,413,403 |
| | <hr/> | <hr/> | <hr/> |
| Total Gross Debt | <u>\$ 31,988,268</u> | <u>\$ 30,074,479</u> | <u>\$ 29,942,348</u> |
| | <hr/> | <hr/> | <hr/> |
| Deductions: | | | |
| General: | | | |
| Funds on Hand For Payment of Bonds and Notes: | | | |
| Reserve for Debt Service | \$ 591,575 | \$ - | \$ - |
| Utility: | | | |
| Self Liquidating Debt | 16,836,501 | 15,778,489 | 15,043,862 |
| | <hr/> | <hr/> | <hr/> |
| Total Deductions | 17,428,076 | 15,778,489 | 15,043,862 |
| | <hr/> | <hr/> | <hr/> |
| Total Net Debt | <u>\$ 14,560,192</u> | <u>\$ 14,295,990</u> | <u>\$ 14,898,486</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:

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|----------------------|-------------------|-------------------|-----------------|
| Local School Debt | \$ 26,304,000 | \$ 26,304,000 | \$ - |
| Regional School Debt | | | - |
| General Debt | 15,151,767 | 591,575 | 14,560,192 |
| Utility Debt | 16,836,501 | 16,836,501 | - |
| | <hr/> | <hr/> | <hr/> |
| | \$ 58,292,268 | \$ 43,732,076 | \$ 14,560,192 |
| | <hr/> | <hr/> | <hr/> |

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 11. Municipal Debt (continued)

Net Debt \$14,560,192 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$2,397,607,543, equals .607%. 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:

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

| | | |
|---|--------|-----------------------|
| 3 1/2% of Equalized Valuation Basis (Municipal) | \$ | 83,916,264 |
| Net Debt | | 14,560,192 |
| Remaining Borrowing Power | \$ | <u>69,356,072</u> |

Sewer Utility

Self-Liquidating Utility Calculation per N.J.S.A. 40A:2-46

| | | |
|---|----|-----------|
| Cash Receipts From Fees, Rents or Other Charges for the Year | \$ | 5,264,649 |
|---|----|-----------|

Deductions:

| | | |
|---------------------------------|----|-----------|
| Operating and Maintenance Costs | \$ | 3,995,226 |
| Debt Service | | 567,128 |

| | | |
|------------------|--|-----------|
| Total Deductions | | 4,562,354 |
|------------------|--|-----------|

| | | |
|-----------------------------|----|---------|
| Excess/(Deficit) in Revenue | \$ | 702,295 |
|-----------------------------|----|---------|

*If Excess in Revenues all Utility Debt is Deducted

Water Utility

Self-Liquidating Utility Calculation per N.J.S.A. 40A:2-46

| | | |
|---|----|-----------|
| Cash Receipts From Fees, Rents or Other Charges for the Year | \$ | 2,662,250 |
|---|----|-----------|

Deductions:

| | | |
|---------------------------------|----|-----------|
| Operating and Maintenance Costs | \$ | 2,159,216 |
| Debt Service | | 287,775 |

| | | |
|------------------|--|-----------|
| Total Deductions | | 2,446,991 |
|------------------|--|-----------|

| | | |
|-----------------------------|----|---------|
| Excess/(Deficit) in Revenue | \$ | 215,259 |
|-----------------------------|----|---------|

*If Excess in Revenues all Utility Debt is Deducted

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 11. Municipal Debt (continued)

General Debt

A. Serial Bonds Payable

On September 20, 2017, the Township issued \$7,282,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 2.00% to 3.00% and mature on September 15, 2032.

Principal and interest due on the outstanding bonds is as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|---------------------|--------------------|---------------------|
| 2018 | \$ 1,832,000 | \$ 313,684 | \$ 2,145,684 |
| 2019 | 1,395,000 | 318,438 | 1,713,438 |
| 2020 | 1,420,000 | 233,500 | 1,653,500 |
| 2021 | 1,430,000 | 207,800 | 1,637,800 |
| 2022 | 900,000 | 163,500 | 1,063,500 |
| 2023-2027 | 3,295,000 | 565,175 | 3,860,175 |
| 2028-2032 | 2,705,000 | 243,788 | 2,948,788 |
| | <u>\$12,977,000</u> | <u>\$2,045,885</u> | <u>\$15,022,885</u> |

B. Bond Anticipation Notes Payable – Short Term Debt

The Township had no bond anticipation notes outstanding in the General Capital Fund at December 31, 2017.

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2017, the Township had \$1,464,458 in various General Capital bonds and notes authorized but not issued.

D. Loans Payable

Green Trust Loan Payable

The Township finalized three loan agreements with the State of New Jersey Department of Environmental Protection.

The first loan consists of two agreements, a Trust Loan Agreement of \$300,000 to be repaid over a 20 year period at an interest rate of 2.00%, and a Fund Loan Agreement of \$300,000 to be repaid over a 20 year period at an interest rate of 2.00%. The proceeds of the loans are to provide for the acquisition and installation of residential water meters.

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 11. Municipal Debt (continued)

The second loan agreement of \$150,000 to be repaid over a 20 year period at an interest rate of 2.00% The proceeds of the loans are to provide for the development to Upper Sylvan Lake.

The third loan agreement of \$500,000 to be repaid over a 25 year period at an interest rate of 2.00% The proceeds of the loans are to provide for the development of Assiscunk Creek Park.

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|-------------------|------------------|-------------------|
| 2018 | \$ 59,886 | \$ 10,692 | \$ 70,578 |
| 2019 | 51,717 | 9,535 | 61,252 |
| 2020 | 52,755 | 8,495 | 61,250 |
| 2021 | 53,818 | 7,435 | 61,253 |
| 2022 | 54,897 | 6,353 | 61,250 |
| 2023-2027 | 276,409 | 14,763 | 291,172 |
| | <u>\$ 549,482</u> | <u>\$ 57,273</u> | <u>\$ 606,755</u> |

Dam Restoration Loan Payable

The Township finalized two loan agreements with the State of New Jersey Department of Environmental Protection.

The first loan agreement of \$852,013 to be repaid over a 20 year period at an interest rate of 2.00% The proceeds of the loans are to provide for the development to Sylvan Lake Dam.

The second loan agreement of \$46,367 to be repaid over a 20 year period at an interest rate of 2.00% The proceeds of the loans are to provide for the development to Upper Sylvan Lake and Dam restoration.

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|-------------------|-----------------|-------------------|
| 2018 | \$ 54,058 | \$ 2,948 | \$ 57,006 |
| 2019 | 55,144 | 1,861 | 57,005 |
| 2020 | 29,191 | 753 | 29,944 |
| 2021 | 2,446 | 437 | 2,883 |
| 2022 | 2,496 | 387 | 2,883 |
| 2023-2027 | 13,252 | 1,164 | 14,416 |
| 2028-2032 | 4,240 | 85 | 4,325 |
| | <u>\$ 160,827</u> | <u>\$ 7,635</u> | <u>\$ 168,462</u> |

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 11. Municipal Debt (continued)

Sewer Utility Debt

A. Serial Bonds Payable

On September 20, 2017, the Township issued \$1,699,000 of Sewer Utility Bonds. The Bonds were issued at interest rates varying from 2.00% to 3.25% and mature on September 15, 2042.

Principal and interest due on the outstanding bonds is as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|---------------------|-------------------|---------------------|
| 2018 | \$ 314,000 | \$ 85,730 | \$ 399,730 |
| 2019 | 320,000 | 77,450 | 397,450 |
| 2020 | 320,000 | 68,775 | 388,775 |
| 2021 | 325,000 | 60,150 | 385,150 |
| 2022 | 140,000 | 54,200 | 194,200 |
| 2023-2027 | 760,000 | 225,650 | 985,650 |
| 2028-2032 | 325,000 | 158,150 | 483,150 |
| 2033-2037 | 380,000 | 106,700 | 486,700 |
| 2038-2042 | 445,000 | 43,881 | 488,881 |
| | <u>\$ 3,329,000</u> | <u>\$ 880,686</u> | <u>\$ 4,209,686</u> |

B. Bond Anticipation Notes Payable – Short Term Debt

The Township had no bond anticipation notes outstanding in the Sewer Utility Capital Fund at December 31, 2017.

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2017 the Township had \$3,444,051 in various Sewer Utility bonds and notes authorized but not issued.

D. Loans Payable

New Jersey Environmental Infrastructure Trust

The Township has finalized six loan agreements with the State of New Jersey Department of Environmental Protection.

The loans consists of a Trust Loan Agreements of \$1,484,576 to be repaid over a 20 year period at interest rates ranging from 2.00% to 5.00%, and a no interest Fund Loan Agreements of \$2,768,063 to be repaid over a 20 year period. The proceeds of the loans are to provide for various sewer utility improvements.

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 11. Municipal Debt (continued)

Summary of Principal Debt

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

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|---------------------|-------------------|---------------------|
| 2018 | \$ 314,000 | \$ 85,730 | \$ 399,730 |
| 2019 | 320,000 | 77,450 | 397,450 |
| 2020 | 320,000 | 68,775 | 388,775 |
| 2021 | 325,000 | 60,150 | 385,150 |
| 2022 | 140,000 | 54,200 | 194,200 |
| 2023-2027 | 760,000 | 225,650 | 985,650 |
| 2028-2032 | 325,000 | 158,150 | 483,150 |
| 2033-2037 | 380,000 | 106,700 | 486,700 |
| 2038-2042 | 445,000.00 | 43,881.00 | 488,881.00 |
| | <u>\$ 3,329,000</u> | <u>\$ 880,686</u> | <u>\$ 4,209,686</u> |

Water Utility Debt

A. Serial Bonds Payable

On September 20, 2017, the Township issued \$4,138,000 of Water Utility Bonds. The Bonds were issued at interest rates varying from 2.00% to 3.250% and mature on September 15, 2041.

Principal and interest due on the outstanding bonds is as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|---------------------|---------------------|---------------------|
| 2018 | \$ 373,000 | \$ 146,185 | \$ 519,185 |
| 2019 | 275,000 | 138,375 | 413,375 |
| 2020 | 280,000 | 133,225 | 413,225 |
| 2021 | 285,000 | 127,625 | 412,625 |
| 2022 | 295,000 | 121,925 | 416,925 |
| 2023-2027 | 1,445,000 | 481,319 | 1,926,319 |
| 2028-2032 | 860,000 | 342,994 | 1,202,994 |
| 2033-2037 | 1,010,000 | 205,181 | 1,215,181 |
| 2038-2042 | 685,000 | 44,738 | 729,738 |
| | <u>\$ 5,508,000</u> | <u>\$ 1,741,567</u> | <u>\$ 7,249,567</u> |

B. Bond Anticipation Notes Payable – Short Term Debt

The Township had no bond anticipation notes outstanding in the Water Utility Capital Fund at December 31, 2017.

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 11. Municipal Debt (continued)

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2017 the Township had \$878,500 in various Water Utility bonds and notes authorized but not issued.

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 following deferred charges are shown on the statement of assets, liabilities, reserves and fund balances of the following funds:

| <u>Description</u> | Balance December 31, <u>2017</u> | 2018 Budget <u>Appropriation</u> | Balance to Succeeding <u>Budgets</u> |
|---|--|-------------------------------------|--|
| Current Fund: | | | |
| Special Emergency Authorizations (40A:4-55) | \$ 460,000 | \$ 115,000 | \$ 345,000 |

Note 13. Deferred School Taxes

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

| <u>Local Taxes</u> | <u>Balance, December 31,</u> | |
|----------------------------|------------------------------|---------------------|
| | <u>2017</u> | <u>2016</u> |
| Total Balance of Local Tax | \$ 21,962,670 | \$ 21,518,183 |
| Deferred Taxes | <u>18,529,165</u> | <u>18,529,165</u> |
| Local Tax Payable | <u>\$ 3,433,505</u> | <u>\$ 2,989,018</u> |

Note 14. Deferred Compensation Salary Account

The Township offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. Amounts deferred under Section 457 plans must be held in trust for the exclusive benefits of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 15. Accrued Sick, Vacation and Compensation Time

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township’s liability related to unused vacation, sick pay and compensation time. The Township 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 \$1,526,811 at December 31, 2017.

Note 16. Risk Management

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

Joint Insurance Pool

The Township is a member of the Municipal Self Insurers’ Joint Insurance Fund. The Fund provides the Township with the following coverage

- Worker’s Compensation
- General Liability
- Employer’s Liability
- Auto Liability
- Property Damage
- Auto Physical Damage
- Employee Dishonesty Liability

Contributions to the Funds are payable in two installments 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.

New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the “Reimbursement Method”. Under this plan, the Township 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 Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township’s unemployment trust fund for the current and previous two years:

| <u>Year</u> | <u>Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|-------------|----------------------|--------------------------|-----------------------|
| 2017 | \$ 40,000 | \$ 13,871 | \$ 38,162 |
| 2016 | 41,000 | 35,025 | 12,033 |
| 2015 | 5,000 | 5,245 | 6,058 |

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 17. Contingencies

Grantor Agencies

The Township 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 Township estimates that no material liabilities will result from such audits.

Litigation

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

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.

Note 18. Tax Abatements

The Township is authorized by the New Jersey Housing and Mortgage Financing Act Law of 1983, N.J.S.A. 55:14K-1 et seq. (hereinafter “HMFA Law”), and a Resolution of the Council dated March 13, 2007, to enter into property tax abatement agreements for the purpose of attracting affordable housing. The exemption of the projects from real property taxation subject to this law shall not extend beyond the date on which the Agency Mortgage is paid in full, which according to the HMFA Law, may not exceed fifty (50) years.

For the year ended December 31, 2017, the Township abated property taxes totaling \$1,365,354 under this program, including the following tax abatement agreement that exceeded 10 percent of the total, which is the percentage the Township considers to be material for purposes of individual disclosure:

| Recipient | Purpose | Amount Abated |
|------------------|--------------------|--------------------------|
| BCCAP | Affordable Housing | \$ 208,179 |
| Whitesell | Business | 780,867 |
| ACP Shoprite | Business | 274,937 |

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 19: Other Post-Employment Benefits

The Township of Burlington provides post-employment health benefits to eligible retired employees. As of December 31, 2017 an employee is eligible under the following guidelines:

CLERICAL HEALTH BENEFITS AFTER RETIREMENT (CL/CLK):

Service Retirement - Eligibility:

An employee is eligible to receive postretirement health benefits through the Burlington Township health plan by meeting the following criteria:

Retire from active employment with Burlington Township with at least 25 years of service.

For employees hired after July 1, 1997 coverage shall be for Medical only. Dental and Prescription may be carried at employee's sole cost.

Disability Retirement - Eligibility:

An employee is eligible if the employee retires with a disability pension from a state administered retirement system.

Surviving Spouse:

Not eligible for subsidized coverage.

Spouse Coverage:

For retirees hired before 7/1/1997, spouses may enroll as dependents of retirees and receive subsidized coverage. Spouses of retirees hired on or after 7/1/1997 may enroll at full cost.

Township Subsidization – Pre-65:

An employee who retires prior to fifty (50) years of age after twenty-five (25) years of service shall be entitled to have the Township pay 50% of the present limit with remainder by the retiree. An employee who retires or is retired after attaining the age of 50 and twenty-five year of service or employed by the Township of Burlington prior to 1973 shall be entitled to have the Township pay 75% of the present limit with remainder paid by the retiree. Upon reaching the age of 55 the Township will provide 100% of the present limit with the remainder paid by the retiree.

The present limit is assumed to be the cost of the plan.

Township Subsidization – Post-65:

For retirees hired before 7/1/1997, the Township will cover 50% up to \$400, whichever is less, for supplemental insurance from age 65 till death for the employee only. There is no post-65 coverage for retirees hired on or after 7/1/1997.

BLUE COLLAR HEALTH BENEFITS AFTER RETIREMENT (BC)

Service Retirement - Eligibility:

An employee is eligible to receive postretirement health benefits through the Burlington Township health plan by meeting the following criteria:

Retire from active employment with Burlington Township with at least 25 years of service.

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 19: Other Post-Employment Benefits (continued)

Disability Retirement - Eligibility:

An employee is eligible if the employee retires with a disability pension from a state administered retirement system.

Surviving Spouse:

Not eligible for subsidized coverage.

Spouse Coverage:

Spouses may enroll as dependents of retirees and receive subsidized coverage.

Township Subsidization – Pre-65:

An employee who retires prior to fifty (50) years of age after twenty-five (25) years of service shall be entitled to have the Township pay 50% of the present limit with remainder by the retiree. An employee who retires or is retired after attaining the age of 50 and twenty-five year of service or employed by the Township of Burlington prior to 1973 shall be entitled to have the Township pay 75% of the present limit with remainder paid by the retiree. Upon reaching the age of 55 the Township will provide 100% of the present limit with the remainder paid by the retiree.

The present limit is assumed to be the cost of the plan.

Township Subsidization – Post-65:

The Township will cover 50% up to \$500, whichever is less, for supplemental insurance from age 65 till death for the employee only.

POLICE OFFICERS HEALTH BENEFITS AFTER RETIREMENT (POL)

Service Retirement - Eligibility:

An employee is eligible to receive postretirement health benefits through the Burlington Township health plan by meeting the following criteria:

Retire from active employment with Burlington Township with at least 25 years of service.

For employees hired after January 1, 2002 coverage shall be for Medical only. Dental and Prescription may be carried at employee's sole cost

Disability Retirement - Eligibility:

An employee is eligible if the employee retires with a disability pension from a state administered retirement system.

Surviving Spouse:

Not eligible for subsidized coverage.

Spouse Coverage:

Spouses may enroll as dependents of retirees and receive subsidized coverage

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 19: Other Post-Employment Benefits (continued)

Township Subsidization – Pre-65:

Members not employed by Burlington Township as a Police Officer for 25 years in the Police and Fire Retirement System prior to service as a police officer or related title other than Burlington Township would receive a 2% deduction for each year of service not with Burlington Township with the Employee being responsible for this cost balance.

Township Subsidization – Post-65:

The Township will cover 50% up to \$400, whichever is less, for supplemental insurance from age 65 till death for the employee only.

HEALTH BENEFITS AFTER RETIREMENT SGTS & LTS (S/L)

Service Retirement - Eligibility:

An employee is eligible to receive postretirement health benefits through the Burlington Township health plan by meeting the following criteria:

Retire from active employment with Burlington Township with at least 25 years of service.

For employees hired after January 1, 2002 coverage shall be for Medical only. Dental and Prescription may be carried at employee's sole cost

Disability Retirement - Eligibility:

An employee is eligible if the employee retires with a disability pension from a state administered retirement system.

Surviving Spouse:

Eligible for subsidized coverage for one year following the death of the retiree.

Spouse Coverage:

Spouses may enroll as dependents of retirees and receive subsidized coverage

Township Subsidization – Pre-65:

Members not employed by Burlington Township as a Police Officer for 25 years in the Police and Fire Retirement System prior to service as a police officer or related title other than Burlington Township would receive a 2% deduction for each year of service not with Burlington Township with the Employee being responsible for this cost balance.

**Employee having at least 22 years service with Burlington Township will not be responsible for 2% deduction.

Township Subsidization – Post-65:

The Township will cover 50% up to \$400, whichever is less, for supplemental insurance from age 65 till death for the employee only.

HEALTH BENEFITS AFTER RETIREMENT ALL OTHER (OTHER)

Service Retirement - Eligibility:

An employee is eligible to receive postretirement health benefits through the Burlington Township health plan by meeting the following criteria:

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 19: Other Post-Employment Benefits (continued)

- For Pre-65 benefits, retire from active employment with Burlington Township with at least 15 years of service and have attained age 55.
- For Pre-65 and Post-65 benefits, retire from active employment with Burlington Township with at least 30 years of service and have attained age 55.

Disability Retirement - Eligibility:

An employee is eligible if the employee retires with a disability pension from a state administered retirement system.

Surviving Spouse:

Eligible for subsidized coverage.

Spouse Coverage:

Spouses may enroll as dependents of retirees and receive subsidized coverage

Township Subsidization – Pre-65:

For eligible retirees the Township covers 100%.

Township Subsidization – Post-65:

For eligible retirees the Township will cover \$5,000 for supplemental insurance for a period of 6 years. Upon the death of the Employee, the surviving spouse will remain eligible for \$2,500 benefit for the remaining years of Employee’s period of eligibility. For retirees with less than 30 years of service at retirement there is no benefit.

The Burlington Township’s annual Other Post-Employment Benefit cost is calculated based on the Annual Required Contribution. The actuarial cost method used to determine the Plan’s funding requirement is the “Unit Credit” method. Under this method, an actuarial accrued liability is determined as the present value of the earned benefits, which is allocated to service before the current plan year. The Plan is currently unfunded. The unfunded actuarial liability is amortized over thirty years. The following table shows the changes in the Township’s annual Other Post-Employment Benefit cost for the year, the amount actually contributed to the Plan and changes in their net Other Post-Employment Benefit obligation to the plan:

| | |
|---|---------------------------------|
| Annual Required Contribution | \$ 1,965,500 |
| Plus: Interest on Net Other Post-Employment Benefit | 1,202,100 |
| Less: Contributions Made | (587,000) |
| Less: Adjustment to annual required contribution | <u>(1,671,100)</u> |
| Increase in Net OPEB Obligation | 909,200 |
| Net OPEB, Beginning of Year | <u>30,053,300</u> |
| Net OPEB, End of Year | <u><u>\$ 30,962,500</u></u> |

TOWNSHIP OF BURLINGTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 19: Other Post-Employment Benefits (continued)

The Township's annual Other Post-Employment Benefit cost, the percentage of annual Other Post Employment Benefit cost contributed to the Plan, and the net Other Post Employment Benefit obligation (OPEB) for the year ending December 31, 2017 is as follows:

| YEAR ENDED | ANNUAL OPEB COST | PERCENTAGE CONTRIBUTED | NET OPEB OBLIGATION |
|------------|------------------|------------------------|---------------------|
| 12/31/17 | \$1,496,500 | 39% | \$30,962,500 |

Actuarial assumptions were used to value the post-retirement medical liabilities. Actuarial assumptions were based on the actual experience of the covered group, to the extent that creditable experience data was available, with an emphasis on expected long-term future trends rather than giving undue weight to recent past experience. The reasonableness of each actuarial assumption was considered independently based on its own merits, its consistency with each other assumption, and the combined impact of all assumptions.

Two economic assumptions used in the valuation are the discount rate and the health care cost trend rates. The economic assumptions are used to account for changes in the cost of benefits over time and to discount future benefit payments for the time value of money.

The investment return assumption (discount rate) should be the estimated long-term investment yield on the investments that are expected to be used to finance the payments of benefits. The investments expected to be used to finance the payments of benefits would be plan assets for funded plans, assets of the employer for pay-as-you-go plans, or a proportionate combination of the two for plans that being partially funded. The discount rate chosen by the Township is 4.0 percent for purposes of developing the liabilities and Annual Required Contribution on the basis that the Plan would not be funded. The Township assumed health care costs would increase annually at the rate of 8.0% for the first year, decreasing by 0.5% per year through year 7 to 5.0% thereafter.

The Township of Burlington currently has twenty-four eligible retired employees receiving retirement benefits. The net Other Post-Employment Benefit obligation to the Township to provide benefits to the retiree for the year ended December 31, 2017 was \$30,962,500.

This page intentionally left blank.

SUPPLEMENTARY EXHIBITS

This page intentionally left blank.

CURRENT FUND

This page intentionally left blank.

**TOWNSHIP OF BURLINGTON
CURRENT FUND
SCHEDULE OF CURRENT CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | | | |
|---|----|------------|----------------------|
| Balance December 31, 2016: | | | |
| Current Fund | \$ | 10,331,737 | |
| Federal & State Grants Fund | | 274,586 | \$ 10,606,323 |
| | | | |
| Increased by Receipts: | | | |
| Tax Collector | | 68,098,586 | |
| Homestead Rebate | | 578,430 | |
| Due From State of New Jersey for Senior Citizens' & Veterans' Deductions | | 176,179 | |
| 2017 Budget Appropriation Refunds | | 600,083 | |
| Tax Title Liens | | 6,295 | |
| Revenue Accounts Receivable | | 7,740,690 | |
| Miscellaneous Revenue Not Anticipated | | 542,678 | |
| Self Insurance | | 200,000 | |
| Due State of New Jersey | | 75,130 | |
| Interfunds Liquidated | | 36,437 | |
| Federal & State Grants Receivable | | 106,116 | |
| Federal & State Grants Unappropriated | | 46,814 | 78,207,438 |
| | | | |
| Subtotal | | | 88,813,761 |
| Decreased by Disbursements: | | | |
| 2017 Budget Appropriations | | 20,368,377 | |
| Local District School Taxes Payable | | 43,480,857 | |
| County Share of Added & Omitted Taxes | | 61,119 | |
| Special District Taxes Payable | | 1,948,000 | |
| County Taxes Payable | | 9,800,329 | |
| Tax Overpayments | | 59,786 | |
| 2016 Appropriation Reserves | | 745,603 | |
| Refunds | | 208,939 | |
| Reserve for Revaluation | | 85,571 | |
| Interfund Payables | | 13,784 | |
| Due State of New Jersey | | 106,484 | |
| Interfund Liquidated- State and Federal Grant | | 5,000 | |
| Appropriated Reserves: | | | |
| State & Federal Grants | | 117,648 | 77,001,497 |
| | | | |
| Balance December 31, 2017: | | | |
| Current Fund | | 11,507,396 | |
| Federal & State Grants Fund | | 304,868 | |
| | | | |
| Total | | | <u>\$ 11,812,264</u> |

**TOWNSHIP OF BURLINGTON
CURRENT FUND
SCHEDULE OF CURRENT CASH - COLLECTOR
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

| | | |
|---|---------------|---------------------|
| Balance December 31, 2016 | | \$ 284,011 |
| Increased by Receipts: | | |
| Property Taxes Receivable | \$ 66,666,494 | |
| Tax Title Liens | 6,295 | |
| 2017 Taxes Prepaid | 2,098,128 | |
| Tax Overpayments | 141,741 | |
| Interest on Investments | 39,494 | |
| Miscellaneous Revenue | 100,672 | |
| Interest & Costs on Taxes & Assessments | 186,624 | |
| Transfer from TTL | 100,345 | 69,339,793 |
| | | |
| Subtotal | | 69,623,804 |
| Decreased by Disbursements: | | |
| Payment to Treasurer | | <u>68,098,586</u> |
| Balance December 31, 2017 | | <u>\$ 1,525,218</u> |

**SCHEDULE OF CHANGE FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

| OFFICE | <u>2017</u> | <u>2016</u> |
|------------------------|---------------|---------------|
| Collector | \$ 350 | \$ 350 |
| Township Clerk | 75 | 75 |
| Municipal Court | 100 | 100 |
| Licenses & Inspections | 100 | 100 |
| Planning & Zoning | 25 | 25 |
| | | |
| Total | <u>\$ 650</u> | <u>\$ 650</u> |

**TOWNSHIP OF BURLINGTON
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEARS ENDED DECEMBER 31, 2017**

| YEAR | BALANCE DECEMBER 31, 2016 | 2017 LEVY | ADDED TAXES | COLLECTED | | CANCELED | OVERPAYMENTS APPLIED | TRANSFER TO ARREARS | TRANSFER TO TAX TITLE LIENS | BALANCE DECEMBER 31, 2017 |
|---------|---------------------------------|---------------|----------------|------------|---------------|-----------|-------------------------|------------------------|-----------------------------------|---------------------------------|
| | | | | 2016 | 2017 | | | | | |
| Arrears | \$ 54,871 | \$ - | \$ 16 | \$ - | \$ - | \$ - | \$ - | \$ (15,279) | \$ - | \$ 39,608 |
| 2011 | 1,622 | - | - | - | - | - | 8,761 | 8,761 | - | 1,622 |
| 2012 | 1,736 | - | - | - | - | - | 12,760 | 12,760 | - | 1,736 |
| 2013 | 153 | - | - | - | - | - | 3,384 | 3,384 | - | 153 |
| 2014 | 156 | - | - | - | - | - | 350 | 350 | - | 156 |
| 2015 | 6,734 | - | - | - | 6,572 | - | - | - | - | 162 |
| 2016 | 911,613 | - | 9,467 | - | 902,133 | 8,806 | - | (9,976) | - | 165 |
| Total | 976,885 | - | 9,483 | - | 908,705 | 8,806 | 25,255 | - | - | 43,602 |
| 2017 | - | 67,751,955 | 526,690 | 520,603 | 66,806,945 | 70,869 | - | - | 42,956 | 837,272 |
| Total | \$ 976,885 | \$ 67,751,955 | \$ 536,173 | \$ 520,603 | \$ 67,715,650 | \$ 79,675 | \$ 25,255 | \$ - | \$ 42,956 | \$ 880,874 |

| | |
|--------------------------------------|----------------------|
| Cash Receipts | \$ 67,244,924 |
| Tax Overpayments | 303,162 |
| Senior Citizens & Veterans Deduction | 167,564 |
| Total | <u>\$ 67,715,650</u> |

ANALYSIS OF 2017 PROPERTY TAX LEVY

| | |
|---------------------------------------|----------------------|
| General Purpose Tax | \$ 67,751,955 |
| Added & Omitted Taxes (54:4-6 et seq) | <u>526,690</u> |
| Total | <u>\$ 68,278,645</u> |
| TAX LEVY: | |
| Local District School Tax | \$ 43,925,344 |
| General County Tax | 8,085,520 |
| County Library Tax | 747,124 |
| County Open Space | 967,685 |
| Special District Taxes | 1,948,000 |
| Due County for Added & Omitted Taxes | 76,929 |
| Local Tax for Municipal Purposes | \$ 12,048,962 |
| Add: Additional Taxes Levied | <u>479,081</u> |
| Total | <u>\$ 68,278,645</u> |

**TOWNSHIP OF BURLINGTON
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | | |
|---------------------------------|----------|--------------------------|
| Balance December 31, 2016 | | \$ 568,807 |
| Increased by: | | |
| Interest & Costs | \$ 2,034 | |
| Municipal Adjustments | 3,557 | |
| Transfers from Taxes Receivable | 42,956 | 48,547 |
| | | <hr/> |
| Subtotal | | 617,354 |
| Decreased by: | | |
| Redemptions | | 6,295 |
| | | <hr/> |
| Balance December 31, 2017 | | <u><u>\$ 611,059</u></u> |

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | |
|----------------------------------|----------------------------|
| Balance December 31, 2017 & 2016 | <u><u>\$ 1,238,201</u></u> |
|----------------------------------|----------------------------|

**TOWNSHIP OF BURLINGTON
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | BALANCE DECEMBER 31, 2016 | ACCRUED IN 2017 | COLLECTED 2017 | BALANCE DECEMBER 31, 2017 |
|---|---------------------------------|--------------------|-------------------|---------------------------------|
| Clerk: | | | | |
| Licenses: | | | | |
| Alcoholic Beverages | \$ - | \$ 15,000 | \$ 15,000 | \$ - |
| Other | - | 17,989 | 17,989 | - |
| Fees & Permits: | | | | |
| Construction Code | - | 782,080 | 782,080 | - |
| Other | - | 130,760 | 130,760 | - |
| Municipal Court - Fines & Costs | 40,605 | 505,564 | 513,279 | 32,890 |
| Interest & Costs on Taxes | - | 210,411 | 210,411 | - |
| Interest on Investments & Deposits | - | 87,083 | 87,083 | - |
| Assiscunk Facility Fees | - | 9,387 | 9,387 | - |
| Recreation Fees | - | 76,702 | 76,702 | - |
| Energy Receipts Tax | - | 4,587,305 | 4,587,305 | - |
| Interlocal Services Agreement - Sale of Gasoline | - | 158,825 | 158,825 | - |
| Interlocal Services Agreement - Court Services | - | 397,953 | 397,953 | - |
| Cell Tower Rental | - | 264,327 | 264,327 | - |
| Capital Surplus | - | 300,000 | 300,000 | - |
| Utility Operating Surplus of Prior Year - Utility | - | 400,000 | 400,000 | - |
| | <hr/> | | | |
| Total | \$ 40,605 | \$ 7,943,386 | \$ 7,951,101 | \$ 32,890 |
| | <hr/> | | | |
| | | | \$ 7,740,690 | |
| | | | 210,411 | |
| | | | <hr/> | |
| | | | \$ 7,951,101 | |
| | | | <hr/> | |

**TOWNSHIP OF BURLINGTON
CURRENT FUND
SCHEDULE OF INTERFUNDS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | TOTAL | DOG TRUST FUND | TRUST FUNDS | GRANT FUND | GENERAL CAPITAL FUND |
|---------------------------|------------|----------------------|----------------|---------------|----------------------------|
| Balance December 31, 2016 | \$ 74,416 | \$ 9,484 | \$ 1,010 | \$ 56,636 | \$ 7,286 |
| Increased by: | | | | | |
| Interfund Advances | 113,906 | - | 89,522 | - | 24,384 |
| Excess Reserve | 7,934 | 7,934 | - | - | - |
| Subtotal | 196,256 | 17,418 | 90,532 | 56,636 | 31,670 |
| Decreased by: | | | | | |
| Interfunds Liquidated | 22,055 | 9,484 | 285 | 5,000 | 7,286 |
| Balance December 31, 2017 | \$ 174,201 | \$ 7,934 | \$ 90,247 | \$ 51,636 | \$ 24,384 |

**SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | BALANCE DECEMBER 31, 2016 | 2017 REVENUE REALIZED | RECEIVED | TRANSFERRED FROM UNAPPROPRIATED | BALANCE DECEMBER 31, 2017 |
|---|---------------------------------|-----------------------------|------------|---------------------------------------|---------------------------------|
| Municipal Alliance Grant on Alcoholism & Drug Abuse: | | | | | |
| 2015 | \$ 2,603 | \$ - | \$ 2,603 | \$ - | \$ - |
| 2016 | 15,696 | - | 3,099 | - | 12,597 |
| Emergency Management Grant | - | 12,000 | - | 12,000 | - |
| Click it or Ticket it | - | 9,102 | 5,500 | 3,602 | - |
| Clean Communities | - | 44,045 | 44,045 | - | - |
| Bullet Proof Vest Program | - | 4,012 | 3,518 | 494 | - |
| Recycling Tonnage Grant | - | 37,631 | 32,236 | 5,395 | - |
| Body Armor Replacement | - | 8,145 | 4,115 | 4,030 | - |
| Drive Sober or Get Pulled Over | - | 5,500 | 5,500 | - | - |
| Distracted Driver Crackdown | - | 5,500 | 5,500 | - | - |
| Total Grant Funds | \$ 18,299 | \$ 125,935 | \$ 106,116 | \$ 25,521 | \$ 12,597 |

**TOWNSHIP OF BURLINGTON
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | 2016 ENCUMBRANCES PAYABLE | 2016 RESERVE BALANCE | RESERVE BALANCE AFTER TRANSFERS | PAID OR CHARGED | BALANCE LAPSED |
|--|---------------------------------|----------------------------|--|-----------------------|-------------------|
| General Government: | | | | | |
| Township Council: | | | | | |
| Other Expenses | 7,482 | 4,280 | 11,762 | 504 | 11,258 |
| Human Resources: | | | | | |
| Other Expenses | - | 600 | 600 | - | 600 |
| Mayor & Council: | | | | | |
| Other Expenses | - | 245 | 245 | - | 245 |
| Municipal Clerk: | | | | | |
| Salaries and Wages | - | 3,231 | 3,231 | 1,280 | 1,951 |
| Other Expenses | 1,927 | 20,188 | 22,115 | 2,128 | 19,987 |
| Financial Administration (Treasurer): | | | | | |
| Salaries and Wages | - | 7,351 | 7,351 | 307 | 7,044 |
| Other Expenses | 244 | 578 | 822 | 455 | 367 |
| Revenue Administration (Tax Collection): | | | | | |
| Salaries and Wages | - | 4,756 | 4,756 | 1,974 | 2,782 |
| Other Expenses | - | 18,209 | 18,209 | 6,160 | 12,049 |
| Tax Assessment Administration/County Board of Taxation: | | | | | |
| Other Expenses | 8,890 | 30,354 | 19,244 | 14,019 | 5,225 |
| Office of Township Administrator: | | | | | |
| Salaries and Wages | - | 1,931 | 1,931 | - | 1,931 |
| Other Expenses | - | 20,388 | 97,388 | 38,440 | 58,948 |
| Special Township Council: | | | | | |
| Other Expenses | - | 2,243 | 2,243 | - | 2,243 |
| Office of Purchasing Agent: | | | | | |
| Other Expenses | - | 2,717 | 2,717 | - | 2,717 |
| Engineering Services: | | | | | |
| Salaries and Wages | - | 1,680 | 1,680 | 560 | 1,120 |
| Other Expenses | 7,280 | 10,290 | 17,570 | 5,964 | 11,606 |
| Land Use Administration: | | | | | |
| Planning Board: | | | | | |
| Other Expenses | 161 | 43,099 | 43,260 | 903 | 42,357 |
| Zoning Board of Adjustment: | | | | | |
| Other Expenses | 82 | 14,524 | 14,606 | 88 | 14,518 |
| Office of Affordable Housing: | | | | | |
| Other Expenses | - | 23,488 | 3,488 | 994 | 2,494 |
| Insurance: | | | | | |
| Liability Insurance | - | 21,697 | 21,697 | 6,750 | 14,947 |
| Workmen's Compensation | - | 25,266 | 25,266 | 25,011 | 255 |
| Group Insurance Plans - Employees | - | 494,779 | 435,959 | 29,941 | 406,018 |
| Public Safety Functions: | | | | | |
| Police: | | | | | |
| Salaries and Wages | - | 215,986 | 215,986 | 32,366 | 183,620 |
| Other Expenses | 104,449 | 48,593 | 153,042 | 151,587 | 1,455 |
| First Aid Organization - Contribution | - | 52,000 | 52,000 | 52,000 | - |
| Office of Emergency Management: | | | | | |
| Salaries and Wages | - | 9,746 | 9,746 | - | 9,746 |
| Office of Prosecutor: | | | | | |
| Other Expenses | - | 2,500 | 2,500 | - | 2,500 |

**TOWNSHIP OF BURLINGTON
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | 2016 ENCUMBRANCES PAYABLE | 2016 RESERVE BALANCE | RESERVE BALANCE AFTER TRANSFERS | PAID OR CHARGED | BALANCE LAPSED |
|---|---------------------------------|----------------------------|--|-----------------------|-------------------|
| Public Works Functions: | | | | | |
| Road Repairs & Maintenance: | | | | | |
| Salaries and Wages | - | 65,453 | 65,453 | 9,788 | 55,665 |
| Other Expenses | 10,986 | 41,630 | 52,616 | 17,807 | 34,809 |
| Weed Control: | | | | | |
| Other Expenses | 3,013 | 2,782 | 5,795 | 3,786 | 2,009 |
| Environmental Commission (N.J.S.40:56A-1): | | | | | |
| Other Expenses | - | 300 | 300 | - | 300 |
| Office of Public Work Superintendent: | | | | | |
| Salaries and Wages | - | 326 | 326 | 140 | 186 |
| Other Expenses | 104 | 540 | 644 | 304 | 340 |
| Traffic Lights: | | | | | |
| Other Expenses | 850 | 23,790 | 24,640 | 1,722 | 22,918 |
| Garbage & Trash Removal: | | | | | |
| Salaries and Wages | | 15,137 | 15,137 | 4,362 | 10,775 |
| Other Expenses | 6,629 | 161,443 | 168,072 | 99,527 | 68,545 |
| Condominium Service Law | | 48,766 | 48,766 | - | 48,766 |
| Apartment Trash Contribution: | | | | | |
| Other Expenses | - | 6,019 | 22,619 | 22,605 | 14 |
| Buildings & Grounds: | | | | | |
| Salaries and Wages | - | 1,623 | 1,623 | - | 1,623 |
| Other Expenses | 526 | 17,560 | 18,086 | 6,028 | 12,058 |
| Recycling: | | | | | |
| Other Expenses | 3,523 | 3,842 | 7,365 | 3,553 | 3,812 |
| Health and Welfare: | | | | | |
| Mayor Safety Advisory Committee: | | | | | |
| Other Expenses | - | 526 | 526 | - | 526 |
| Animal Control Services: | | | | | |
| Other Expenses | - | 6,912 | 6,912 | - | 6,912 |
| Park & Recreation Functions: | | | | | |
| Board of Recreation Commissioners: | | | | | |
| Salaries and Wages | - | 70,544 | 70,544 | 5,589 | 64,955 |
| Other Expenses | 21,090 | 6,620 | 27,710 | 27,544 | 166 |
| Utility Expenses & Bulk Purchases: | | | | | |
| Electricity | 8,229 | 73,006 | 81,235 | 35,725 | 45,510 |
| Street Lighting | 23,000 | 46,146 | 69,146 | 46,799 | 22,347 |
| Telephone (Excluding Equipment Acquisition) | - | 16,069 | 16,069 | 394 | 15,675 |
| Gasoline | 15,749 | 188,728 | 204,477 | 22,217 | 182,260 |
| Construction Code Official: | | | | | |
| Salaries and Wages | | 14,925 | 14,925 | 1,102 | 13,823 |
| Other Expenses | 37,061 | 12,624 | 49,685 | 37,528 | 12,157 |
| Municipal Court: | | | | | |
| Salaries and Wages | - | 2,917 | 7,917 | 7,368 | 549 |
| Other Expenses | 1,593 | 5,705 | 7,298 | 4,105 | 3,193 |
| Public Defender: | | | | | |
| Other Expenses | - | 1,417 | 1,417 | 1,417 | - |

**TOWNSHIP OF BURLINGTON
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | 2016 ENCUMBRANCES PAYABLE | 2016 RESERVE BALANCE | RESERVE BALANCE AFTER TRANSFERS | PAID OR CHARGED | BALANCE LAPSED |
|---|---------------------------------|----------------------------|--|-----------------------|-------------------|
| Unclassified: | | | | | |
| Celebration of Public Event, Anniversary or Holiday: Other Expenses | - | 2,076 | 2,296 | 2,293 | 3 |
| Commission on Aging: Other Expenses | - | 1,918 | 1,918 | 1,900 | 18 |
| Statutory Expenditures: | | | | | |
| DCRP | - | 918 | 918 | - | 918 |
| Social Security System | - | 36,323 | 36,323 | - | 36,323 |
| Police & Fireman's Retirement | - | 5,000 | 5,000 | - | 5,000 |
| Other: | | | | | |
| Aid to Library | - | 7,500 | 7,500 | 7,500 | - |
| Matching Funds for Grants | - | 5,000 | 5,000 | - | 5,000 |
| Interlocal Municipal Service Agreements: | | | | | |
| Gasoline Purchase Burlington City | - | 52,585 | 52,585 | 3,069 | 49,516 |
| <hr/> | | | | | |
| Total General Appropriations | \$ 262,868 | \$ 2,027,389 | \$ 2,290,257 | \$ 745,603 | \$ 1,544,654 |

**TOWNSHIP OF BURLINGTON
CURRENT FUND
SCHEDULE OF INTERFUNDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | TOTAL | TRUST OTHER | RECREATION | BOND & COUPON FUND |
|---------------------------|------------------|-------------|------------------|--------------------------|
| Balance December 31, 2016 | \$ 214,126 | \$ 212,996 | \$ - | \$ 1,130 |
| Increased by: | | | | |
| Interfunds Created | 29,087 | - | 29,087 | - |
| Decreased by: | | | | |
| Interest | 12,749 | 12,749 | - | - |
| Interfunds Liquidated | 201,377 | 200,247 | - | 1,130 |
| Balance December 31, 2017 | <u>\$ 29,087</u> | <u>\$ -</u> | <u>\$ 29,087</u> | <u>\$ -</u> |

**SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | |
|---------------------------|--------------------|
| Balance December 31, 2016 | \$ - |
| 2017 Tax Levy: | |
| County Tax | 8,085,520 |
| County Open Space | 967,685 |
| County Library Tax | 747,124 |
| Total Tax Levy | <u>9,800,329</u> |
| Decreased by: | |
| Payments | <u>9,800,329</u> |
| Balance December 31, 2017 | <u><u>\$ -</u></u> |

**TOWNSHIP OF BURLINGTON
CURRENT FUND
SCHEDULE OF DUE COUNTY FOR ADDED AND OMITTED TAXES
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | | |
|---|----|----------------------|
| Balance December 31, 2016 | \$ | 61,119 |
| Increased by County Share of Levy: | | |
| Added & Omitted Taxes (R.S.54:4-63.1 et seq.) | | <u>76,929</u> |
| Subtotal | | 138,048 |
| Decreased by: | | |
| Payment of 2016 Added Taxes | | <u>61,119</u> |
| Balance December 31, 2017 | \$ | <u><u>76,929</u></u> |

**SCHEDULE OF SPECIAL DISTRICT TAXES
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | | |
|---------------------------------|----|------------------|
| Balance December 31, 2016 | \$ | 14,790 |
| Increased by: | | |
| 2017 Levy - Fire District No. 1 | | <u>1,948,000</u> |
| Subtotal | | 1,962,790 |
| Decreased by: | | |
| Payment in 2017 | \$ | 1,948,000 |
| Cancelled | | <u>14,790</u> |
| | | <u>1,962,790</u> |
| Balance December 31, 2017 | \$ | <u><u>-</u></u> |

**TOWNSHIP OF BURLINGTON
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | | | |
|--|----|------------|---------------------------|
| Balance December 31, 2016: | | | |
| School Tax Payable | \$ | 2,989,018 | |
| School Tax Deferred | | 18,529,165 | \$ 21,518,183 |
| | | | <hr/> |
| Increased by: | | | |
| Levy - School Year July 1, 2017 to June 30, 2018 | | | <hr/> 43,925,344 |
| Subtotal | | | 65,443,527 |
| Decreased by: | | | |
| Payments to Board of Education | | | <hr/> 43,480,857 |
| Balance December 31, 2017: | | | 21,962,670 |
| School Tax Payable | | 3,433,505 | |
| School Tax Deferred | | 18,529,165 | |
| | | | <hr/> |
| Total | | | <hr/> <hr/> \$ 21,962,670 |
| 2017 Liability for Local District School Tax: | | | |
| Tax Paid | \$ | 43,480,857 | |
| Taxes Payable December 31, 2017 | | 3,433,505 | |
| | | | <hr/> |
| Total | | | 46,914,362 |
| Less: Tax Payable, December 31, 2017 | | | <hr/> 2,989,018 |
| Amount Charged to 2017 Operations | | | <hr/> <hr/> \$ 43,925,344 |

**TOWNSHIP OF BURLINGTON
CURRENT FUND
SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | BALANCE DECEMBER 31, 2016 | UTILIZED AS ANTICIPATED REVENUE | CASH RECEIPTS | BALANCE DECEMBER 31, 2017 |
|--------------------------------|---------------------------------|---------------------------------------|------------------|---------------------------------|
| Body Armor Replacement Grant | \$ 4,029 | \$ 4,029 | \$ - | \$ - |
| Click It or Ticket | 3,602 | 3,602 | - | - |
| Emergency Management Grant | 12,000 | 12,000 | - | - |
| Bullet Proof Vest Grant | 494 | 494 | - | - |
| Drive Sober or Get Pulled Over | - | - | 5,000 | 5,000 |
| Recycling Tonnage | 5,395 | 5,395 | 41,814 | 41,814 |
| Total | \$ 25,520 | \$ 25,520 | \$ 46,814 | \$ 46,814 |

**SCHEDULE OF RESERVES FOR GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | BALANCE DECEMBER 31, 2016 | 2017 BUDGET APPROPRIATION | ENCUMBRANCES RECLASSIFIED | EXPENDED | BALANCE DECEMBER 31, 2017 |
|---|---------------------------------|------------------------------|------------------------------|-------------------|---------------------------------|
| Municipal Alliance Grant on Alcoholism & Drug Abuse: | | | | | |
| 2014 | \$ 3,270 | \$ - | \$ - | \$ 3,270 | \$ - |
| 2015 | 7,617 | - | - | 2,833 | 4,784 |
| Click it or Ticket it | - | 9,102 | - | - | 9,102 |
| Drunk Driving Enforcement Fund | 14,570 | - | - | 5,288 | 9,282 |
| COPS in Shops | 12,515 | - | - | - | 12,515 |
| Alcohol Education & Rehabilitation Fund | 4,201 | - | - | - | 4,201 |
| Byrne Justice Assistance Grant | 16,758 | - | - | - | 16,758 |
| Clean Communities Fund | 44,619 | 44,045 | - | 42,429 | 46,235 |
| Bullet Proof Vest Program | 1,965 | 4,012 | - | 5,111 | 866 |
| Body Armor Replacement Grant | 687 | 8,145 | - | 7,666 | 1,166 |
| Recycling Tonnage | 64,873 | 37,631 | - | 54,082 | 48,422 |
| Emergency Management | 8,654 | 12,000 | - | 9,746 | 10,908 |
| Police Emergency Management | 29,000 | - | - | - | 29,000 |
| Walmart | 2,000 | - | - | - | 2,000 |
| Drive Sober or Get Pulled Over | - | 5,500 | - | - | 5,500 |
| Distracted Driver Crackdown | - | 5,500 | - | - | 5,500 |
| Total | \$ 210,729 | \$ 125,935 | \$ - | \$ 130,425 | \$ 206,239 |
| | | | | \$ 117,648 | |
| | | | | 12,777 | |
| | | | | <u>\$ 130,425</u> | |

This page intentionally left blank.

TRUST FUND

This page intentionally left blank.

**TOWNSHIP OF BURLINGTON
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | ANIMAL CONTROL | OTHER TRUST |
|---------------------------------|----------------|--------------|
| Balance December 31, 2016 | \$ 48,548 | \$ 6,491,117 |
| Increased by Receipts: | | |
| Escrow Deposits | \$ - | \$ 442,627 |
| Reserves For: | | |
| Recreation Expenditures | - | 50,221 |
| NJ Unemployment Trust Funds | - | 40,000 |
| Self Insurance Fund | - | 2,537 |
| Miscellaneous Trust Items | - | 1,253,243 |
| Special Law Enforcement Funds | - | 19,312 |
| Tax Sale Premiums | - | 744,000 |
| Net Payroll | - | 11,053,155 |
| Payroll Taxes Payable | - | 1,109,690 |
| Dog License Fees | 11,555 | - |
| Prepaid Licenses | 3,810 | - |
| Due State of NJ | 1,973 | - |
| Interfunds | - | 15,201 |
| | | |
| Total Increases | 17,338 | 14,729,986 |
| Total Increases & Balances | 65,886 | 21,221,103 |
| Decreased by Disbursements: | | |
| Reserve for Animal Control Fund | | |
| Expenditures | 4,961 | - |
| Reserves For: | | |
| NJ Unemployment Trust Funds | - | 13,871 |
| Recreation Expenditures | - | 238,725 |
| Miscellaneous Trust Items | - | 408,741 |
| Special Law Enforcement | - | 10,090 |
| Tax Sale Premiums | - | 469,600 |
| Net Payroll | - | 11,053,155 |
| Payroll Taxes Payable | - | 1,189,641 |
| Escrow Deposits | - | 1,570,084 |
| Due State of NJ | 2,057 | - |
| Interfunds | 9,484 | 285 |
| | | |
| Total Disbursements | 16,502 | 14,954,192 |
| Balance December 31, 2017 | \$ 49,384 | \$ 6,266,911 |

**TOWNSHIP OF BURLINGTON
TRUST FUND
SCHEDULE OF TRUST FUND CASH - COLLECTOR
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | | |
|--|------------|------------|
| Balance December 31, 2016 | | \$ 155,503 |
| Increased by Receipts: | | |
| Deposits for Redemption of Tax Sale Certificates | | 582,976 |
| Subtotal | | 738,479 |
| Decreased by Disbursements: | | |
| Deposits for Redemption of Tax Sale Certificates | \$ 565,009 | |
| Allocation of Collector Cash | 100,345 | 665,354 |
| Balance December 31, 2017 | | \$ 73,125 |

**SCHEDULE OF ASSESSMENTS DEFERRED PER CHAPTER 341, P.L. 1975
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

| IMPROVEMENT DESCRIPTION | BALANCE DECEMBER 31, 2017 & 2016 |
|-------------------------|--|
| Park & Neck Road Curbs | \$ 1,988 |

**SCHEDULE OF RESERVES FOR ASSESSMENTS - TRUST FUND
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

| DESCRIPTION | BALANCE DECEMBER 31, 2017 & 2016 |
|------------------------|--|
| Assessments Deferred: | |
| Park & Neck Road Curbs | \$ 1,988 |

**TOWNSHIP OF BURLINGTON
TRUST FUND
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | | | |
|------------------------------------|----|--------|--------|
| Balance December 31, 2016 | | \$ | 34,693 |
| Increased by: | | | |
| Dog License Fees | \$ | 16,086 | |
| Interest | | 463 | |
| Late Fees | | 1,350 | 17,899 |
| | | | |
| Total | | | 52,592 |
| Decreased by: | | | |
| Excess funds due to Current Fund | | 7,934 | |
| Animal Control Expenditures | | 4,961 | |
| Expenditures Under R.S. 4:19-15.11 | | 2,057 | 14,952 |
| | | | |
| Balance December 31, 2017 | | \$ | 37,640 |

LICENSE FEES COLLECTED

| YEAR | AMOUNT |
|-------|-----------|
| 2015 | \$ 19,290 |
| 2016 | 18,350 |
| | |
| Total | \$ 37,640 |

**TOWNSHIP OF BURLINGTON
TRUST FUND
SCHEDULE OF ESCROW DEPOSITS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | |
|----------------------------------|--------------------------|
| Balance December 31, 2016 | \$ 1,933,804 |
| Increased by: | |
| Escrow Deposits Received in 2017 | <u>442,627</u> |
| Subtotal | 2,376,431 |
| Decreased by: | |
| Disbursements | <u>1,570,084</u> |
| Balance December 31, 2017 | <u><u>\$ 806,347</u></u> |

**SCHEDULE OF RESERVE FOR RECREATIONAL EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | |
|---------------------------------------|--------------------------|
| Balance December 31, 2016 | \$ 235,576 |
| Increased by: | |
| Deposits | <u>79,592</u> |
| Subtotal | 315,168 |
| Decreased by: | |
| Disbursements for Recreation Purposes | <u>63,725</u> |
| Balance December 31, 2017 | <u><u>\$ 251,443</u></u> |

**SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | |
|---|--------------------------|
| Balance December 31, 2016 | \$ 814,000 |
| Increased by Receipts: | |
| Deposits for Redemption of Tax Sale Premiums | <u>744,000</u> |
| Subtotal | 1,558,000 |
| Decreased by Disbursements: | |
| Adjustment to Premiums | \$ 287,600 |
| Disbursements for Redemption of Tax Sale Premiums | <u>469,600</u> |
| Balance December 31, 2017 | <u><u>\$ 800,800</u></u> |

**TOWNSHIP OF BURLINGTON
TRUST FUND
SCHEDULE OF RESERVE FOR NEW JERSEY UNEMPLOYMENT COMPENSATION
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | |
|---------------------------|-------------------------|
| Balance December 31, 2016 | \$ 12,033 |
| Increased by: | |
| Contributions | <u>40,000</u> |
| Subtotal | 52,033 |
| Decreased by: | |
| Payments to State | <u>13,871</u> |
| Balance December 31, 2017 | <u><u>\$ 38,162</u></u> |

**SCHEDULE OF RESERVE FOR RECREATION CAPITAL IMPROVEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | |
|----------------------------|-------------------------|
| Balance December 31, 2016 | \$ 251,613 |
| Decreased by: | |
| Funding Capital Ordinances | <u>175,000</u> |
| Balance December 31, 2017 | <u><u>\$ 76,613</u></u> |

**SCHEDULE OF RESERVE FOR SPECIAL LAW ENFORCEMENT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | |
|---------------------------|-------------------------|
| Balance December 31, 2016 | \$ 19,292 |
| Increased by: | |
| Receipts | <u>19,312</u> |
| Subtotal | 38,604 |
| Decreased by: | |
| Disbursed | <u>10,090</u> |
| Balance December 31, 2017 | <u><u>\$ 28,514</u></u> |

**TOWNSHIP OF BURLINGTON
SCHEDULE OF MISCELLANEOUS TRUST ITEMS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | BALANCE DECEMBER 31, 2016 | RECEIVED IN 2017 | DISBURSED IN 2017 | BALANCE DECEMBER 31, 2017 |
|--|---------------------------------|---------------------|----------------------|---------------------------------|
| Reserves for: | | | | |
| Affordable Housing Trust | \$ 2,545,826 | \$ 310,658 | \$ 68,981 | \$ 2,787,503 |
| Extra Police Duty | 166,111 | 215,244 | 248,108 | 133,247 |
| Fire District Expenditures | 9,416 | 45,077 | 45,364 | 9,129 |
| Open Space Maintenance: | | | | |
| Developer Contributions | 410,273 | - | - | 410,273 |
| Contribution In Lieu of Sidewalk Construction | 160,000 | - | - | 160,000 |
| Reserve for Installation of Fence | 11,480 | - | - | 11,480 |
| Insurance Proceeds | 1,779 | - | - | 1,779 |
| Veterans Park | 271 | - | - | 271 |
| Acres Park | 5,000 | - | - | 5,000 |
| PILOTS & Abatements | - | 682,264 | 46,288 | 635,976 |
| | <u>\$ 3,310,156</u> | <u>\$ 1,253,243</u> | <u>\$ 408,741</u> | <u>\$ 4,154,658</u> |

**TOWNSHIP OF BURLINGTON
TRUST FUND
SCHEDULE OF RESERVE FOR SELF-INSURANCE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | | |
|---------------------------|----|---------------------|
| Balance December 31, 2016 | \$ | 45 |
| Increased by: | | |
| Receipts | | <u>2,537</u> |
| Balance December 31, 2017 | \$ | <u><u>2,582</u></u> |

**SCHEDULE OF INTERFUNDS PAYABLE - OTHER TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | | CURRENT FUND |
|---------------------------|----|----------------------|
| Balance December 31, 2016 | \$ | 1,010 |
| Increased by: | | |
| Excess Premiums | \$ | 88,697 |
| Advances | | <u>825</u> |
| Subtotal | | <u>89,522</u> |
| Decreased by: | | |
| Liquidation of Interfund | | <u>285</u> |
| Subtotal | | <u>285</u> |
| Balance December 31, 2017 | \$ | <u><u>90,247</u></u> |

**TOWNSHIP OF BURLINGTON
TRUST FUND
SCHEDULE OF RESERVE FOR PAYROLL TAXES
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | | | |
|------------------------------|----|------------|---------------|
| Balance December 31, 2016 | | \$ | 126,583 |
| Increased by: | | | |
| Net Pay | \$ | 11,053,155 | |
| Agency Liability | | 1,109,690 | 12,162,845 |
| | | | <hr/> |
| Subtotal | | | 12,289,428 |
| Decreased by: | | | |
| Net Pay | | 11,053,155 | |
| Payments to Various Agencies | | 1,189,641 | 12,242,796 |
| | | | <hr/> |
| Balance December 31, 2017 | | \$ | <u>46,632</u> |

GENERAL CAPITAL FUND

This page intentionally left blank.

**TOWNSHIP OF BURLINGTON
GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | | |
|-------------------------------------|----|-----------------------|
| Balance December 31, 2016 | \$ | 439,802 |
| Increased by : | | |
| Bond Sale Premium | | <u>78</u> |
| Subtotal | | 439,880 |
| Decreased by : | | |
| Appropriated to 2017 Budget Revenue | | <u>300,000</u> |
| Balance December 31, 2017 | \$ | <u><u>139,880</u></u> |

**SCHEDULE OF CASH AND INVESTMENTS- TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | | |
|-------------------------------------|----|-------------------------|
| Balance December 31, 2016 | \$ | 2,656,752 |
| Increased by: | | |
| Interest | \$ | 24,384 |
| Bond Sale Premium | | 78 |
| 2017 Bond Issue | | 7,282,000 |
| Capital Improvement Fund Budgeted | | 100,000 |
| Due from Trust | | 205,000 |
| Grants Received | | <u>170,000</u> |
| Subtotal | | 10,438,214 |
| Decreased by: | | |
| Interfunds Payable | | 7,286 |
| Bond Anticipation Note Payable | | 5,361,166 |
| Revenue Anticipated in Current Fund | | 300,000 |
| Improvement Authorizations | | <u>1,694,687</u> |
| Balance December 31, 2017 | \$ | <u><u>3,075,075</u></u> |

**TOWNSHIP OF BURLINGTON
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2017**

| DESCRIPTION | | |
|--|----|-------------------------|
| Fund Balance | \$ | 139,880 |
| Capital Improvement Fund | | 162,911 |
| Improvement Authorizations: | | |
| Various Capital Improvements: | | |
| 2011 | | 20,841 |
| 2012 | | 34,636 |
| 2013 | | 51,023 |
| 2014 | | 57,785 |
| 2015 | | 40,686 |
| 2016 | | (593,276) |
| 2017 | | 591,627 |
| Sidewalk & Road Improvements 2008 | | (42,057) |
| Sidewalk & Road Improvements 2009 | | (3,849) |
| Municipal Lighting Repairs & Upgrades | | 119,819 |
| Road Program - 2011 | | 184,016 |
| Road Program - 2012 | | 59,728 |
| Road Program - 2013 | | 207,305 |
| Road Program - 2014 | | 171,690 |
| Road Program - 2015 | | 327,209 |
| Road Program - 2016 | | (491,961) |
| Road Program - 2017 | | 348,934 |
| Recreation Improvements 2012 | | 12,839 |
| Recreation Improvements 2013 | | 1,513 |
| Acquisition and Upgrade of Various Township Improvements | | 56,971 |
| Various Capital Improvements at Existing Recreation Locations | | 6,045 |
| Various Capital Improvements at Existing Recreation Locations - 2016 | | 7,496 |
| Various Capital Improvements at Existing Recreation Locations - 2017 | | 26,112 |
| Open Space Various Improvements- 2017 | | 124,326 |
| Upgrades to Green Acres I & II | | 5,090 |
| Veteran's Memorial Park Maintenance | | (6,437) |
| Asphalt Paving Repairs | | 3,299 |
| Encumbrances Payable | | 833,915 |
| Reserve for Park Repair | | 1,000 |
| Reserve for the Repayment of Debt | | 591,575 |
| Interfunds Payable | | 24,384 |
| | | <hr/> |
| Total | \$ | <u><u>3,075,075</u></u> |

EXHIBIT C-4

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | | |
|--|----|--------------------------|
| Balance December 31, 2016 | \$ | 7,892,007 |
| Increased by: | | |
| 2017 Bonds Issued | | <u>7,282,000</u> |
| Subtotal | | 15,174,007 |
| Decreased by: | | |
| 2017 Budget Appropriation to Pay Municipal Bonds | \$ | 1,375,000 |
| Dam Restoration Loan Payment | | 52,992 |
| Green Trust Loan Payment | | <u>58,706</u> |
| | | <u>1,486,698</u> |
| Balance December 31, 2017 | \$ | <u><u>13,687,309</u></u> |

**TOWNSHIP OF BURLINGTON
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2017**

| IMPROVEMENT DESCRIPTION | BALANCE DECEMBER 31, 2016 | 2017 AUTHORIZATIONS | FUNDED IN 2017 | ADJUSTMENT | TRANSFERRED TO RESERVE FOR DEBT SERVICE | BALANCE DECEMBER 31, 2017 | BALANCE DECEMBER 31, 2017 | | |
|---|---------------------------------|------------------------|---------------------|-------------|---|---------------------------------|-------------------------------|---------------------|---|
| | | | | | | | BOND ANTICIPATION NOTES | EXPENDITURES | UNEXPENDED IMPROVEMENT AUTHORIZATIONS |
| Various Capital Improvements - 2002 | \$ 1,076 | \$ - | \$ 1,076 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Various Sidewalk & Road Improvements - 2003 | 42,057 | - | - | - | - | 42,057 | - | 42,057 | - |
| Various Capital Improvements - 2006 | 190 | - | 190 | - | - | - | - | - | - |
| 2009 Road Program | 3,849 | - | - | - | - | 3,849 | - | 3,849 | - |
| Various Capital Improvements - 2011 | 174,300 | - | 234,300 | - | (60,000) | - | - | - | - |
| 2011 Road Program | 435,400 | - | 435,400 | - | - | - | - | - | - |
| 2012 Road Program | 208,000 | - | 208,000 | - | - | - | - | - | - |
| Various Capital Improvements - 2012 | 184,486 | - | 417,934 | 233,448 | - | - | - | - | - |
| Lighting Repairs & Upgrades | 250,000 | - | - | (249,934) | - | 66 | - | 66 | - |
| Various Capital Improvements - 2013 | 262,200 | - | 507,200 | - | (245,000) | - | - | - | - |
| Road Program - 2013 | 446,925 | - | 503,500 | - | (56,575) | - | - | - | - |
| Various Capital Improvements - 2014 | 744,000 | - | 934,000 | - | (190,000) | - | - | - | - |
| Road Program - 2014 | 596,000 | - | 596,000 | - | - | - | - | - | - |
| Veterans Memorial Park Maintenance | - | - | - | 16,486 | - | 16,486 | - | 6,437 | 10,049 |
| Various Capital Improvements - 2015 | 797,000 | - | 797,000 | - | - | - | - | - | - |
| Road Program - 2015 | 706,500 | - | 726,500 | - | (20,000) | - | - | - | - |
| Various Capital Improvements - 2016 | 762,000 | - | 150,000 | - | - | 612,000 | - | 593,276 | 18,724 |
| Road Program - 2016 | 790,000 | - | - | - | - | 790,000 | - | 491,961 | 298,039 |
| Total | \$ 6,403,983 | \$ - | \$ 5,511,100 | \$ - | \$ (571,575) | \$ 1,464,458 | \$ - | \$ 1,137,646 | \$ 326,812 |

**TOWNSHIP OF BURLINGTON
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| IMPROVEMENT DESCRIPTION | ORDINANCE DATE | AMOUNT | BALANCE DECEMBER 31, 2016 | | 2017 AUTHORIZATIONS | | BALANCE DECEMBER 31, 2017 | | |
|--|----------------|-------------------|---------------------------|-------------------|---------------------|---------------------|---------------------------|-------------------|-------------------|
| | | | FUNDED | UNFUNDED | ENCUMBERED | EXPENDED | FUNDED | UNFUNDED | ENCUMBERED |
| Various Capital Improvements - 2011 | 6/28/2011 | \$ 396,070 | \$ - | \$ 25,000 | \$ 126 | \$ - | \$ 4,285 | \$ 20,841 | \$ - |
| Road Program - 2011 | 6/28/2011 | 715,000 | - | 184,451 | 3,601 | - | 4,036 | 184,016 | - |
| Road Program - 2012 | 7/10/2012 | 260,000 | - | 59,116 | 5,822 | - | 5,210 | 59,728 | - |
| Various Capital Improvements - 2012 | 7/10/2012 | 440,000 | - | 50,527 | 16 | - | 15,907 | 34,636 | - |
| Municipal Lighting Repairs & Upgrades | 9/11/2012 | 370,000 | - | 119,885 | - | - | - | 119,885 | - |
| Recreation Improvements 2012 | 4/24/2012 | 43,000 | 12,839 | - | - | - | - | 12,839 | - |
| Various Capital Improvements - 2013 | 7/15/2013 | 533,700 | - | 57,515 | 386 | - | 6,878 | 51,023 | - |
| Road Program - 2013 | 7/15/2013 | 730,500 | - | 185,943 | 29,362 | - | 8,000 | 207,305 | - |
| Recreation Improvements 2013 | 7/15/2013 | 50,000 | 1,513 | - | - | - | - | 1,513 | - |
| Acquisition and Upgrades of Various Township Improvements | 11/27/2013 | 394,000 | 56,971 | - | - | - | - | 56,971 | - |
| Various Capital Improvements- 2014 | 6/24/2014 | 983,000 | - | 84,182 | 101,561 | - | 119,408 | 57,785 | 8,550 |
| Road Program- 2014 | 6/24/2014 | 626,000 | - | 178,640 | - | - | 6,950 | 171,690 | - |
| Various Capital Improvements at Existing Recreation Facilities | 6/24/2014 | 50,000 | 6,045 | - | - | - | - | 6,045 | - |
| Upgrades to Green Acres I & II | 2/24/2015 | 106,910 | 5,090 | - | - | - | - | 5,090 | - |
| Veteran's Memorial Park Maintenance | 4/28/2015 | 16,486 | 11,245 | - | - | - | 1,196 | - | 10,049 |
| Various Capital Improvements - 2015 | 5/12/2015 | 838,400 | - | 51,560 | 1,148 | - | 12,022 | 40,686 | - |
| Road Program- 2015 | 8/14/2015 | 832,250 | - | 337,209 | - | - | 10,000 | 327,209 | - |
| Asphalt Paving Repairs | 9/22/2015 | 90,000 | 3,299 | - | - | - | - | 3,299 | - |
| Road Program- 2016 | 5/10/2016 | 830,000 | - | 517,620 | 226,600 | - | 446,181 | - | 298,039 |
| Various Capital Improvements | 5/10/2016 | 915,000 | - | 465,120 | 268,531 | - | 714,927 | - | 18,724 |
| Various Improvements at Recreational Sites | 9/27/2016 | 50,000 | 36,547 | - | - | - | 29,051 | 7,496 | - |
| Engineering Costs of Various Roads | 3/20/2017 | 30,000 | - | - | - | 30,000 | 30,000 | - | - |
| Various Capital Improvements - 2017 | 8/28/2017 | 1,672,000 | - | - | - | 1,672,000 | 255,008 | 591,627 | 825,365 |
| Road Program- 2017 | 8/28/2017 | 350,000 | - | - | - | 350,000 | 1,066 | 348,934 | - |
| Open Space Various Improvements- 2017 | 6/12/2017 | 125,000 | - | - | - | 125,000 | 674 | 124,326 | - |
| Various Improvements at Recreational Sites - 2017 | 6/12/2017 | 50,000 | - | - | - | 50,000 | 23,888 | 26,112 | - |
| Total Improvement Authorizations | | \$ 133,549 | \$ 2,316,768 | \$ 637,153 | \$ 2,227,000 | \$ 1,694,687 | \$ 2,459,056 | \$ 326,812 | \$ 833,915 |

**TOWNSHIP OF BURLINGTON
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | |
|--|--------------------------|
| Balance December 31, 2016 | \$ 164,011 |
| Increased by: | |
| 2017 Budget Appropriations | <u>100,000</u> |
| Subtotal | 264,011 |
| Decreased by: | |
| Appropriated to Finance Improvement Authorizations | <u>101,100</u> |
| Balance December 31, 2017 | <u><u>\$ 162,911</u></u> |

**SCHEDULE OF INTERFUNDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | CURRENT FUND |
|---------------------------------|-------------------------|
| Balance December 31, 2016 | \$ 7,286 |
| Increased by: | |
| Receipts | <u>24,384</u> |
| Subtotal | 31,670 |
| Decreased by: | |
| Interfund Receivable Liquidated | <u>7,286</u> |
| Total Decreases | <u>7,286</u> |
| Balance December 31, 2017 | <u><u>\$ 24,384</u></u> |

**TOWNSHIP OF BURLINGTON
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| PURPOSE | DATE OF ISSUE | ORIGINAL ISSUE | OUTSTANDING | | INTEREST RATE | BALANCE DECEMBER 31, 2016 | ISSUED | PAID BY BUDGET APPROPRIATION | BALANCE DECEMBER 31, 2017 |
|-----------------------------------|---------------|----------------|-------------|---------|---------------|---------------------------|-----------|------------------------------|---------------------------|
| | | | DATE | AMOUNT | | | | | |
| 2012 Refunding Bond | 5/10/2012 | \$ 2,295,000 | 9/15/18 | 225,000 | 3.00% | \$ 830,000 | - | \$ 405,000 | \$ 425,000 |
| | 9/15/18 | | 9/15/18 | 200,000 | 4.00% | | | | |
| General Improvement Bonds of 2012 | 3/6/2012 | 4,736,000 | 3/15/18 | 420,000 | 1.25% | 3,485,000 | - | 410,000 | 3,075,000 |
| | | | 3/15/19 | 425,000 | 1.75% | | | | |
| | | | 3/15/20 | 435,000 | 2.00% | | | | |
| | | | 3/15/21 | 445,000 | 2.00% | | | | |
| | | | 3/15/22 | 450,000 | 2.00% | | | | |
| | | | 3/15/23 | 450,000 | 2.13% | | | | |
| | | | 3/15/24 | 450,000 | 2.25% | | | | |
| 2013 Refunding | 4/2013 | 2,759,300 | 2/15/18 | 555,000 | 3.00% | 2,755,000 | - | 560,000 | 2,195,000 |
| | | | 2/15/19 | 190,000 | 3.00% | | | | |
| | | | 2/15/19 | 355,000 | 4.00% | | | | |
| | | | 2/15/20 | 550,000 | 3.00% | | | | |
| General Improvement Bonds of 2017 | 9/20/2017 | 7,282,000 | 9/15/18 | 432,000 | 2.00% | - | 7,282,000 | - | 7,282,000 |
| | | | 9/15/19 | 425,000 | 2.00% | | | | |
| | | | 9/15/20 | 435,000 | 2.00% | | | | |
| | | | 9/15/21 | 440,000 | 2.00% | | | | |
| | | | 9/15/22 | 450,000 | 2.00% | | | | |
| | | | 9/15/23 | 460,000 | 2.00% | | | | |
| | | | 9/15/24 | 465,000 | 2.00% | | | | |
| | | | 9/15/25 | 480,000 | 2.00% | | | | |
| | | | 9/15/26 | 490,000 | 2.00% | | | | |
| | | | 9/15/27 | 500,000 | 2.13% | | | | |
| | | 9/15/28 | 515,000 | 2.25% | | | | | |
| | | 9/15/29 | 525,000 | 3.00% | | | | | |
| | | 9/15/30 | 540,000 | 3.00% | | | | | |
| | | 9/15/31 | 555,000 | 3.00% | | | | | |
| | | 9/15/32 | 570,000 | 3.00% | | | | | |
| Total | | | | | | | | | |
| | | | | | | | | | \$ 7,070,000 |
| | | | | | | | | | \$ 7,282,000 |
| | | | | | | | | | \$ 1,375,000 |
| | | | | | | | | | \$ 12,977,000 |

**TOWNSHIP OF BURLINGTON
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

| PURPOSE | DATE OF ISSUE | ORIGINAL ISSUE | DATE | OUTSTANDING AMOUNT | INTEREST RATE | BALANCE DECEMBER 31, 2016 | PAYED BY BUDGET APPROPRIATION | BALANCE DECEMBER 31, 2017 |
|--|---------------|----------------|------------|--------------------|---------------|---------------------------|-------------------------------|---------------------------|
| Upper Sylvan Lake Development #0306-91-008-2000 | 03/12/1999 | \$ 150,000 | 6/12/2018 | \$ 4,572 | 2.00% | \$ 18,198 | \$ 9,009 | \$ 9,189 |
| | | | 12/12/2018 | 4,617 | 2.00% | | | |
| Assiscunk Creek Park Phase 2 #0306-96-092 | 10/1/2002 | 500,000 | 1/29/2018 | 12,740 | 2.00% | 305,635 | 25,103 | 280,532 |
| | | | 7/29/2018 | 12,868 | 2.00% | | | |
| | | | 1/29/2019 | 12,997 | 2.00% | | | |
| | | | 7/29/2019 | 13,127 | 2.00% | | | |
| | | | 1/29/2020 | 13,258 | 2.00% | | | |
| | | | 7/29/2020 | 13,390 | 2.00% | | | |
| | | | 1/29/2021 | 13,524 | 2.00% | | | |
| | | | 7/29/2021 | 13,660 | 2.00% | | | |
| | | | 1/29/2022 | 13,796 | 2.00% | | | |
| | | | 7/29/2022 | 13,934 | 2.00% | | | |
| | | | 1/29/2023 | 14,073 | 2.00% | | | |
| | | | 7/29/2023 | 14,214 | 2.00% | | | |
| | | | 1/29/2024 | 14,356 | 2.00% | | | |
| | | | 7/28/2024 | 14,500 | 2.00% | | | |
| | | | 1/28/2025 | 14,645 | 2.00% | | | |
| 7/29/2025 | 14,791 | 2.00% | | | | | | |
| 1/29/2026 | 14,939 | 2.00% | | | | | | |
| 7/29/2026 | 15,089 | 2.00% | | | | | | |
| 1/29/2027 | 15,239 | 2.00% | | | | | | |
| 7/29/2027 | 15,392 | 2.00% | | | | | | |

**TOWNSHIP OF BURLINGTON
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

| PURPOSE | DATE OF ISSUE | ORIGINAL ISSUE | OUTSTANDING DATE | OUTSTANDING AMOUNT | INTEREST RATE | BALANCE DECEMBER 31, 2016 | PAID BY BUDGET APPROPRIATION | BALANCE DECEMBER 31, 2017 |
|--------------------------------------|---------------|----------------|------------------|--------------------|---------------|---------------------------|------------------------------|---------------------------|
| Tillinghast Property #0306-03-009 | 11/17/2007 | 300,000 | 5/17/2018 | 7,721 | 2.00% | 175,889 | 15,213 | 160,676 |
| | | | 11/17/2018 | 7,798 | 2.00% | | | |
| | | | 5/17/2019 | 7,876 | 2.00% | | | |
| | | | 11/17/2019 | 7,955 | 2.00% | | | |
| | | | 5/17/2020 | 8,034 | 2.00% | | | |
| | | | 11/17/2020 | 8,115 | 2.00% | | | |
| | | | 5/17/2021 | 8,196 | 2.00% | | | |
| | | | 11/17/2021 | 8,279 | 2.00% | | | |
| | | | 5/17/2022 | 8,360 | 2.00% | | | |
| | | | 11/17/2022 | 8,444 | 2.00% | | | |
| | | | 5/17/2023 | 8,528 | 2.00% | | | |
| | | | 11/17/2023 | 8,613 | 2.00% | | | |
| | | | 5/17/2024 | 8,700 | 2.00% | | | |
| | | | 11/17/2024 | 8,787 | 2.00% | | | |
| | | | 5/17/2025 | 8,875 | 2.00% | | | |
| | | 11/17/2025 | 8,963 | 2.00% | | | | |
| | | 5/17/2026 | 9,053 | 2.00% | | | | |
| | | 11/17/2026 | 9,144 | 2.00% | | | | |
| | | 5/17/2027 | 9,235 | 2.00% | | | | |
| Tillinghast Property #0306-03-009 | 11/17/2007 | 200,000 | 5/17/2018 | 4,761 | 2.00% | 108,466 | 9,381 | 99,085 |
| | | | 11/17/2018 | 4,809 | 2.00% | | | |
| | | | 5/17/2019 | 4,857 | 2.00% | | | |
| | | | 11/17/2019 | 4,905 | 2.00% | | | |
| | | | 5/17/2020 | 4,954 | 2.00% | | | |
| | | | 11/17/2020 | 5,004 | 2.00% | | | |
| | | | 5/17/2021 | 5,054 | 2.00% | | | |
| | | | 11/17/2021 | 5,105 | 2.00% | | | |
| | | | 5/17/2022 | 5,156 | 2.00% | | | |
| | | | 11/17/2022 | 5,207 | 2.00% | | | |
| | | | 5/17/2023 | 5,259 | 2.00% | | | |
| | | | 11/17/2023 | 5,312 | 2.00% | | | |
| | | | 5/17/2024 | 5,365 | 2.00% | | | |
| | | | 11/17/2024 | 5,419 | 2.00% | | | |
| | | | 5/17/2025 | 5,473 | 2.00% | | | |
| | | 11/17/2025 | 5,528 | 2.00% | | | | |
| | | 5/17/2026 | 5,583 | 2.00% | | | | |
| | | 11/17/2026 | 5,639 | 2.00% | | | | |
| | | 5/17/2027 | 5,695 | 2.00% | | | | |
| Total | | | | | | \$ 608,188 | \$ 58,706 | \$ 549,482 |

**TOWNSHIP OF BURLINGTON
GENERAL CAPITAL FUND
SCHEDULE OF DAM RESTORATION LOAN PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

| PURPOSE | DATE OF ISSUE | ORIGINAL ISSUE | OUTSTANDING DATE | AMOUNT | INTEREST RATE | BALANCE DECEMBER 31, 2016 | PAID BY BUDGET APPROPRIATION | BALANCE DECEMBER 31, 2017 |
|--------------------------------|---------------|----------------|------------------|--------|---------------|---------------------------|------------------------------|---------------------------|
| Sylvan Lake Dam #EC-98-007 | 02/15/01 | \$ 852,013 | 5/16/2018 | 25,748 | 2.00% | \$ 182,072 | \$ 50,733 | \$ 131,339 |
| | | | 11/16/2018 | 26,005 | 2.00% | | | |
| | | | 5/16/2019 | 26,265 | 2.00% | | | |
| | | | 11/16/2019 | 26,528 | 2.00% | | | |
| | | | 5/16/2020 | 26,793 | 2.00% | | | |
| 2003 Lake & Dam Restoration | 7/25/2009 | 46,367 | 3/25/2018 | 1,147 | 2.00% | 31,747 | 2,259 | 29,488 |
| | | | 9/25/2018 | 1,158 | 2.00% | | | |
| | | | 3/25/2019 | 1,170 | 2.00% | | | |
| | | | 9/25/2019 | 1,181 | 2.00% | | | |
| | | | 3/25/2020 | 1,193 | 2.00% | | | |
| | | | 9/25/2020 | 1,205 | 2.00% | | | |
| | | | 3/25/2021 | 1,217 | 2.00% | | | |
| | | | 9/25/2021 | 1,229 | 2.00% | | | |
| | | | 3/25/2022 | 1,242 | 2.00% | | | |
| | | | 9/25/2022 | 1,254 | 2.00% | | | |
| | | | 3/25/2023 | 1,267 | 2.00% | | | |
| | | | 9/25/2023 | 1,279 | 2.00% | | | |
| | | | 3/25/2024 | 1,292 | 2.00% | | | |
| | | | 9/25/2024 | 1,305 | 2.00% | | | |
| | | | 3/25/2025 | 1,318 | 2.00% | | | |
| | | 9/25/2025 | 1,331 | 2.00% | | | | |
| | | 3/25/2026 | 1,345 | 2.00% | | | | |
| | | 9/25/2026 | 1,358 | 2.00% | | | | |
| | | 3/25/2027 | 1,372 | 2.00% | | | | |
| | | 9/25/2027 | 1,385 | 2.00% | | | | |
| | | 3/25/2028 | 1,399 | 2.00% | | | | |
| | | 9/25/2028 | 1,413 | 2.00% | | | | |
| | | 3/25/2029 | 1,428 | 2.00% | | | | |
| Total | | | | | | \$ 213,819 | \$ 52,992 | \$ 160,827 |

Principal & Interest Payments totaling \$28,503 are due on November 16th and May 16th beginning on November 15, 2001 through May 16, 2020.
The interest rate on the loan is 2.0% per annum.

**TOWNSHIP OF BURLINGTON
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

| IMPROVEMENT DESCRIPTION | DATE OF ORIGINAL ISSUE | ISSUE DATE | DATE OF MATURITY | INTEREST RATE | BALANCE | | INCREASE | DECREASE | BALANCE DECEMBER 31, 2017 |
|-------------------------------|------------------------|------------|------------------|---------------|-------------------|------------------|-----------|------------------|---------------------------|
| | | | | | DECEMBER 31, 2016 | | | | |
| Various Capital Improvements: | | | | | | | | | |
| 2002 | 10/9/14 | 10/6/16 | 10/5/17 | 0.65% | \$ | 1,076 | \$ | 1,076 | \$ - |
| 2006 | 10/9/14 | 10/6/16 | 10/5/17 | 0.65% | | 190 | | 190 | - |
| 2011 | 10/9/14 | 10/6/16 | 10/5/17 | 0.65% | | 234,300 | | 234,300 | - |
| 2012 | 10/9/14 | 10/6/16 | 10/5/17 | 0.65% | | 418,000 | | 418,000 | - |
| 2013 | 10/9/14 | 10/6/16 | 10/5/17 | 0.65% | | 507,200 | | 507,200 | - |
| 2014 | 10/6/16 | 10/6/16 | 10/5/17 | 0.65% | | 934,000 | | 934,000 | - |
| 2015 | 10/6/16 | 10/6/16 | 10/5/17 | 0.65% | | 797,000 | | 797,000 | - |
| 2011 Road Program | 10/9/14 | 10/6/16 | 10/5/17 | 0.65% | | 435,400 | | 435,400 | - |
| 2012 Road Program | 10/9/14 | 10/6/16 | 10/5/17 | 0.65% | | 208,000 | | 208,000 | - |
| 2013 Road Program | 10/9/14 | 10/6/16 | 10/5/17 | 0.65% | | 503,500 | | 503,500 | - |
| 2014 Road Program | 10/6/16 | 10/6/16 | 10/5/17 | 0.65% | | 596,000 | | 596,000 | - |
| 2016 Road Program | 10/6/16 | 10/6/16 | 10/5/17 | 0.65% | | 726,500 | | 726,500 | - |
| Total | | | | | \$ | 5,361,166 | \$ | 5,361,166 | \$ - |

TOWNSHIP OF BURLINGTON
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2017

| IMPROVEMENT DESCRIPTION | BALANCE DECEMBER 31, 2016 | 2017 AUTHORIZATION | FUNDED | BANS REDEEMED | CURRENT YEAR ADJUSTMENT | BALANCE DECEMBER 31, 2017 |
|---|---------------------------------|-----------------------|-------------------|---------------------|----------------------------|---------------------------------|
| Various Capital Improvements 2016 | \$ 762,000 | \$ - | \$ 150,000 | \$ - | \$ - | \$ 612,000 |
| Sidewalk & Road Improvements 2003 Peachtree & Neck Rd, Paving of | 42,057 | - | - | - | - | 42,057 |
| Skinner Adams Parking Lot 2008 | 3,849 | - | - | - | - | 3,849 |
| Sidewalk & Road Improvements 2009 | 105,515 | - | - | - | 105,449 | 66 |
| Lighting Repairs & Upgrades 2012 | - | - | - | (16,486) | - | 16,486 |
| Veterans Memorial Park Maintenance | 65,896 | - | 65,896 | - | - | - |
| 2015 Road Program | 63,500 | - | - | (726,500) | - | 790,000 |
| 2016 Road Program | | | | | | |
| Total | <u>\$ 1,042,817</u> | <u>\$ -</u> | <u>\$ 215,896</u> | <u>\$ (742,986)</u> | <u>\$ 105,449</u> | <u>\$ 1,464,458</u> |

SEWER UTILITY FUND

This page intentionally left blank.

**TOWNSHIP OF BURLINGTON
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | OPERATING FUND | ASSESSMENT FUND | CAPITAL FUND |
|-----------------------------|---------------------|-----------------|-------------------|
| Balance December 31, 2016 | \$ 915,518 | \$ 23,924 | \$ 1,874,263 |
| Increased by Receipts: | | | |
| Collector | \$ 4,904,386 | \$ - | \$ - |
| Bond Proceeds | - | - | 1,699,000 |
| NJEIT Loan Proceeds | - | - | 908,984 |
| Budget Refunds | 63,930 | - | - |
| Interfunds Payable | 1,124,763 | - | 187,987 |
| Miscellaneous Revenue | 139,539 | - | 24,690 |
| Total Receipts | <u>6,232,618</u> | <u>-</u> | <u>2,820,661</u> |
| Subtotal | <u>7,148,136</u> | <u>23,924</u> | <u>4,694,924</u> |
| Decreased by Disbursements: | | | |
| Interfunds Payable | - | 23,924 | 1,124,381 |
| Improvement Authorizations | - | - | 1,732,119 |
| BAN Payment | - | - | 1,424,551 |
| Sewer Overpayments | 754 | - | - |
| Budget Appropriations | 4,026,937 | - | - |
| 2016 Appropriation Reserves | 95,067 | - | - |
| Encumbrances Payable | 99,450 | - | - |
| Total Disbursements | <u>4,222,208</u> | <u>23,924</u> | <u>4,281,051</u> |
| Balance December 31, 2017 | <u>\$ 2,925,928</u> | <u>\$ -</u> | <u>\$ 413,873</u> |

**TOWNSHIP OF BURLINGTON
SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - SEWER COLLECTOR
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | OPERATING FUND | |
|---------------------------------|----------------|-----------|
| Balance December 31, 2016 | \$ | 330,043 |
| Increased by: | | |
| Interest on Delinquent Accounts | \$ | 52,604 |
| Sewer Rents Receivable | | 4,840,489 |
| | | 4,893,093 |
| Subtotal | | 5,223,136 |
| Decreased by: | | |
| Payment to Treasurer | | 4,904,386 |
| Balance December 31, 2017 | \$ | 318,750 |

**ANALYSIS OF SEWER UTILITY ASSESSMENT TRUST CASH
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | BALANCE DECEMBER 31, 2016 | RECEIPTS MISCELLANEOUS | DISBURSEMENTS MISCELLANEOUS | BALANCE DECEMBER 31, 2017 |
|--|---------------------------------|---------------------------|--------------------------------|---------------------------------|
| Fund Balance | \$ 23,883 | \$ - | \$ 23,883 | \$ - |
| Due to Sewer Utility Operating Fund | 41 | 150 | 191 | - |
| | | 150 | 191 | - |
| Total | \$ 23,924 | \$ 150 | \$ 24,074 | \$ - |

**TOWNSHIP OF BURLINGTON
SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH - SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | |
|--|-------------------|
| Fund Balance | \$ 334,026 |
| Capital Improvement Fund | 246,714 |
| Improvement Authorizations: | |
| Sewer System Improvements: | |
| 2005 | 168,453 |
| 2007 | 275,635 |
| 2008 | 69,751 |
| 2009 | 267,736 |
| 2010 | 22,389 |
| 2011 | 530,864 |
| 2012 | (494,149) |
| 2013 | 22,146 |
| 2014 | 192,459 |
| 2015 | 13,866 |
| 2016 | (177,407) |
| 2017 | 235,067 |
| Rebuild Affluent Pumps, Ditch Mixer & Muffin Monster | 99,854 |
| Acquisition of Truck & Mower | 5,943 |
| Acquisition of Truck with Plow | 242 |
| Sanitary Sewer Rehabilitation- 2015 | (909,989) |
| Sanitary Sewer Rehabilitation- 2016 | 251,594 |
| Sanitary Sewer Rehabilitation- 2017 | (759) |
| Reserve for Repayment of Interest | 94,345 |
| Interfunds Payable/ (Receivable) | (878,197) |
| Reserve for Preliminary Costs | 2,500 |
| Contracts Payable | 40,790 |
| | <hr/> |
| Total | <u>\$ 413,873</u> |

**TOWNSHIP OF BURLINGTON
SEWER UTILITY OPERATING FUND
SCHEDULE OF INTERFUNDS RECEIVABLES
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | TOTAL | SEWER UTILITY CAPITAL | SEWER UTILITY ASSESSMENT |
|----------------------------|---------------------|-----------------------------|--------------------------------|
| Balance December 31, 2016 | \$ 58,238 | \$ 58,197 | \$ 41 |
| Increased by: | | | |
| Connection Fees | 175,758 | 175,758 | - |
| Interest Earned on Deposit | 12,570 | 12,420 | 150 |
| | <hr/> | <hr/> | <hr/> |
| Subtotal | 246,566 | 246,375 | 191 |
| Decreased by: | | | |
| Interfund Liquidated | 1,124,763 | 1,124,572 | 191 |
| | <hr/> | <hr/> | <hr/> |
| Balance December 31, 2017 | <u>\$ (878,197)</u> | <u>\$ (878,197)</u> | <u>\$ -</u> |

**SCHEDULE OF SEWER RENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | |
|---------------------------|-------------------|
| Balance December 31, 2016 | \$ 594,415 |
| Increased by: | |
| Levy in 2017 | \$ 4,864,973 |
| Overpayments Created | 13,480 |
| | <hr/> |
| Subtotal | 4,878,453 |
| Decreased by: | |
| 2017 Collections | 4,840,489 |
| Cancellations | 4,669 |
| Overpayments Applied | 11,527 |
| | <hr/> |
| Balance December 31, 2017 | <u>\$ 616,183</u> |

**TOWNSHIP OF BURLINGTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY WASTEWATER FUND LOAN PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

| IMPROVEMENT DESCRIPTION | DATE OF ISSUE | MATURITIES OF BONDS OUTSTANDING | | INTEREST RATE | BALANCE DECEMBER 31, 2016 | ISSUED | PAID | BALANCE DECEMBER 31, 2017 |
|--|---------------|---------------------------------|---------|---------------|---------------------------|------------|------------|---------------------------|
| | | ORIGINAL ISSUE | AMOUNT | | | | | |
| Central Avenue Wastewater Treatment Plant Improvements | 2/1/11 | \$ 278,172 | Various | NONE | \$ 137,490 | - | \$ 23,448 | \$ 114,042 |
| | | | Various | | | | | |
| Various Utility Sewer Improvements | 5/22/13 | 953,250 | Various | NONE | 775,526 | - | 48,470 | 727,056 |
| | | | Various | | | | | |
| Various Utility Sewer Improvements | 5/21/14 | 854,903 | Various | NONE | 738,983 | - | 43,470 | 695,513 |
| | | | Various | | | | | |
| Various Utility Sewer Improvements | 5/26/16 | 681,738 | Various | NONE | - | 681,738 | 58,553 | 623,185 |
| | | | Various | | | | | |
| Total | | | | | \$ 1,651,999 | \$ 681,738 | \$ 173,941 | \$ 2,159,796 |

**SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2017**

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION | DATE OF ORIGINAL ISSUE | DATE OF ISSUE | DATE OF MATURITY | INTEREST RATE | BALANCE DECEMBER 31, 2016 | INCREASED | DECREASED | BALANCE DECEMBER 31, 2017 |
|------------------|------------------------------------|------------------------|---------------|------------------|---------------|---------------------------|-----------|--------------|---------------------------|
| | | | | | | | | | |
| 2011-12 | Various Utility Sewer Improvements | 10/9/14 | 10/6/16 | 10/5/17 | 0.65% | 183,700 | - | 183,700 | - |
| 2010-06 | Various Utility Sewer Improvements | 10/9/14 | 10/6/16 | 10/5/17 | 0.65% | 308,000 | - | 308,000 | - |
| 2014-13 | Various Utility Sewer Improvements | 10/6/16 | 10/6/16 | 10/5/17 | 0.65% | 770,000 | - | 770,000 | - |
| 2015-11 | Various Utility Sewer Improvements | 10/6/16 | 10/6/16 | 10/5/17 | 0.65% | 162,500 | - | 162,500 | - |
| Total | | | | | | \$ 1,424,551 | \$ - | \$ 1,424,551 | \$ - |

**SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2017 & 2016 \$ 26,641,384

**TOWNSHIP OF BURLINGTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2017**

| IMPROVEMENT DESCRIPTION | BALANCE DECEMBER 31, 2016 | AUTHORIZED | BALANCE DECEMBER 31, 2017 |
|--|---------------------------------|---------------------|---------------------------------|
| 2005 Sewer System Improvements | \$ 330,000 | \$ - | \$ 330,000 |
| 2007 Various Sewer System Improvements | 893,000 | - | 893,000 |
| 2008 Various Sewer System Improvements | 564,000 | - | 564,000 |
| 2009 Various Sewer System Improvements | 675,000 | - | 675,000 |
| 2009 Acquisition of SCADA & Triple Ditch Mixers | 105,545 | - | 105,545 |
| 2010 Various Sewer System Improvements | 122,000 | - | 122,000 |
| 2011 Various Sewer System Improvements | 1,400,000 | - | 1,400,000 |
| 2011 Rebuild Afflunet Pumps, Ditch Mixer & Muffin Monster | 193,000 | - | 193,000 |
| 2012 Various Sewer System Improvements | 1,400,000 | - | 1,400,000 |
| 2013 Acquisition of Truck with Plow | 100,000 | - | 100,000 |
| 2013 Various Sewer System Improvements | 1,400,700 | - | 1,400,700 |
| 2014 Various Sewer System Improvements | 810,000 | - | 810,000 |
| 2015 Various Sewer System Improvements | 162,500 | - | 162,500 |
| 2016 Various Sewer System Improvements | 252,500 | - | 252,500 |
| 2017 Various Sewer System Improvements | - | 275,000 | 275,000 |
| Rehab of Various Locations NJEIT | 1,850,000 | - | 1,850,000 |
| Rehab of Various Locations | - | 850,000 | 850,000 |
| Total | \$ 10,258,245 | \$ 1,125,000 | \$ 11,383,245 |

**TOWNSHIP OF BURLINGTON
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | BALANCE DECEMBER 31, 2016 | BALANCE AFTER TRANSFERS | CASH DISBURSED | BALANCE LAPSED |
|-----------------------|---------------------------------|-------------------------------|-------------------|-------------------|
| Operating: | | | | |
| Salaries and Wages | \$ 19,366 | \$ 19,366 | \$ 10,999 | \$ 8,367 |
| Other Expenses | 609,903 | 609,903 | 183,518 | 426,385 |
| Social Security | 5,418 | 5,418 | - | 5,418 |
| | <u>\$ 634,687</u> | <u>\$ 634,687</u> | <u>\$ 194,517</u> | <u>\$ 440,170</u> |
| Total | | | | |
| Encumbrances Payable | \$ 99,450 | \$ 99,450 | \$ 99,450 | \$ - |
| Appropriation Reserve | 535,237 | 535,237 | 95,067 | 440,170 |
| | <u>\$ 634,687</u> | <u>\$ 634,687</u> | <u>\$ 194,517</u> | <u>\$ 440,170</u> |
| Total | | | | |

**SCHEDULE OF ACCRUED INTEREST ON BONDS AND LOANS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | |
|--|------------------|
| Balance December 31, 2016 | \$ 30,172 |
| Increased by: | |
| Budget Appropriation for Interest on Bonds & Loans | <u>63,566</u> |
| Subtotal | 93,738 |
| Decreased by: | |
| Interest Paid in Cash | <u>54,678</u> |
| Balance December 31, 2017 | <u>\$ 39,060</u> |

ANALYSIS OF ACCRUED INTEREST ON BONDS & LOANS DECEMBER 31, 2017

| PRINCIPAL OUTSTANDING DECEMBER 31, 2017 | | | | | | | |
|--|------------|-------------|---------|----------|--------------|------------------|--|
| | AMOUNT | RATE | FROM | TO | PERIOD | AMOUNT | |
| 2012 General | \$ 890,000 | 1.00%-2.25% | 9/15/17 | 12/31/17 | 3 1/2 Months | \$ 5,272 | |
| 2013 General | 740,000 | 1.50%-4.00% | 8/1/17 | 12/31/17 | 5 Months | 8,081 | |
| 2017 General | 1,699,000 | 2.00-3.250% | 9/15/17 | 12/31/17 | 3 1/2 Months | 13,447 | |
| Wastewater Trust Loan - 2011 | 47,275 | Various | 8/1/17 | 12/31/17 | 5 Months | 534 | |
| Wastewater Trust Loan - 2012A | 230,000 | Various | 8/1/17 | 12/31/17 | 5 Months | 4,006 | |
| Wastewater Trust Loan - 2013A | 260,000 | Various | 8/1/17 | 12/31/17 | 5 Months | 3,813 | |
| NJEIT Trust Loan - 2014A | 250,000 | Various | 8/1/17 | 12/31/17 | 5 Months | 3,907 | |
| | | | | | Total | <u>\$ 39,060</u> | |

**TOWNSHIP OF BURLINGTON
SEWER UTILITY ASSESSMENT TRUST FUND
SCHEDULE OF INTERFUNDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | | SEWER UTILITY OPERATING |
|-----------------------------|----|-------------------------------|
| Balance December 31, 2016 | \$ | 41 |
| Increased by: | | |
| Interest Earned on Deposits | | 150 |
| Subtotal | | 191 |
| Decreased by: | | |
| Liquidation of Interfund | | 191 |
| Balance December 31, 2017 | \$ | - |

**SEWER UTILITY ASSESSMENT FUND
SCHEDULE OF RESERVES FOR ASSESSMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| DESCRIPTION | BALANCE DECEMBER 31, 2016 | COLLECTED | CANCELLED | BALANCE DECEMBER 31, 2017 |
|--|---------------------------------|-----------|-----------|---------------------------------|
| Deferred Assessments: | | | | |
| Sanitary Sewer Lines - Stevens Station & Pinewald | \$ 4,491 | \$ - | \$ 4,491 | \$ - |
| Sanitary Sewer Lines - Along Columbus Road, etc. | 25,934 | - | 25,934 | - |
| Sanitary Sewer Lines - Along Little Oxmead & Old York Roads | 21,402 | - | 21,402 | - |
| Sanitary Sewer Lines - Sylvan Lakes, etc. | 139,782 | - | 139,782 | - |
| Sanitary Sewer Lines - US Rout 130 East | 20,000 | - | 20,000 | - |
| Sanitary Sewer Lines & Pump Station - Along Old York Road - Ord. 04-OR-007 | 3,439 | - | 3,439 | - |
| | | | | |
| Total Deferred Reserve for Assessments | 215,048 | - | 215,048 | - |

**TOWNSHIP OF BURLINGTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| IMPROVEMENT DESCRIPTION | ORDINANCE DATE | ORDINANCE AMOUNT | BALANCE DECEMBER 31, 2016 | | AUTHORIZED CURRENT YEAR | PRIOR YEAR CONTRACTS PAYABLE | PAID | ENCUMBERED | BALANCE DECEMBER 31, 2017 | |
|--|----------------|------------------|---------------------------|--------------|-------------------------|------------------------------|--------------|------------|---------------------------|--------------|
| | | | FUNDED | UNFUNDED | | | | | FUNDED | UNFUNDED |
| Sewer System Improvements: | | | | | | | | | | |
| 2005 | 6/15/05 | \$ 330,000 | \$ 168,453 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 168,453 | \$ - |
| 2007 | 5/8/07 | 893,000 | 275,635 | - | - | 81 | - | 81 | 275,635 | - |
| 2008 | 7/8/08 | 564,000 | - | 73,674 | - | - | 3,923 | - | 69,751 | - |
| 2009 | 7/14/09 | 675,000 | 267,736 | 304,104 | - | - | - | - | 267,736 | 304,104 |
| 2010 | 7/13/10 | 122,000 | 22,389 | - | - | - | - | - | 22,389 | - |
| 2011 | 9/27/11 | 1,400,000 | - | 672,614 | - | - | - | - | 530,864 | 141,750 |
| 2012 | 7/10/12 | 1,000,000 | - | 192,986 | - | - | - | - | - | 192,986 |
| 2013 | 9/16/13 | 1,400,000 | - | 287,243 | - | - | - | - | 22,146 | 265,097 |
| 2014 | 6/4/14 | 810,000 | - | 196,209 | - | 85,245 | 74,609 | 14,386 | 192,459 | - |
| 2015 | 5/12/15 | 162,500 | - | 16,066 | - | - | 2,200 | - | 13,866 | - |
| 2016 | 5/10/16 | 252,000 | - | 144,633 | - | 12,398 | 69,054 | 12,884 | - | 75,093 |
| 2017 | 8/28/17 | 275,000 | - | - | 275,000 | - | 26,494 | 13,439 | 235,067 | - |
| Rebuild Affluent Pumps, Ditch Mixer & Muffin Monster | | | | | | | 500 | - | 99,854 | 200 |
| Acquisition of Truck & Mower | 6/28/11 | 193,000 | - | 100,554 | - | - | - | - | - | 5,943 |
| Acquisition of Truck with Plow | 7/10/12 | 62,000 | - | 5,943 | - | - | - | - | - | 242 |
| Sanitary Sewer Rehabilitation | 7/15/13 | 100,000 | 242 | - | - | - | - | - | 242 | - |
| Sanitary Sewer Rehabilitation | 5/12/15 | 925,000 | - | 15,011 | - | 908,984 | 908,984 | - | - | 15,011 |
| Sanitary Sewer Rehabilitation | 5/10/16 | 925,000 | - | 915,455 | - | - | 645,596 | - | 251,594 | 18,265 |
| Sanitary Sewer Rehabilitation | 8/28/17 | 850,000 | - | - | 850,000 | - | 759 | - | - | 849,241 |
| Total Improvements | | | \$ 734,455 | \$ 2,924,492 | \$ 1,125,000 | \$ 1,006,708 | \$ 1,732,119 | \$ 40,790 | \$ 2,150,056 | \$ 1,867,690 |

**TOWNSHIP OF BURLINGTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | | |
|---------------------------------------|----|-----------|
| Balance December 31, 2016 | \$ | 1,006,708 |
| Increased by: | | |
| Charges to Improvement Authorizations | | 40,790 |
| Subtotal | | 1,047,498 |
| Decreased by: | | |
| Prior Year Balances Reappropriated | | 1,006,708 |
| Balance December 31, 2017 | \$ | 40,790 |

**SCHEDULE OF INTERFUNDS PAYABLE (RECEIVABLE) - SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | | |
|-----------------------------|----|-------------------------------|
| | | SEWER UTILITY OPERATING |
| Balance December 31, 2016 | \$ | 58,197 |
| Increased by: | | |
| Sewer Connection Fees | | 175,758 |
| Interest Income on Deposits | | 12,229 |
| Subtotal | | 246,184 |
| Decreased by: | | |
| Liquidation of Interfund | | 1,124,381 |
| Balance December 31, 2017 | \$ | (878,197) |

**TOWNSHIP OF BURLINGTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR FUTURE SEWER IMPROVEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | |
|---------------------------|--------------------|
| Balance December 31, 2016 | \$ 334,377 |
| Decreased by: | |
| Cancelled | <u>334,377</u> |
| Balance December 31, 2017 | <u><u>\$ -</u></u> |

**SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | |
|--|-----------------------------|
| Balance December 31, 2016 | \$ 27,382,980 |
| Increased by: | |
| Wastewater Treatment Trust Loan Paid by Operating Fund | \$ 67,358 |
| Wastewater Treatment Fund Loan Paid by Operating Fund | 173,939 |
| Serial Bonds Paid by Operating Fund | 250,000 |
| Ordinances Funded | <u>351</u> <u>491,648</u> |
| Subtotal | <u>27,874,628</u> |
| Balance December 31, 2017 | <u><u>\$ 27,874,628</u></u> |

**SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | |
|----------------------------------|--------------------------|
| Balance December 31, 2017 & 2016 | <u><u>\$ 246,714</u></u> |
|----------------------------------|--------------------------|

**TOWNSHIP OF BURLINGTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SEWER CAPITAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| IMPROVEMENT DESCRIPTION | DATE OF ISSUE | ORIGINAL ISSUE | MATURITIES OF BONDS OUTSTANDING | | INTEREST RATE | BALANCE DECEMBER 31, 2016 | ISSUED | PAID BY BUDGET APPROPRIATIONS | BALANCE DECEMBER 31, 2017 |
|----------------------------|---------------|----------------|---------------------------------|---------|---------------|---------------------------|--------------|-------------------------------|---------------------------|
| | | | DATE | AMOUNT | | | | | |
| Sewer Utility Bonds - 2012 | 03/06/12 | \$ 1,264,000 | 03/15/18 | 80,000 | 1.25% | \$ 965,000 | - | \$ 75,000 | \$ 890,000 |
| | | | 03/15/19 | 80,000 | 1.75% | | | | |
| | | | 03/15/20 | 85,000 | 2.00% | | | | |
| | | | 03/15/21 | 85,000 | 2.00% | | | | |
| | | | 03/15/22 | 85,000 | 2.00% | | | | |
| | | | 03/15/23 | 90,000 | 2.125% | | | | |
| | | | 03/15/24 | 90,000 | 2.25% | | | | |
| | | | 03/15/25 | 95,000 | 2.25% | | | | |
| Refunding Bonds - 2013 | | | 03/15/26 | 100,000 | 2.25% | | | | |
| | | | 03/15/27 | 100,000 | 2.25% | | | | |
| | | | 02/15/18 | 180,000 | 3.00% | 915,000 | - | 175,000 | 740,000 |
| | | | 02/15/19 | 60,000 | 3.00% | | | | |
| | | | 02/15/19 | 130,000 | 4.00% | | | | |
| | | | 02/15/20 | 185,000 | 3.00% | | | | |
| | | | 02/15/21 | 110,000 | 3.00% | | | | |
| | | | 02/15/21 | 75,000 | 4.00% | | | | |
| Sewer Utility Bonds - 2017 | | | 09/15/18 | 54,000 | 2.00% | | 1,699,000 | - | 1,699,000 |
| | | | 09/15/19 | 50,000 | 2.00% | | | | |
| | | | 09/15/20 | 50,000 | 2.00% | | | | |
| | | | 09/15/21 | 55,000 | 2.00% | | | | |
| | | | 09/15/22 | 55,000 | 2.00% | | | | |
| | | | 09/15/23 | 55,000 | 2.00% | | | | |
| | | | 09/15/24 | 55,000 | 2.00% | | | | |
| | | | 09/15/25 | 55,000 | 2.00% | | | | |
| | | | 09/15/26 | 60,000 | 2.00% | | | | |
| | | | 09/15/27 | 60,000 | 2.13% | | | | |
| | | | 09/15/28 | 60,000 | 2.25% | | | | |
| | | | 09/15/29 | 65,000 | 3.00% | | | | |
| | | | 09/15/30 | 65,000 | 3.00% | | | | |
| | | | 09/15/31 | 65,000 | 3.00% | | | | |
| | | | 09/15/32 | 70,000 | 3.00% | | | | |
| | | | 09/15/33 | 70,000 | 3.00% | | | | |
| | | 09/15/34 | 75,000 | 3.00% | | | | | |
| | | 09/15/35 | 75,000 | 3.00% | | | | | |
| | | 09/15/36 | 80,000 | 3.00% | | | | | |
| | | 09/15/37 | 80,000 | 3.125% | | | | | |
| | | 09/15/38 | 85,000 | 3.125% | | | | | |
| | | 09/15/39 | 85,000 | 3.125% | | | | | |
| | | 09/15/40 | 90,000 | 3.250% | | | | | |
| | | 09/15/41 | 90,000 | 3.250% | | | | | |
| | | 09/15/42 | 95,000 | 3.250% | | | | | |
| Total | | | | | | | | | |
| | | | | | | \$ 1,880,000 | \$ 1,699,000 | \$ 250,000 | \$ 3,329,000 |

**TOWNSHIP OF BURLINGTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2017**

| IMPROVEMENT DESCRIPTION | BALANCE DECEMBER 31, 2016 | AUTHORIZATIONS | BONDS ISSUED | BONDS REDEEMD | NJBIT LOANS | BALANCE DECEMBER 31, 2017 |
|--|---------------------------------|---------------------|-------------------|-------------------|-------------------|---------------------------------|
| 2009 Various Sewer System Improvements | \$ 304,104 | \$ - | \$ - | \$ - | \$ - | \$ 304,104 |
| 2011 Various Sewer System Improvements | 141,750 | - | - | - | - | 141,750 |
| 2011 Rebuild Affluent Pumps, Ditch Mixer and Muffin Monster | - | - | 183,500 | 183,700 | - | 200 |
| 2012 Various Sewer System Improvements | 687,135 | - | - | - | - | 687,135 |
| 2013 Various Sewer System Improvements | 265,097 | - | - | - | - | 265,097 |
| 2016 Various Sewer System Improvements | 252,500 | - | - | - | - | 252,500 |
| 2017 Various Sewer System Improvements | - | 275,000 | 275,000 | - | - | - |
| 2015 Sanitary Sewer Rehabilitation | 925,000 | - | - | - | - | 925,000 |
| 2016 Sanitary Sewer Rehabilitation | 925,000 | - | - | - | 906,735 | 18,265 |
| 2017 Sanitary Sewer Rehabilitation | - | 850,000 | - | - | - | 850,000 |
| Total | \$ 3,500,586 | \$ 1,125,000 | \$ 458,500 | \$ 183,700 | \$ 906,735 | \$ 3,444,051 |

**TOWNSHIP OF BURLINGTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY WASTEWATER TRUST LOAN PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

| IMPROVEMENT DESCRIPTION | DATE OF ISSUE | ORIGINAL ISSUE | MATURITIES OF BONDS OUTSTANDING | | INTEREST RATE | BALANCE DECEMBER 31, 2016 | ISSUED | PAID | BALANCE DECEMBER 31, 2017 |
|---------------------------|---------------|----------------|---------------------------------|--------|---------------|---------------------------|--------|----------|---------------------------|
| | | | DATE | AMOUNT | | | | | |
| Central Avenue Wastewater | 2/11/11 | \$ 92,724 | 8/1/18 | 7,182 | 2.65% | \$ 54,285 | - | \$ 7,010 | \$ 47,275 |
| | | | 8/1/19 | 7,372 | 2.83% | | | | |
| | | | 8/1/20 | 7,581 | 2.98% | | | | |
| | | | 8/1/21 | 7,807 | 3.23% | | | | |
| | | | 8/1/22 | 8,059 | 3.37% | | | | |
| | | | 8/1/23 | 8,332 | 3.47% | | | | |
| | | | 8/1/24 | 942 | 3.58% | | | | |
| | | | | | | | | | |
| Series 2012ABC | 5/3/12 | 301,852 | 8/1/18 | 15,348 | N/A | 230,228 | - | 15,349 | 214,879 |
| | | | 8/1/19 | 15,348 | N/A | | | | |
| | | | 8/1/20 | 15,348 | N/A | | | | |
| | | | 8/1/21 | 15,348 | N/A | | | | |
| | | | 8/1/22 | 15,348 | N/A | | | | |
| | | | 8/1/23 | 15,348 | N/A | | | | |
| | | | 8/1/24 | 15,348 | N/A | | | | |
| | | | 8/1/25 | 15,348 | N/A | | | | |
| | | | 8/1/26 | 15,348 | N/A | | | | |
| | | | 8/1/27 | 15,348 | N/A | | | | |
| | | | 8/1/28 | 15,348 | N/A | | | | |
| | | 8/1/29 | 15,349 | N/A | | | | | |
| | | 8/1/30 | 15,349 | N/A | | | | | |
| | | 8/1/31 | 15,349 | N/A | | | | | |

TOWNSHIP OF BURLINGTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY WASTEWATER TRUST LOAN PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017

| IMPROVEMENT DESCRIPTION | DATE OF ISSUE | ORIGINAL ISSUE | MATURITIES OF BONDS OUTSTANDING | | INTEREST RATE | BALANCE DECEMBER 31, 2016 | ISSUED | PAID | BALANCE DECEMBER 31, 2017 |
|-------------------------|---------------|----------------|---------------------------------|--------|---------------|---------------------------|---------|--------|---------------------------|
| | | | DATE | AMOUNT | | | | | |
| Series 2012A | 5/3/12 | 280,000 | 8/1/18 | 10,000 | 5.00% | 240,000 | - | 10,000 | 230,000 |
| | | | 8/1/19 | 10,000 | 5.00% | | | | |
| | | | 8/1/20 | 15,000 | 5.00% | | | | |
| | | | 8/1/21 | 15,000 | 5.00% | | | | |
| | | | 8/1/22 | 15,000 | 5.00% | | | | |
| | | | 8/1/23 | 15,000 | 5.00% | | | | |
| | | | 8/1/24 | 15,000 | 5.00% | | | | |
| | | | 8/1/25 | 15,000 | 5.00% | | | | |
| | | | 8/1/26 | 20,000 | 5.00% | | | | |
| | | | 8/1/27 | 20,000 | 3.00% | | | | |
| | | | 8/1/28 | 20,000 | 3.00% | | | | |
| | | | 8/1/29 | 20,000 | 3.125% | | | | |
| | | | 8/1/30 | 20,000 | 3.20% | | | | |
| 8/1/31 | 20,000 | 3.25% | | | | | | | |
| Series 2013A | 5/22/13 | 305,000 | 8/1/18 | 15,000 | 4.00% | 275,000 | - | 15,000 | 260,000 |
| | | | 8/1/19 | 15,000 | 4.00% | | | | |
| | | | 8/1/20 | 15,000 | 4.00% | | | | |
| | | | 8/1/21 | 15,000 | 4.00% | | | | |
| | | | 8/1/22 | 15,000 | 4.00% | | | | |
| | | | 8/1/23 | 15,000 | 5.00% | | | | |
| | | | 8/1/24 | 15,000 | 5.00% | | | | |
| | | | 8/1/25 | 15,000 | 3.00% | | | | |
| | | | 8/1/26 | 20,000 | 3.00% | | | | |
| | | | 8/1/27 | 20,000 | 3.00% | | | | |
| | | | 8/1/28 | 20,000 | 3.00% | | | | |
| | | | 8/1/29 | 20,000 | 3.00% | | | | |
| | | | 8/1/30 | 20,000 | 3.00% | | | | |
| 8/1/31 | 20,000 | 3.00% | | | | | | | |
| 8/1/32 | 20,000 | 3.00% | | | | | | | |
| NJETT 2014A - Trust | 5/21/14 | 280,000 | 8/1/18 | 10,000 | 5.00% | 260,000 | - | 10,000 | 250,000 |
| | | | 8/1/19 | 10,000 | 5.00% | | | | |
| | | | 8/1/20 | 10,000 | 5.00% | | | | |
| | | | 8/1/21 | 15,000 | 5.00% | | | | |
| | | | 8/1/22 | 15,000 | 5.00% | | | | |
| | | | 8/1/23 | 15,000 | 5.00% | | | | |
| | | | 8/1/24 | 15,000 | 5.00% | | | | |
| | | | 8/1/25 | 15,000 | 3.00% | | | | |
| | | | 8/1/26 | 15,000 | 3.00% | | | | |
| | | | 8/1/27 | 15,000 | 3.00% | | | | |
| | | | 8/1/28 | 15,000 | 3.00% | | | | |
| | | | 8/1/29 | 20,000 | 3.00% | | | | |
| | | | 8/1/30 | 20,000 | 3.00% | | | | |
| 8/1/31 | 20,000 | 3.00% | | | | | | | |
| 8/1/32 | 20,000 | 3.13% | | | | | | | |
| 8/1/33 | 20,000 | 3.25% | | | | | | | |
| NJETT 2016 - Trust | 5/26/16 | 225,000 | 8/1/18 | 10,000 | 5.00% | - | 225,000 | 10,000 | 215,000 |
| | | | 8/1/19 | 10,000 | 5.00% | | | | |
| | | | 8/1/20 | 10,000 | 5.00% | | | | |
| | | | 8/1/21 | 10,000 | 5.00% | | | | |
| | | | 8/1/22 | 10,000 | 5.00% | | | | |
| | | | 8/1/23 | 10,000 | 5.00% | | | | |
| | | | 8/1/24 | 10,000 | 4.00% | | | | |
| | | | 8/1/25 | 10,000 | 4.00% | | | | |
| | | | 8/1/26 | 10,000 | 4.00% | | | | |
| | | | 8/1/27 | 10,000 | 4.00% | | | | |
| | | | 8/1/28 | 10,000 | 2.00% | | | | |
| | | | 8/1/29 | 15,000 | 2.00% | | | | |
| | | | 8/1/30 | 15,000 | 2.00% | | | | |
| 8/1/31 | 15,000 | 2.125% | | | | | | | |
| 8/1/32 | 15,000 | 3.00% | | | | | | | |
| 8/1/33 | 15,000 | 3.00% | | | | | | | |
| 8/1/34 | 15,000 | 3.00% | | | | | | | |
| 8/1/35 | 15,000 | 3.00% | | | | | | | |

Total

\$ 1,059,513 \$ 225,000 \$ 67,359 \$ 1,217,154

This page intentionally left blank.

WATER UTILITY FUND

This page intentionally left blank.

**TOWNSHIP OF BURLINGTON
WATER UTILITY FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | <u>OPERATING FUND</u> | <u>ASSESSMENT FUND</u> | <u>CAPITAL FUND</u> |
|-----------------------------|-----------------------|------------------------|---------------------|
| Balance December 31, 2016 | \$ 1,159,702 | \$ 167 | \$ 1,681,737 |
| Increased by Receipts: | | | |
| Collector | \$ 2,327,553 | \$ 47 | \$ - |
| Interfunds Payable | 192,050 | - | 119,944 |
| Bond Proceeds | - | - | 4,138,000 |
| Budget Refunds | 69,179 | - | - |
| Miscellaneous Revenue | 83,102 | - | - |
| Subtotal | <u>2,671,884</u> | <u>47</u> | <u>4,257,944</u> |
| Total | <u>3,831,586</u> | <u>214</u> | <u>5,939,681</u> |
| Decreased by Disbursements: | | | |
| Interfunds Payable | - | 214 | 192,048 |
| Improvement Authorizations | - | - | 786,247 |
| BAN Payments | - | - | 3,488,340 |
| Tax Overpayments | 310 | - | - |
| Appropriation Reserves | 74,439 | - | - |
| Accounts Payable | 20,852 | - | - |
| 2017 Budget Appropriations | 2,414,229 | - | - |
| Total Disbursements | <u>2,509,830</u> | <u>214</u> | <u>4,466,635</u> |
| Balance December 31, 2017 | <u>\$ 1,321,756</u> | <u>\$ -</u> | <u>\$ 1,473,046</u> |

**TOWNSHIP OF BURLINGTON
WATER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | <u>OPERATING FUND</u> | <u>ASSESSMENT FUND</u> |
|---------------------------------|-------------------------|------------------------|
| Balance December 31, 2016 | \$ 100,166 | \$ 47 |
| Increased by: | | |
| Consumer Accounts Receivable | \$ 2,299,728 | \$ - |
| Interest on Delinquent Accounts | 25,927 | - |
| | <u>2,325,655</u> | <u>-</u> |
| Subtotal | 2,425,821 | 47 |
| Decreased by: | | |
| Payment to Treasurer | <u>2,327,553</u> | <u>47</u> |
| Balance December 31, 2017 | <u><u>\$ 98,268</u></u> | <u><u>\$ -</u></u> |

**ANALYSIS OF WATER UTILITY ASSESSMENT TRUST CASH
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | <u>BALANCE DECEMBER 31, 2016</u> | <u>RECEIPTS ASSESSMENTS RECEIVABLE</u> | <u>DISBURSEMENTS INTERFUND LIQUIDATED</u> | <u>BALANCE DECEMBER 31, 2017</u> |
|-------------------------------------|--|--|---|--|
| Fund Balance | \$ 213 | \$ - | \$ 213 | \$ - |
| Due to Water Utility Operating Fund | <u>1</u> | <u>1</u> | <u>2</u> | <u>-</u> |
| Total | <u><u>\$ 214</u></u> | <u><u>\$ 1</u></u> | <u><u>\$ 215</u></u> | <u><u>\$ -</u></u> |
| Treasurer | \$ 168 | | | \$ - |
| Collector | <u>46</u> | | | <u>-</u> |
| Total | <u><u>\$ 214</u></u> | | | <u><u>\$ -</u></u> |

**TOWNSHIP OF BURLINGTON
WATER UTILITY CAPITAL FUND
ANALYSIS OF WATER UTILITY CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | |
|-----------------------------------|---------------------|
| Fund Balance | \$ 545,526 |
| Capital Improvement Fund | 200,000 |
| Improvement Authorizations: | |
| 2005 Various Water Improvements | 500 |
| 2010 Various Water Improvements | 78,684 |
| 2011 Various Water Improvements | 259,767 |
| 2012 Various Water Improvements | 17,163 |
| 2013 Various Water Improvements | 46,670 |
| 2014 Various Water Improvements | 211,871 |
| 2015 Various Water Improvements | 68,033 |
| 2015 Water Main Testing | 4,000 |
| 2016 Various Water Improvements | (800,906) |
| 2017 Various Water Improvements | 191,746 |
| Encumbrances Payable | 509,573 |
| Reserve for Repayment of Interest | 1,022 |
| Interfunds Payables | 139,397 |
| | <hr/> |
| Total | <u>\$ 1,473,046</u> |

**WATER UTILITY OPERATING FUND
SCHEDULE OF INTERFUNDS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | TOTAL | WATER ASSESSMENT TRUST | WATER UTILITY CAPITAL |
|-----------------------------|-------------------|------------------------------|-----------------------------|
| Balance December 31, 2016 | \$ 36,501 | \$ 1 | \$ 36,500 |
| Increased by: | | | |
| Interest Earned on Deposits | 10,748 | 1 | 10,747 |
| Connection Fees | 109,198 | - | 109,198 |
| Budgeted Fund Balance | 175,000 | - | 175,000 |
| | <hr/> | | |
| Subtotal | 331,447 | 2 | 331,445 |
| | <hr/> | | |
| Decreased by: | | | |
| Interfunds Liquidated | 192,050 | 2 | 192,048 |
| | <hr/> | | |
| Balance December 31, 2017 | <u>\$ 139,397</u> | <u>\$ -</u> | <u>\$ 139,397</u> |

**TOWNSHIP OF BURLINGTON
WATER UTILITY OPERATING FUND
SCHEDULE OF WATER RENTS RECEIVABLE**

| | | | |
|---------------------------|--|----|-----------|
| Balance December 31, 2016 | | \$ | 302,264 |
| Increased by: | | | |
| Water Rents Levied | | \$ | 2,302,552 |
| Overpayments Created | | | 7,036 |
| Adjustment | | | 126 |
| | | | 2,309,714 |
| Subtotal | | | 2,611,978 |
| Decreased by: | | | |
| Overpayments Applied | | | 6,206 |
| Collections | | | 2,299,728 |
| | | | 2,305,934 |
| Balance December 31, 2017 | | \$ | 306,044 |

**WATER UTILITY ASSESSMENT TRUST FUND
SCHEDULE OF DEFERRED ASSESSMENTS PER CHAPTER 341, P.L. 1975
FOR THE YEAR ENDED DECEMBER 31, 2017**

| IMPROVEMENT DESCRIPTION | BALANCE DECEMBER 31, 2016 | ASSESSMENTS CANCELLED 2017 | BALANCE DECEMBER 31, 2017 | BALANCE PLEGDED TO RESERVES |
|------------------------------------|---------------------------------|----------------------------------|---------------------------------|-----------------------------------|
| Water Supply & Distribution System | \$ 109,558 | \$ 109,558 | \$ - | \$ - |
| Total | \$ 109,558 | \$ 109,558 | \$ - | \$ - |
| | \$ 109,558 | \$ 109,558 | \$ - | \$ - |

**TOWNSHIP OF BURLINGTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2017**

| IMPROVEMENT DESCRIPTION | BALANCE DECEMBER 31, 2016 | AUTHORIZED | BONDS ISSUED | BALANCE DECEMBER 31, 2017 |
|---------------------------------|---------------------------------|-------------------|-------------------|---------------------------------|
| 2016 Various Water Improvements | \$ 878,500 | \$ - | \$ - | \$ 878,500 |
| 2017 Various Water Improvements | - | 650,000 | 650,000 | - |
| Total | <u>\$ 878,500</u> | <u>\$ 650,000</u> | <u>\$ 650,000</u> | <u>\$ 878,500</u> |

**SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2017 & 2016

\$ 15,263,424

**TOWNSHIP OF BURLINGTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2017**

| IMPROVEMENT DESCRIPTION | BALANCE DECEMBER 31, 2016 | AUTHORIZED | BALANCE DECEMBER 31, 2017 |
|---------------------------------|---------------------------------|-------------------|---------------------------------|
| 2010 Various Water Improvements | \$ 842,000 | \$ - | \$ 842,000 |
| 2011 Various Water Improvements | 1,115,000 | - | 1,115,000 |
| 2012 Various Water Improvements | 445,000 | - | 445,000 |
| 2013 Various Water Improvements | 589,500 | - | 589,500 |
| 2014 Various Water Improvements | 686,000 | - | 686,000 |
| 2015 Various Water Improvements | 652,500 | - | 652,500 |
| 2015 Water Main Testing | 35,000 | - | 35,000 |
| 2016 Various Water Improvements | 878,500 | - | 878,500 |
| 2017 Various Water Improvements | - | 650,000 | 650,000 |
| Total | \$ 5,243,500 | \$ 650,000 | \$ 5,893,500 |

**SCHEDULE OF ENCUMBRANCES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | |
|---------------------------------------|--------------------------|
| Balance December 31, 2016 | \$ 611,610 |
| Increased by: | |
| Charges to Improvement Authorizations | <u>509,573</u> |
| Subtotal | <u>1,121,183</u> |
| Decreased by: | |
| Prior Year Balances Reappropriated | <u>611,610</u> |
| Balance December 31, 2017 | <u><u>\$ 509,573</u></u> |

**TOWNSHIP OF BURLINGTON
WATER UTILITY OPERATING FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | BALANCE DECEMBER 31 2016 | BALANCE AFTER TRANSFERS | EXPENDED | BALANCE CANCELLED |
|-------------------------|--------------------------------|-------------------------------|------------------|----------------------|
| Operating: | | | | |
| Salaries & Wages | \$ 39,941 | \$ 39,941 | \$ 12,760 | \$ 27,181 |
| Other Expenses | 333,988 | 333,988 | 82,531 | 251,457 |
| Statutory Expenditures: | | | | |
| Contributions to: | | | | |
| Social Security System | 7,091 | 7,091 | - | 7,091 |
| | <u>381,020</u> | <u>381,020</u> | <u>95,291</u> | <u>285,729</u> |
| Total | <u>\$ 381,020</u> | <u>\$ 381,020</u> | <u>\$ 95,291</u> | <u>\$ 285,729</u> |
| Encumbrances Payable | \$ 20,852 | \$ 20,852 | \$ 20,852 | \$ - |
| Appropriation Reserve | <u>360,168</u> | <u>360,168</u> | <u>74,439</u> | <u>285,729</u> |
| Total | <u>\$ 381,020</u> | <u>\$ 381,020</u> | <u>\$ 95,291</u> | <u>\$ 285,729</u> |

**SCHEDULE OF ACCRUED INTEREST ON BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | |
|--|------------------|
| Balance December 31, 2016 | \$ 15,460 |
| Increased by: | |
| Budget Appropriation for Interest on Bonds | <u>40,100</u> |
| Subtotal | 55,560 |
| Decreased by: | |
| Interest Paid in Cash | <u>39,206</u> |
| Balance December 31, 2017 | <u>\$ 16,354</u> |

ANALYSIS OF ACCRUED INTEREST ON BONDS DECEMBER 31, 2017

| PRINCIPAL OUTSTANDING DECEMBER 31, 2017 | | | | | | |
|--|-------------|-------------|---------|----------|--------------|------------------|
| | AMOUNT | RATE | FROM | TO | PERIOD | AMOUNT |
| 2012 Bonds | \$1,575,000 | 1.00%-2.25% | 9/15/17 | 12/31/17 | 3 1/2 Months | \$ 9,337 |
| 2012 Refunding Bonds | 95,000 | 2.00%-4.00% | 9/15/17 | 12/31/17 | 3 1/2 Months | 963 |
| 2017 Bonds | 4,138,000 | 2.00%-3.25% | 9/15/17 | 12/31/17 | 3 1/2 Months | <u>6,054</u> |
| Total | | | | | | <u>\$ 16,354</u> |

**TOWNSHIP OF BURLINGTON
 WATER UTILITY ASSESSMENT TRUST FUND
 SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS
 FOR THE YEAR ENDED DECEMBER 31, 2017**

| IMPROVEMENT DESCRIPTION | BALANCE DECEMBER 31, 2016 | CANCELLED | BALANCE DECEMBER 31, 2017 |
|--|---------------------------------|-------------------|---------------------------------|
| Deferred Assessments Receivable: | | | |
| Chapter 341, P.L. 1975 - Water Supply & Distribution System | \$ 109,558 | \$ 109,558 | \$ - |
| Total Deferred Assessments Receivable | <u>\$ 109,558</u> | <u>\$ 109,558</u> | <u>\$ -</u> |

**TOWNSHIP OF BURLINGTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| IMPROVEMENT DESCRIPTION | ORDINANCE DATE | ORDINANCE AMOUNT | BALANCE DECEMBER 31, 2016 | | AUTHORIZED | PRIOR YEAR ENCUMBRANCES RECLASSIFIED | PAID | ENCUMBRANCES | | BALANCE DECEMBER 31, 2017 | |
|---------------------------------|----------------|------------------|---------------------------|------------|------------|--------------------------------------|------------|--------------|------------|---------------------------|----------|
| | | | FUNDED | UNFUNDED | | | | FUNDED | UNFUNDED | FUNDED | UNFUNDED |
| 2005 Various Water Improvements | 6/15/05 | \$ 112,500 | \$ 500 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 500 | \$ - | \$ - |
| 2010 Various Water Improvements | 07/13/10 | 842,000 | 78,684 | - | - | - | - | - | 78,684 | - | - |
| 2011 Various Water Improvements | 07/28/11 | 1,115,000 | - | 260,967 | - | 9,925 | 1,200 | 9,925 | 259,767 | - | - |
| 2012 Various Water Improvements | 07/10/12 | 445,000 | - | 20,613 | - | 1,665 | 3,450 | 1,665 | 17,163 | - | - |
| 2013 Various Water Improvements | 07/15/13 | 589,500 | - | 54,693 | - | - | 8,023 | - | 46,670 | - | - |
| 2014 Various Water Improvements | 06/10/14 | 686,000 | - | 220,723 | - | 36,950 | 45,802 | - | 211,871 | - | - |
| 2015 Various Water Improvements | 06/01/15 | 652,500 | - | 68,683 | - | 1,500 | 650 | 1,500 | 68,033 | - | - |
| 2015 Water Main Testing | 10/12/15 | 35,000 | 4,000 | - | - | - | - | - | 4,000 | - | - |
| 2016 Various Water Improvements | 05/10/16 | 878,500 | - | 281,375 | - | 561,570 | 627,369 | 137,982 | - | - | 77,594 |
| 2017 Various Water Improvements | 08/28/17 | 650,000 | - | - | 650,000 | - | 99,753 | 358,501 | 191,746 | - | - |
| Total Improvements | | | \$ 83,184 | \$ 907,054 | \$ 650,000 | \$ 611,610 | \$ 786,247 | \$ 509,573 | \$ 878,434 | \$ 77,594 | \$ - |

**TOWNSHIP OF BURLINGTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | | |
|-----------------------------|---------|----------------------|
| Balance December 31, 2016 | | \$ 14,245,084 |
| Increased by: | | |
| Ordinance Funded by Surplus | \$ 340 | |
| Serial Bonds Paid | 225,000 | 225,340 |
| | | <hr/> |
| Balance December 31, 2017 | | <u>\$ 14,470,424</u> |

**SCHEDULE OF WATER CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | | |
|----------------------------------|--|-------------------|
| Balance December 31, 2017 & 2016 | | <u>\$ 200,000</u> |
|----------------------------------|--|-------------------|

**SCHEDULE OF INTERFUNDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | | |
|--|------------|----------------------------|
| | | WATER OPERATING FUND |
| Balance December 31, 2016 | | \$ 36,500 |
| Increased by: | | |
| Connection Fees | \$ 109,198 | |
| Budgeted Surplus | 175,000 | |
| Interest Earned on Deposits | 10,747 | 294,945 |
| | | <hr/> |
| Subtotal | | 331,445 |
| Decreased by: | | |
| Interfund Liquidated With Water Operating Fund | | <hr/> 192,048 |
| Balance December 31, 2017 | | <u>\$ 139,397</u> |

**TOWNSHIP OF BURLINGTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF WATER SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| IMPROVEMENT DESCRIPTION | DATE OF ISSUE | ORIGINAL ISSUE | MATURITIES OF BONDS | | INTEREST RATE | BALANCE DECEMBER 31, 2016 | ISSUED | PAID BY BUDGET APPROPRIATION | BALANCE DECEMBER 31, 2017 |
|-----------------------------|---------------|----------------|---------------------|------------|---------------|---------------------------|-----------|------------------------------|---------------------------|
| | | | OUTSTANDING DATE | AMOUNT | | | | | |
| Water Capital Bonds of 2012 | 3/6/2012 | \$ 2,231,000 | 3/15/18 | \$ 140,000 | 1.250% | \$ 1,710,000 | \$ - | \$ 135,000 | \$ 1,575,000 |
| | | | 3/15/19 | 140,000 | 1.750% | | | | |
| | | | 3/15/20 | 145,000 | 2.000% | | | | |
| | | | 3/15/21 | 150,000 | 2.000% | | | | |
| | | | 3/15/22 | 155,000 | 2.000% | | | | |
| | | | 3/15/23 | 160,000 | 2.125% | | | | |
| | | | 3/15/24 | 165,000 | 2.250% | | | | |
| | | 3/15/25 | 165,000 | 2.250% | | | | | |
| | | 3/15/26 | 175,000 | 2.250% | | | | | |
| | | 3/15/27 | 180,000 | 2.250% | | | | | |
| Refunding Bonds - 2012 | 05/10/12 | 525,000 | 9/15/18 | 50,000 | 3.000% | 185,000 | - | 90,000 | 95,000 |
| | | | 9/15/18 | 45,000 | 4.000% | | | | |
| Water Capital Bonds - 2017 | 09/20/17 | 4,138,000 | 9/15/18 | 138,000 | 2.000% | - | 4,138,000 | - | 4,138,000 |
| | | | 9/15/19 | 135,000 | 2.000% | | | | |
| | | | 9/15/20 | 135,000 | 2.000% | | | | |
| | | | 9/15/21 | 135,000 | 2.000% | | | | |
| | | | 9/15/22 | 140,000 | 2.000% | | | | |
| | | | 9/15/23 | 140,000 | 2.000% | | | | |
| | | | 9/15/24 | 145,000 | 2.000% | | | | |
| | | | 9/15/25 | 150,000 | 2.000% | | | | |
| | | | 9/15/26 | 150,000 | 2.000% | | | | |
| | | | 9/15/27 | 155,000 | 2.125% | | | | |
| | | | 9/15/28 | 160,000 | 2.250% | | | | |
| | | | 9/15/29 | 165,000 | 3.000% | | | | |
| | | | 9/15/30 | 165,000 | 3.000% | | | | |
| | | | 9/15/31 | 170,000 | 3.000% | | | | |
| | | 9/15/32 | 175,000 | 3.000% | | | | | |
| | | 9/15/33 | 185,000 | 3.000% | | | | | |
| | | 9/15/34 | 190,000 | 3.000% | | | | | |
| | | 9/15/35 | 195,000 | 3.000% | | | | | |
| | | 9/15/36 | 200,000 | 3.000% | | | | | |
| | | 9/15/37 | 210,000 | 3.125% | | | | | |
| | | 9/15/38 | 215,000 | 3.125% | | | | | |
| | | 9/15/39 | 220,000 | 3.125% | | | | | |
| | | 9/15/40 | 230,000 | 3.250% | | | | | |
| | | 9/15/41 | 235,000 | 3.250% | | | | | |
| Total | | | | | | | | | \$ 5,808,000 |
| Total | | | | | | | | | \$ 1,895,000 |
| Total | | | | | | | | | \$ 4,138,000 |
| Total | | | | | | | | | \$ 225,000 |

**TOWNSHIP OF BURLINGTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2017**

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION | DATE OF ORIGINAL ISSUE | DATE OF ISSUE | DATE OF MATURITY | INTEREST RATE | BALANCE DECEMBER 31, 2016 | INCREASED | DECREASED | BALANCE DECEMBER 31 2017 |
|------------------|------------------------------|------------------------|---------------|------------------|---------------|---------------------------|-----------|--------------|--------------------------|
| 2006-16 | Various Utility Improvements | 10/9/14 | 10/6/16 | 10/5/17 | 0.65% | \$ 340 | - | \$ 340 | \$ - |
| 2011-15 | Various Utility Improvements | 10/9/14 | 10/6/16 | 10/5/17 | 0.65% | 1,115,000 | - | 1,115,000 | - |
| 2012-16 | Various Utility Improvements | 10/9/14 | 10/6/16 | 10/5/17 | 0.65% | 445,000 | - | 445,000 | - |
| 2013-20 | Various Utility Improvements | 10/9/14 | 10/6/16 | 10/5/17 | 0.65% | 589,500 | - | 589,500 | - |
| 2014-14 | Various Utility Improvements | 10/6/16 | 10/6/16 | 10/5/17 | 0.65% | 686,000 | - | 686,000 | - |
| 2015-10 | Various Utility Improvements | 10/6/16 | 10/6/16 | 10/5/17 | 0.65% | 652,500 | - | 652,500 | - |
| Total | | | | | | \$ 3,488,340 | \$ - | \$ 3,488,340 | \$ - |

**WATER LINE ASSESSMENT FUND
SCHEDULE OF FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | |
|---------------------------|--------|
| Balance December 31, 2016 | \$ 213 |
| Decreased by: Transfer | 213 |
| Balance December 31, 2017 | \$ - |

BOND AND COUPON ACCOUNT

This page intentionally left blank.

**TOWNSHIP OF BURLINGTON
BOND AND COUPON ACCOUNT
ANALYSIS OF INTEREST COUPONS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

| DESCRIPTION | COUPON NUMBER | DUE DATE | BOND NUMBER | COUPON AMOUNT | AMOUNT |
|-------------------------------|---------------|----------|-------------|---------------|----------|
| 1963 School Bond | 21 | 8/01/73 | 276 | \$ 80 | \$ - |
| | 28 | 2/01/79 | 323-324 | 80 | - |
| 1974 Water & Sewer General | 22 | 9/15/85 | 308-309 | 188 | - |
| | 23 | 3/15/86 | 310-311 | 188 | - |
| 1976 General Bonds | 12 | 12/15/82 | 439 | 140 | - |
| Total | | | | <u>\$</u> | <u>-</u> |

This page intentionally left blank.

TOWNSHIP OF BURLINGTON

PART II

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

FOR THE YEAR ENDED DECEMBER 31, 2017

This page intentionally left blank.

**TOWNSHIP OF BURLINGTON
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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.

**TOWNSHIP OF BURLINGTON
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.

TOWNSHIP OF BURLINGTON

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:

| | | | |
|---------------------------|---|-----------|---|
| Brian J. Carlin | Mayor | | |
| Joyce R. Howell | President of Council | | |
| Carl M. Schoenborn | Councilman | | |
| George M. Kozub | Councilman | | |
| E. L. Pete Green | Councilman | | |
| Michael K. Cantwell | Councilman | | |
| Robert W. Jung | Councilman | | |
| Patricia M. Siboczy | Councilwoman | | |
| | | | |
| Anthony J. Carnivale, Jr. | Municipal Clerk | | |
| Walter J. Corter | Administrator | | |
| Dawn Bass | Treasurer/Chief Financial Officer | \$150,000 | A |
| Stephen Fazekas | Director of Public Works, Sewer & Water Inspector | | |
| Mary E. Field | Registrar of Vital Statistics & Deputy Township Clerk | | |
| Jay Renwick | Tax Assessor | | |
| Rosa Henry | Court Administrator | | B |
| Michael Wright | Construction Code Official | | |
| Sherita Singleton | Deputy Registrar of Vital Statistics | | |
| Cindy Eckman-Crist | Alternate Deputy Vital Statistics | | |
| Dennis McInerney | Municipal Court Judge | | B |
| David Serlin | Counsel | | |
| Lan Chen Shen | Tax Collector, Sewer Utility Collector, Water Utility Collector, Tax Search Officer | \$330,000 | A |
| | | | |
| Darlene Flagg | Deputy Tax Collector | | |
| Bruce Painter | Director of Public Safety Chief Law Enforcement Officer | | |
| Scott Hatfield | Director of Engineering | | |

Corporate Surety Bonds:

- A) Individual Bonds
- B) Faithful Performance Blanket Bond Covering Municipal Court Personnel Only; Amount of \$60,000 per Occurrence.



Honorable Mayor and Members
of the Township Council
Township of Burlington
Burlington, New Jersey

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 \$40,000 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:

“BE IT RESOLVED by the Township Council of the Township of Burlington, County of Burlington, State of New Jersey, the rate of interest charged on delinquent taxes or assessments on any installment made ten (10) days after the date upon which the same became payable, shall not exceed eight (8) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18) percent per annum on any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00).

BE IT FURTHER RESOLVED, that where interest on delinquent tax payments is one dollar (\$1.00) or less, payment and collection of said interest is hereby waived.”

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

OTHER COMMENTS (FINDINGS):

Finding 2017-001

Cash reconciliations for the General and Bail accounts of the municipal court contained unreconciled differences.

RECOMMENDATIONS:

Finding 2017-001

That the Township review and make appropriate corrections to the General and Bail accounts of the municipal court.

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.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
RMA No. 435

Medford, New Jersey
June 11, 2018