

**TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY**

**AUDIT REPORT FOR THE YEAR  
ENDED DECEMBER 31, 2018**



TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

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COUNTY OF OCEAN, NEW JERSEY

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COUNTY OF OCEAN, NEW JERSEY

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**TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN**

**PART I**

**INDEPENDENT AUDITOR'S REPORTS  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Township Council  
Township of Stafford  
County of Ocean  
Manahawkin, New Jersey 08050

### 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 Stafford as of December 31, 2018 and 2017, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, the related statements of revenues - regulatory basis, and statements of expenditures - regulatory basis for the year ended December 31, 2018 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 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, 2018 and 2017, 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, 2018 and 2017, 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, 2018 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

## **Emphasis of Matter**

### ***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, during the year ended December 31, 2018 the Township adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions - an Amendment of GASB Statement No. 45, 57 and 74. Our opinion is not modified with respect to this matter.

## **Other Matters**

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental 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 accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental schedules presented for the various funds and the schedule of expenditures of state financial assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

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 July 30, 2019 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.**

Jerry W. Conaty  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 581

Toms River, New Jersey  
July 30, 2019

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**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 Stafford  
County of Ocean  
Manahawkin, New Jersey 08050

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 Stafford, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated July 30, 2019. 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.

### **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.**

Jerry W. Conaty  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No 581

Toms River, New Jersey  
July 30, 2019

**BASIC FINANCIAL STATEMENTS**

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TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2018 and 2017

Assets	Reference	2018	2017	Liabilities, Reserves and Fund Balance	Reference	2018	2017
Cash and Cash Equivalents - Treasurer	1-A	\$ 19,067,508.00	\$ 20,184,687.88	Appropriation Reserves	A-3,8-A	\$ 1,947,432.09	\$ 2,073,756.64
Cash - Change Fund	A	400.00	300.00	Encumbrances Payable	9-A	315,601.39	327,888.48
		19,067,908.00	20,184,987.88	Accounts Payable	19-A	6,596.30	6,596.30
Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	2-A	3,838.54	5,252.12	Payroll Deductions Payable	11-A	203,943.11	123,489.94
Taxes Receivable	3-A	509,855.32	675,650.29	Prepaid Taxes	12-A	821,057.32	3,965,480.05
Tax Title Liens Receivable	4-A	266,612.75	233,145.62	County Taxes Payable	13-A	151,298.88	184,515.29
Revenue Accounts Receivable	5-A	21,783.97	26,355.86	Local District School Tax Payable	14-A	2,523,191.00	2,252,295.00
Property Acquired for Taxes - Assessed Valuation	6-A	186,650.00	186,650.00	Regional School Tax Payable	14-A	856,443.87	519,548.87
		21,783.97	26,355.86	Tax Overpayments Payable	15-A	10,468.33	10,030.87
Deferred Charges:				Due To Grant Fund	10-A	120,410.71	204,242.08
Future Taxation Unfunded - CDL	A	3,352,150.68	3,333,975.62	Open Space Payable	16-A	3,541.38	
		3,352,150.68	3,333,975.62	County Share of PILOT Payable	22-A	30,810.84	
		23,408,799.26	24,646,017.39	Reserve for:			
				Tax Appeals	17-A	128,300.78	144,305.55
				Sale of Municipal Assets	20-A	193,298.25	193,298.25
				FEMA Community Disaster Loan Payable	21-A	3,352,150.68	3,333,975.62
						10,657,948.63	13,339,422.94
Grant Fund:				Reserve for Receivables and Other Assets	A	984,902.04	1,121,801.77
State and Federal Grants Receivable	7-A	1,010,939.94	24,883.61	Fund Balance	A-1	11,765,948.59	10,184,792.68
Due From Current Fund	A	120,410.71	204,242.08			23,408,799.26	24,646,017.39
		1,131,350.65	229,125.69	Grant Fund:			
		\$ 24,540,149.91	\$ 24,875,143.08	Encumbrances Payable	9-A	21,974.64	7,354.78
Total Assets				Reserve for Grant Expenditures - Appropriated	18-A	1,109,376.01	221,770.91
						1,131,350.65	229,125.69
				Total Liabilities, Reserves and Fund Balance		\$ 24,540,149.91	\$ 24,875,143.08

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

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -  
REGULATORY ACCOUNTING BASIS

Year ended December 31, 2018

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 4,700,000.00	\$ 3,500,000.00
Miscellaneous Revenue Anticipated	A-2	7,191,358.31	7,210,018.26
Receipts From Delinquent Taxes	A-2	683,015.77	735,497.23
Receipts From Current Taxes	A-2	95,157,177.18	91,976,720.98
Non-Budget Revenues	A-2	1,337,579.76	1,837,514.53
Other Credits To Income:			
Unexpended Balance of Appropriation			
Reserves	8-A	<u>1,296,444.01</u>	<u>1,295,177.43</u>
Total Revenues		<u>110,365,575.03</u>	<u>106,554,928.43</u>
Expenditures:			
Budget Appropriations:			
Operations:			
Salaries and Wages	A-3	19,106,560.00	18,233,900.00
Other Expenses	A-3	14,340,640.33	12,914,250.22
Capital Improvements	A-3	400,000.00	325,000.00
Deferred Charges and Statutory			
Expenditures	A-3	5,007,319.16	3,958,456.54
Debt Service	A-3	7,155,805.17	8,018,483.93
Prior Year Senior Citizens' Disallowed	2-A	4,500.00	6,500.00
Refund of Prior Year Revenue	1-A	14,853.32	4,209.91
County Taxes	13-A	17,738,987.53	17,604,459.78
County Share of Added Taxes	13-A	151,298.88	184,515.29
Local District School Tax	14-A	29,755,028.00	29,289,673.00
Regional School Tax	14-A	9,989,063.00	9,315,274.00
Municipal Open Space Tax	16-A	<u>420,363.73</u>	<u>394,031.15</u>
Total Expenditures		<u>104,084,419.12</u>	<u>100,248,753.82</u>
Statutory Excess		6,281,155.91	6,306,174.61
Fund Balance, January 1	A	<u>10,184,792.68</u>	<u>7,378,618.07</u>
		16,465,948.59	13,684,792.68
Decreased By:			
Utilized as Anticipated Revenue	A-2	<u>4,700,000.00</u>	<u>3,500,000.00</u>
Fund Balance, December 31	A	<u>\$ 11,765,948.59</u>	<u>\$ 10,184,792.68</u>

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

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2018

	<u>Reference</u>	<u>Anticipated</u>	<u>Amount Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	A-1	\$ 4,700,000.00	\$ 4,700,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	5-A	30,000.00	30,700.00	\$ 700.00
Fees and Permits	5-A	25,000.00	33,170.00	8,170.00
Fines and Costs:				
Municipal Court	5-A	380,000.00	341,832.37	(38,167.63)
Interest and Cost on Taxes	5-A	180,000.00	203,878.59	23,878.59
Fire Prevention Bureau Fees	5-A	85,000.00	138,264.05	53,264.05
Mobile Home Park Fees	5-A	130,000.00	147,431.40	17,431.40
Payments in Lieu of Taxes - Federal	5-A	12,071.00	11,710.00	(361.00)
Cable TV Fee and Lease	5-A	146,108.99	146,108.99	
PILOT - Target, Costco, etc.	5-A	240,000.00	307,813.54	67,813.54
Energy Receipts Tax	5-A	2,465,920.00	2,465,920.00	
Supplemental Energy Receipts Tax	5-A	104,286.00	104,286.00	
Garden State Preservation Trust Fund	5-A	36,666.00	36,666.00	
Uniform Construction Code Fees	5-A	625,000.00	783,998.20	158,998.20
Shared Services Agreement -				
Animal Control:				
Township of Long Beach	5-A	16,800.00	15,261.50	(1,538.50)
Borough of Beach Haven	5-A	5,000.00	5,705.00	705.00
Borough of Barnegat Light	5-A	2,900.00	3,259.00	359.00
Borough of Harvey Cedars	5-A	2,800.00	3,133.00	333.00
Shared Services Agreement -				
Construction:				
Township of Eagleswood	5-A	27,000.00	36,747.00	9,747.00
Borough of Beach Haven	5-A	40,000.00	29,729.70	(10,270.30)
Borough of Surf City	5-A	30,000.00	31,915.00	1,915.00
Borough of Harvey Cedars	5-A	15,000.00	39,756.00	24,756.00
Shared Services Agreement -				
Class III Police Officers:				
Southern Regional High School	5-A	80,000.00	50,547.69	(29,452.31)
Ocean County Cooperative Pricing System	5-A	15,000.00	18,500.00	3,500.00
Reserve To Pay Bonds	5-A	58,508.00	58,508.00	
Capital Surplus	5-A	100,000.00	100,000.00	
Reserve To Pay Notes	5-A	449,980.29	449,980.29	
PILOT - Stafford Preserve	5-A	400,000.00	490,910.89	90,910.89
FEMA Hazard Mitigation Assistance	7-A	958,775.00	958,775.00	
Clean Communities Program	7-A	73,290.99	73,290.99	
American Legion Post 511 Donation for Police Vests	7-A	4,000.00	4,000.00	
Alcohol Education and Rehabilitation Fund	7-A	1,611.11	1,611.11	
Municipal Alliance on Alcoholism and Drug Abuse	7-A	28,249.00	28,249.00	
FY 2017 Homeland Security Grant	7-A	27,600.00	27,600.00	
Distracted Driving Crackdown	7-A	6,600.00	6,600.00	
Click It or Ticket	7-A	5,500.00	5,500.00	
<b>Total Miscellaneous Revenues</b>	<b>A-1</b>	<b>6,808,666.38</b>	<b>7,191,358.31</b>	<b>382,691.93</b>

The accompanying notes to the Financial Statements are an integral part of this Statement.

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2018

	<u>Reference</u>	<u>Anticipated</u>	<u>Amount Realized</u>	<u>Excess/ (Deficit)</u>
Receipts From Delinquent Taxes	A-1,3-A	<u>500,000.00</u>	<u>683,015.77</u>	<u>183,015.77</u>
Amount To Be Raised By Taxes for Support of Municipal Budget	A-2,3-A	<u>37,019,621.56</u>	<u>39,483,441.39</u>	<u>2,463,819.83</u>
Budget Totals	A-3	49,028,287.94	52,057,815.47	3,029,527.53
Non-Budget Revenues	A-1,A-2	<u>                    </u>	<u>1,337,579.76</u>	<u>1,337,579.76</u>
		<u>\$ 49,028,287.94</u>	<u>\$ 53,395,395.23</u>	<u>\$ 4,367,107.29</u>
Revenue Accounts Receivable	5-A		\$ 6,085,732.21	
Grants Receivable	7-A		<u>1,105,626.10</u>	
	A-2		<u>\$ 7,191,358.31</u>	
Summary of Revenue Realized:				
Allocation of Current Tax Revenues:				
Allocation of Current Tax Collections:				
Revenue From Collections	A-1,3-A		\$ 95,157,177.18	
Allocated To School and County Taxes	3-A		<u>58,054,741.14</u>	
Balance for Support of Municipal Appropriations			37,102,436.04	
Increased By:				
Appropriation Reserve for Uncollected Taxes	A-3		<u>2,381,005.35</u>	
Amount for Support of Municipal Budget Appropriations	A-2		<u>\$ 39,483,441.39</u>	

The accompanying notes to the Financial Statements are an integral part of this Statement.

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2018

<u>Analysis of Non-Budget Revenues</u>	<u>Reference</u>	
Peddler and Taxi Licenses		\$ 2,535.00
Raffle/Bingo Licenses		6,325.00
Food-Handlers License		12,191.59
Vital Statistics		26,500.00
Tax Searches		20.00
Xerox Copies		248.92
Administration Fees - Site Plans		6,825.00
Variance Lists		920.00
Towing Fees		280.00
Ocean County Recycling Revenue Sharing		12,231.14
Pool Licenses		500.00
Street Opening Permits		14,292.00
Labor Liens		15,004.99
Police Reports		2,654.80
Police Outside Employment Administrative Fee		44,762.51
Interest on Investments and Deposits		405,207.91
Returned Check Charge Fees		260.00
Cat Licenses		7,895.40
Court Reporter - Planning and Zoning		4,600.00
Miscellaneous		40.77
2% Administrative Payment		6,921.13
Miscellaneous Refunds and Reimbursements		103,535.95
Restitution		4,947.95
Penalty - Building Department		300.00
Recycled Material		20,762.50
PILOT - Presbyterian Homes		27,262.43
PILOT - Stafford Family Apartments		49,276.05
PILOT - Stafford Properties Urban Development/Vitamin Shoppe		6,574.40
PILOT - Stafford Properties Urban Development/Ulta Beauty		19,399.87
PILOT - Stafford Properties Urban Development/Olive Garden		491.78
PILOT - Stafford Properties Urban Development/AT&T		5,748.11
PILOT - Stafford Properties Urban Development/Five Below		14,686.42
Sale of Liquor License		500,000.00
Auction Proceeds		7,818.57
FSA Forfeitures		2,643.12
Carfax Reports		561.45
Firearms Application Fees		1,855.00
DMV Inspection Fines		1,500.00
		<hr/>
	A-2, 1-A	\$ <u>1,337,579.76</u>

The accompanying notes to the Financial Statements are an integral part of this Statement.

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2018

	<u>Original Budget</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
GENERAL APPROPRIATIONS					
Operations - Within "CAPS"	\$			\$	
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	227,000.00	227,000.00	217,953.46	9,046.54	
Other Expenses	12,715.00	12,715.00	10,925.89	1,789.11	
Purchasing:					
Salaries and Wages	159,000.00	159,000.00	155,908.72	3,091.28	
Other Expenses	15,050.00	15,050.00	13,581.17	1,468.83	
Human Resources:					
Other Expenses	27,000.00	27,000.00	3,107.50	23,892.50	
Mayor and Council:					
Salaries and Wages	167,000.00	167,000.00	156,828.64	10,171.36	
Other Expenses	4,900.00	4,900.00	1,804.69	3,095.31	
Municipal Clerk:					
Salaries and Wages	213,000.00	216,500.00	213,161.59	3,338.41	
Other Expenses	35,020.00	35,020.00	26,819.96	8,200.04	
Elections	3,700.00	3,700.00	3,317.68	382.32	
Financial Administration (Treasury):					
Salaries and Wages	475,000.00	475,000.00	408,409.70	66,590.30	
Other Expenses	18,500.00	18,500.00	18,006.66	493.34	
Audit Services:					
Other Expenses	50,000.00	50,000.00	38,787.00	11,213.00	
Banking and Arbitrage Rebate Services:					
Other Expenses	25,000.00	25,000.00	20,184.93	4,815.07	
Computerized Data Processing:					
Salaries and Wages	117,000.00	117,000.00	113,045.03	3,954.97	
Other Expenses	100,050.00	100,050.00	89,380.05	10,669.95	
Revenue Administration (Tax Collection):					
Salaries and Wages	362,500.00	370,500.00	368,969.65	1,530.35	
Other Expenses	61,220.00	69,220.00	60,514.38	8,705.62	
Tax Assessment Administration:					
Salaries and Wages	416,000.00	416,000.00	407,492.76	8,507.24	
Other Expenses	54,000.00	54,000.00	45,972.23	8,027.77	
Legal Services (Legal Department):					
Other Expenses	175,000.00	275,000.00	215,363.57	59,636.43	
Engineering Services:					
Other Expenses	227,500.00	227,500.00	208,991.50	18,508.50	

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2018

	<u>Original Budget</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>GENERAL APPROPRIATIONS</b>					
Operations - Within "CAPS"					
Municipal Alliance:					
Salaries and Wages	6,000.00	6,000.00	6,000.00		
Community Development and Zoning:					
Salaries and Wages	126,000.00	127,500.00	126,567.76	932.24	
Other Expenses	11,850.00	11,850.00	10,205.98	1,644.02	
Historic Sites Office:					
Salaries and Wages	500.00	500.00		500.00	
Other Expenses	1,050.00	1,050.00	1,050.00		
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	4,000.00	4,000.00	936.77	3,063.23	
Other Expenses	12,945.00	12,945.00	5,789.35	7,155.65	
Zoning Board of Adjustment:					
Salaries and Wages	3,500.00	3,500.00	1,459.29	2,040.71	
Other Expenses	11,425.00	11,425.00	10,117.77	1,307.23	
CODE ENFORCEMENT AND ADMINISTRATION					
Uniform Construction Code Enforcement:					
Salaries and Wages	740,000.00	740,000.00	696,881.20	43,118.80	
Other Expenses	12,550.00	12,550.00	11,312.65	1,237.35	
Other Code Enforcement Functions:					
Salaries and Wages	133,000.00	133,000.00	130,850.95	2,149.05	
Other Expenses	3,000.00	3,000.00	2,005.10	994.90	
Demolition of Condemned Buildings:					
Other Expenses	20,000.00	20,000.00		20,000.00	
INSURANCE					
General Liability	476,867.92	476,867.92	425,491.68	51,376.24	
Workers Compensation	361,754.06	361,754.06	361,754.06		
Employee Group Health	6,081,250.00	6,081,250.00	5,821,536.31	259,713.69	
Unemployment/Disability Insurance	75,000.00	75,000.00	75,000.00		

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2018

	<u>Original Budget</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>GENERAL APPROPRIATIONS</b>					
Operations - Within "CAPS"					
<b>PUBLIC SAFETY</b>					
Police Department:					
Salaries and Wages	8,950,160.00	8,920,160.00	8,826,169.98	93,990.02	
Other Expenses	589,525.00	619,525.00	520,150.43	99,374.57	
Office of Emergency Management:					
Other Expenses	5,000.00	5,000.00	3,620.23	1,379.77	
Aid To Volunteer Fire Companies	90,000.00	90,000.00	90,000.00		
Aid To Volunteer Ambulance Companies	70,000.00	70,000.00	70,000.00		
Uniform Fire Safety:					
Salaries and Wages	158,000.00	158,000.00	133,873.42	24,126.58	
Other Expenses	6,275.00	7,375.00	7,243.16	131.84	
Municipal Prosecutor's Office:					
Other Expenses	48,000.00	48,000.00	38,846.25	9,153.75	
New Jersey Public Employees Safety and Health	30,500.00	30,500.00	29,912.38	587.62	
<b>PUBLIC WORKS</b>					
Streets and Road Maintenance:					
Salaries and Wages	1,096,000.00	1,096,000.00	1,048,466.76	47,533.24	
Other Expenses	157,700.00	157,700.00	144,488.87	13,211.13	
Solid Waste Collection:					
Salaries and Wages	2,048,000.00	2,038,900.00	1,883,209.54	155,690.46	
Other Expenses	56,875.00	56,875.00	48,944.99	7,930.01	
Buildings and Grounds:					
Salaries and Wages	1,364,000.00	1,364,000.00	1,307,799.27	56,200.73	
Other Expenses	249,800.00	249,800.00	248,605.60	1,194.40	
Vehicle Maintenance:					
Salaries and Wages	554,000.00	554,000.00	529,752.86	24,247.14	
Other Expenses	695,150.00	715,150.00	691,729.93	23,420.07	
Municipal Bus Service:					
Salaries and Wages	181,000.00	181,000.00	147,644.60	33,355.40	
Other Expenses	7,500.00	7,500.00	3,425.01	4,074.99	

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2018

	<u>Original Budget</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>GENERAL APPROPRIATIONS</b>					
Operations - Within "CAPS"					
<b>HEALTH AND HUMAN SERVICES</b>					
Environmental Health Services:					
Salaries and Wages	3,000.00	3,000.00	1,587.55	1,412.45	
Other Expenses	1,580.00	1,580.00	950.12	629.88	
Animal Control Services:					
Salaries and Wages	162,000.00	162,000.00	149,266.89	12,733.11	
Other Expenses	20,350.00	20,350.00	18,404.59	1,945.41	
<b>PARKS AND RECREATION</b>					
Recreation Services and Programs:					
Salaries and Wages	463,000.00	463,000.00	456,231.18	6,768.82	
Other Expenses	37,650.00	37,650.00	35,041.74	2,608.26	
Beach and Boardwalk Operations:					
Salaries and Wages	32,500.00	32,500.00	25,194.66	7,305.34	
Other Expenses	800.00	800.00		800.00	
Celebration of Public Events:					
Other Expenses	41,000.00	41,000.00	40,929.90	70.10	
Municipal Court:					
Salaries and Wages	440,000.00	442,000.00	434,904.17	7,095.83	
Other Expenses	19,100.00	19,100.00	15,463.85	3,636.15	
Public Defender:					
Other Expenses	45,000.00	45,000.00	41,365.69	3,634.31	
<b>UNCLASSIFIED</b>					
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Electricity	350,000.00	350,000.00	262,832.86	87,167.14	
Street Lighting	550,000.00	550,000.00	473,600.64	76,399.36	
Telephone (excluding telephone acquisition)	160,000.00	160,000.00	125,240.66	34,759.34	
Water	10,000.00	10,000.00	6,458.03	3,541.97	
Gas (natural or propane)	75,000.00	75,000.00	54,464.08	20,535.92	
Telecommunications Costs	250.00	250.00	176.82	73.18	
Sewerage Processing and Disposal	17,500.00	17,500.00	14,022.75	3,477.25	
Gasoline	425,000.00	425,000.00	360,354.10	64,645.90	
Landfill/Solid Waste Disposal Costs	1,380,000.00	1,245,000.00	1,189,519.08	55,480.92	
Accumulated Leave Compensation	330,000.00	330,000.00	330,000.00		
<b>Total Operations - Within "CAPS"</b>	<b>31,948,061.98</b>	<b>31,948,061.98</b>	<b>30,295,378.27</b>	<b>1,652,683.71</b>	

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2018

	<u>Original Budget</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>GENERAL APPROPRIATIONS</b>					
Operations - Within "CAPS"					
Detail:					
Salaries and Wages	18,931,160.00	18,907,060.00	18,278,566.40	628,493.60	
Other Expenses	13,016,901.98	13,041,001.98	12,016,811.87	1,024,190.11	
<b>STATUTORY EXPENDITURES</b>					
Contribution To:					
Public Employees Retirement System	1,045,616.91	1,045,616.91	1,045,616.91		
Social Security System (O.A.S.I.)	1,449,617.53	1,449,617.53	1,288,975.49	160,642.04	
Police and Firemen's Retirement System of NJ	1,601,759.00	1,601,759.00	1,601,759.00		
Defined Contribution Retirement Program	<u>7,500.00</u>	<u>7,500.00</u>	<u>4,697.78</u>	<u>2,802.22</u>	
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	<u>4,104,493.44</u>	<u>4,104,493.44</u>	<u>3,941,049.18</u>	<u>163,444.26</u>	
Total General Appropriations for Municipal Purposes - Within "CAPS"	<u>36,052,555.42</u>	<u>36,052,555.42</u>	<u>34,236,427.45</u>	<u>1,816,127.97</u>	
Employee Group Health					
Length of Service Award Program	106,950.00	106,950.00		106,950.00	
Recycling Tax	55,000.00	55,000.00	50,980.92	4,019.08	
Reserve for Tax Appeals					
Total Operations - Excluded From "CAPS"	<u>161,950.00</u>	<u>161,950.00</u>	<u>50,980.92</u>	<u>110,969.08</u>	
Shared Service Agreements:					
Animal Control:					
Township of Long Beach:					
Salaries and Wages	16,800.00	16,800.00	16,800.00		
Borough of Beach Haven:					
Salaries and Wages	5,000.00	5,000.00	5,000.00		
Borough of Barnegat Light:					
Salaries and Wages	2,900.00	2,900.00	2,900.00		
Borough of Harvey Cedars:					
Salaries and Wages	2,800.00	2,800.00	2,800.00		

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2018

	<u>Original Budget</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>GENERAL APPROPRIATIONS</b>					
Operations - Within "CAPS"					
Construction:					
Township of Eagleswood					
Salaries and Wages	27,000.00	27,000.00	27,000.00		
Borough of Beach Haven:					
Salaries and Wages	40,000.00	40,000.00	40,000.00		
Borough of Surf City					
Salaries and Wages	30,000.00	30,000.00	30,000.00		
Borough of Harvey Cedars:					
Salaries and Wages	15,000.00	15,000.00	15,000.00		
Class III Police Officers:					
Southern Regional High School					
Salaries and Wages	60,000.00	60,000.00	51,003.00	8,997.00	
Other Expenses	20,000.00	20,000.00	13,661.96	6,338.04	
	<u>139,500.00</u>	<u>219,500.00</u>	<u>204,164.96</u>	<u>15,335.04</u>	
Total Shared Service Agreements					
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>					
FY 2017 Homeland Security Grant	27,600.00	27,600.00	27,600.00		
Ocean County Municipal Alliance	28,249.00	28,249.00	28,249.00		
Municipal Alliance - Local Match	7,062.25	7,062.25	7,062.25		
Clean Communities Program	73,290.99	73,290.99	73,290.99		
FEMA Hazard Mitigation Assistance	958,775.00	958,775.00	958,775.00		
Alcohol Education/Rehabilitation Grant		1,611.11	1,611.11		
Distracted Driving Crackdown	6,600.00	6,600.00	6,600.00		
Click It or Ticket	5,500.00	5,500.00	5,500.00		
Local Match for Future Grants	5,000.00	5,000.00		5,000.00	
American Legion Post 511 Donation (Vests)		4,000.00	4,000.00		
	<u>1,033,286.25</u>	<u>1,117,688.35</u>	<u>1,112,688.35</u>	<u>5,000.00</u>	
Total Public and Private Programs Offset By Revenues					
	<u>1,334,736.25</u>	<u>1,499,138.35</u>	<u>1,367,834.23</u>	<u>131,304.12</u>	

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2018

	<u>Original Budget</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>GENERAL APPROPRIATIONS</b>					
Operations - Within "CAPS"					
Detail:					
Salaries and Wages	139,500.00	199,500.00	190,503.00	8,997.00	
Other Expenses	1,195,236.25	1,299,638.35	1,177,331.23	122,307.12	
Capital Improvements - Excluded From "CAPS"					
Capital Improvement Fund	<u>400,000.00</u>	<u>400,000.00</u>	<u>400,000.00</u>		
Total Capital Improvements - Excluded From "CAPS"	<u>400,000.00</u>	<u>400,000.00</u>	<u>400,000.00</u>		
Municipal Debt Service - Excluded From "CAPS"					
Payment of Bond Principal	4,480,000.00	4,480,000.00	4,480,000.00		
Payment of Bond Anticipation Notes	518,750.00	518,750.00	518,750.00		5,571.65
Interest on Bonds	1,742,026.67	1,742,026.67	1,736,455.02		294.69
Interest on Notes	106,087.50	106,087.50	105,792.81		
Green Acres Trust Loan Program:					
Loan Repayments for Principal and Interest	345,898.93	345,898.93	314,807.34		31,091.59
Community Disaster Loan Principal and Interest	<u>600,000.00</u>	<u>600,000.00</u>			<u>600,000.00</u>
Total Municipal Debt Service - Excluded From "CAPS"	<u>7,792,763.10</u>	<u>7,792,763.10</u>	<u>7,155,805.17</u>		<u>636,957.93</u>
Deferred Charges - Municipal Excluded from "CAPS"					
Deferred Charges:					
Deferred Charges to Future Taxation	900,000.00	900,000.00	900,000.00		
Bond Ordinance 2018-03	<u>2,825.72</u>	<u>2,825.72</u>	<u>2,825.72</u>		
Bond Ordinance 2016-17					
Total Deferred Charges - Municipal Excluded from "CAPS"	<u>902,825.72</u>	<u>902,825.72</u>	<u>902,825.72</u>		
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	<u>10,430,325.07</u>	<u>10,594,727.17</u>	<u>9,826,465.12</u>	<u>131,304.12</u>	<u>636,957.93</u>
Subtotal General Appropriations	46,482,880.49	46,647,282.59	44,062,892.57	1,947,432.09	636,957.93

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2018

	<u>Original Budget</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
GENERAL APPROPRIATIONS Operations - Within "CAPS"					
Reserve for Uncollected Taxes	2,381,005.35	2,381,005.35	2,381,005.35		
Total General Appropriations	<u>\$ 48,863,885.84</u>	<u>49,028,287.94</u>	<u>\$ 46,443,897.92</u>	<u>\$ 1,947,432.09</u>	<u>\$ 636,957.93</u>
Budget as Adopted Added By N.J.S. 40A:4-87			\$ 48,863,885.84 164,402.10	A	
			<u>\$ 49,028,287.94</u>		
<u>Analysis of Paid or Charged</u>					
Cash Disbursements			\$ 42,634,602.83		
Encumbrances Payable			315,601.39		
Reserve for:					
Uncollected Taxes			2,381,005.35		
Grant Expenditures - Appropriated			1,112,688.35		
			<u>\$ 46,443,897.92</u>		

Reference

A-2

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

TRUST FUND

STATEMENTS OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE - REGULATORY BASIS

December 31, 2018 and 2017

<u>Assets</u>	<u>Reference</u>	<u>2018</u>	<u>2017</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2018</u>	<u>2017</u>
Animal Control Fund:				Animal Control Fund:			
Cash	1-B	\$ 33,710.25	\$ 21,088.98	Reserve for Animal Control Fund Expenditures	3-B	\$ 33,696.45	\$ 21,088.98
				Due To State of New Jersey Department of Health	4-B	13.80	
						<u>33,710.25</u>	<u>21,088.98</u>
Trust - Other Fund:				Trust - Other Fund:			
Cash	1-B	7,559,961.58	7,126,063.75	Reserve for:			
				Landfill Tax Escrow	5-B	419,768.78	417,156.28
				Cash Surety Bonds	6-B	1,373,362.25	1,399,234.92
				Developers' Escrow Deposits	6-B	1,728,261.25	1,519,132.16
				Municipal Alliance Program Income	7-B	25,483.92	22,560.52
				Various Reserves	8-B	4,013,085.38	3,767,979.87
						<u>7,559,961.58</u>	<u>7,126,063.75</u>
Open Space Trust Fund:				Open Space Trust Fund:			
Cash and Cash Equivalents	1-B	295,100.60	383,278.21	Reserve for Open Space Fund Expenditures	9-B	298,641.98	383,278.21
Taxes Receivable	A	3,541.38				<u>298,641.98</u>	<u>383,278.21</u>
Length of Service Award Program Fund ("LOSAP"); Investments	2-B	1,214,705.63	1,290,706.95	Length of Service Award Program Fund ("LOSAP"); Miscellaneous Reserves	10-B	1,214,705.63	1,290,706.95
Total Assets		\$ 9,107,019.44	\$ 8,821,137.89	Total Liabilities and Reserves		\$ 9,107,019.44	\$ 8,821,137.89

TOWNSHIP OF STAFFORD  
 COUNTY OF OCEAN, NEW JERSEY  
 GENERAL CAPITAL FUND

STATEMENTS OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE - REGULATORY BASIS

December 31, 2018 and 2017

Assets	Reference	2018	2017	Liabilities, Reserves and Fund Balance	Reference	2018	2017
Cash and Cash Equivalents	1-C	\$ 6,379,861.19	7,281,557.95	Serial Bonds	6-C	\$ 50,745,000.00	50,990,000.00
Grants Receivable - NJ DOT	3-C	<u>81,250.00</u>	<u>406,250.00</u>	Bond Anticipation Notes	7-C	3,940,000.00	4,715,000.00
				Encumbrances Payable	8-C	1,294,591.97	2,268,264.00
		<u>6,461,111.19</u>	<u>7,687,807.95</u>	Loans Payable	9-C	1,093,460.86	1,386,988.76
				Improvement Authorizations:			
				Funded	10-C	3,275,667.79	1,813,458.76
				Unfunded	10-C	1,277,814.44	6,397,033.73
				Capital Improvement Fund	11-C	331,639.46	123,526.00
Deferred Charges To Future Taxation:				Reserve for:			
Funded	4-C	51,838,460.86	52,376,988.76	Debt Service	12-C	98,894.71	508,488.29
Unfunded	5-C	<u>4,416,000.00</u>	<u>8,942,500.00</u>	Developer's Contributions	13-C	42,000.00	42,000.00
				Reserve for Grants Receivable	14-C	81,250.00	162,500.00
		<u>56,254,460.86</u>	<u>61,319,488.76</u>	Fund Balance	C-1	535,252.82	600,037.17
Total Assets		<u>\$ 62,715,572.05</u>	<u>\$ 69,007,296.71</u>	Total Liabilities, Reserves and Fund Balance		<u>\$ 62,715,572.05</u>	<u>\$ 69,007,296.71</u>

The Township Had bonds and notes authorized by not issued of \$476,000.00 and \$4,227,500.00 at December 31, 2018 and 2017, respectively.

The accompanying notes to the Financial Statements are an integral part of this Statement.

TOWNSHIP OF STAFFORD  
 COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF CHANGES IN CAPITAL FUND BALANCE -  
 REGULATORY ACCOUNTING BASIS

Year ended December 31, 2018

	<u>Reference</u>		
Balance, December 31, 2017	C		\$ 600,037.17
Increased By:			
Premium on Bond Sale	1-C	\$ 3,196.23	
Premium on Note Sale	1-C	<u>32,019.42</u>	
			<u>35,215.65</u>
			635,252.82
Decreased By:			
Anticipated Revenue in Current Fund	1-C		<u>100,000.00</u>
Balance, December 31, 2018	C		<u><u>\$ 535,252.82</u></u>

The accompanying notes to the Financial Statements are an integral part of this Statement.

TOWNSHIP OF STAFFORD  
 COUNTY OF OCEAN, NEW JERSEY  
 WATER/SEWER UTILITY FUND

STATEMENTS OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE - REGULATORY BASIS

December 31, 2018 and 2017

Assets	Reference	2018	2017	Liabilities, Reserves and Fund Balances	Reference	2018	2017
Operating Fund:				Operating Fund:			
Cash and Cash Equivalents	1-D	\$ 8,706,132.01	\$ 7,823,220.28	Liabilities:			
Cash - Change Fund	D	<u>300.00</u>	<u>300.00</u>	Appropriation Reserves	D-4,8-D	\$ 517,442.91	\$ 664,745.01
				Encumbrances Payable	9-D	<u>99,218.70</u>	<u>66,660.17</u>
Receivables With Full Reserves:				Accrued Interest on Bonds, Notes and Loans	10-D	594,593.57	580,404.15
Consumer Accounts Receivable	3-D	98,203.27	146,474.84	Prepaid Revenue	11-D	<u>142,495.37</u>	<u>133,753.91</u>
Water-Sewer Liens Receivable	4-D	<u>26,081.25</u>	<u>23,316.25</u>			1,353,750.55	1,445,563.24
		<u>124,284.52</u>	<u>169,791.09</u>	Reserve for Receivables	D	124,284.52	169,791.09
				Fund Balance	D-1	<u>7,352,681.46</u>	<u>6,377,957.04</u>
Total Operating Fund		<u>8,830,716.53</u>	<u>7,993,311.37</u>	Total Operating Fund		<u>8,830,716.53</u>	<u>7,993,311.37</u>
				Capital Fund:			
				Serial Bonds	12-D	30,841,000.00	33,331,000.00
				Loans Payable	13-D	18,119,364.63	19,364,066.49
				Bond Anticipation Notes	14-D	3,500,000.00	
				Improvement Authorizations:			
				Funded	15-D	1,345,778.65	812,888.08
				Unfunded	15-D	2,490,377.41	4,189,464.60
				Contracts/Encumbrances Payable	16-D	1,501,536.81	1,330,091.31
				Capital Improvement Fund	17-D	12,625.00	12,625.00
				Reserve for:			
				Deferred Amortization	18-D	1,642,764.06	2,546,287.75
				Debt Service	19-D	350,000.00	
				Amortization	20-D	111,243,396.69	103,538,753.89
				Fund Balance	D-2	<u>579,928.33</u>	<u>522,517.00</u>
Total Capital Fund		<u>171,626,771.58</u>	<u>165,647,694.12</u>	Total Capital Fund		<u>171,626,771.58</u>	<u>165,647,694.12</u>
Total Assets		<u>\$ 180,457,488.11</u>	<u>\$ 173,641,005.49</u>	Total Liabilities, Reserves and Fund Balances		<u>\$ 180,457,488.11</u>	<u>\$ 173,641,005.49</u>

The Township had bonds and notes authorized by not issued of \$585,389.00 and \$4,263,644.00 at December 31, 2018 and 2017, respectively.

The accompanying notes to the Financial Statements are an integral part of this Statement.

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -  
REGULATORY ACCOUNTING BASIS

Year ended December 31, 2018

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
Revenue and Other Income Realized:			
Operating Surplus Anticipated	D-3	\$ 2,000,000.00	\$ 2,000,000.00
Water/Sewer User Fees	D-3	15,677,909.25	15,061,303.80
Miscellaneous	D-3	690,222.92	699,424.12
Interlocal Agreement - Boro of Ship Bottom	D-3	89,477.30	95,096.65
Miscellaneous Revenue Not Anticipated	D-3	49,857.98	61,165.57
Other Credits To Income:			
Appropriation Reserves Lapsed	8-D	<u>625,356.38</u>	<u>458,044.46</u>
Total Revenue		<u>19,132,823.83</u>	<u>18,375,034.60</u>
Expenditures:			
Operating	D-4	7,905,200.00	7,560,000.00
Debt Service	D-4	6,076,099.41	6,915,188.08
Deferred Charges	D-4	1,625,000.00	1,000,672.00
Statutory Expenditures	D-4	551,800.00	536,328.00
Refund of Prior Year Revenue	1-D	<u>500.00</u>	<u>500.00</u>
Total Expenditures		<u>16,158,099.41</u>	<u>16,012,688.08</u>
Excess in Revenue		2,974,724.42	2,362,346.52
Fund Balance, January 1	D	<u>6,377,957.04</u>	<u>6,015,610.52</u>
		9,352,681.46	8,377,957.04
Decreased By:			
Utilized as Anticipated Revenue	D-3	<u>2,000,000.00</u>	<u>2,000,000.00</u>
Fund Balance, December 31	D	<u>\$ 7,352,681.46</u>	<u>\$ 6,377,957.04</u>

The accompanying notes to the Financial Statements are an integral part of this Statement.

TOWNSHIP OF STAFFORD  
 COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

STATEMENT OF CHANGES IN CAPITAL FUND BALANCE  
 REGULATORY ACCOUNTING BASIS

Year ended December 31, 2018

	<u>Reference</u>		
Balance, December 31, 2017	D		\$ 522,517.00
Increased By:			
Premium on Sale of Bonds and Notes	1-D	\$ 28,394.58	
Funded Improvement Authorizations Cancelled	18-D	<u>29,016.75</u>	
			<u>57,411.33</u>
Balance, December 31, 2018	D		<u>\$ 579,928.33</u>

The accompanying notes to the Financial Statements are an integral part of this Statement.

TOWNSHIP OF STAFFORD  
 COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2018

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	D-1	\$ 2,000,000.00	\$ 2,000,000.00	
Water/Sewer User Fees	D-1	13,980,000.00	15,677,909.25	\$ 1,697,909.25
Miscellaneous	D-1	300,000.00	690,222.92	390,222.92
Interlocal Agreement - Ship Bottom	D-1	95,000.00	89,477.30	(5,522.70)
Miscellaneous Revenue Not Anticipated	D-1	<u>                    </u>	<u>49,857.98</u>	<u>49,857.98</u>
	D-4	<u>\$ 16,375,000.00</u>	<u>\$ 18,507,467.45</u>	<u>\$ 2,132,467.45</u>
Cash Receipts	1-D		\$ 16,373,713.54	
Surplus Realized	D-1		2,000,000.00	
Prepaid Revenue Applied	3-D,11-D		<u>133,753.91</u>	
			<u>\$ 18,507,467.45</u>	

The accompanying notes to the Financial Statements are an integral part of this Statement.

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2018

	Appropriations		Expended		
	Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
Operating:					
Salaries and Wages	\$ 2,135,000.00	\$ 2,135,000.00	\$ 2,070,832.42	\$ 64,167.58	
Other Expenses	5,695,200.00	5,695,200.00	5,255,799.47	439,400.53	
Accumulated Leave Compensation	75,000.00	75,000.00	75,000.00		
Total Operating	7,905,200.00	7,905,200.00	7,401,631.89	503,568.11	
Debt Service:					
Payment of Bond Principal	2,490,000.00	2,490,000.00	2,490,000.00		
Payment of Bond Anticipation Notes					\$ 1,602.49
Interest on Bonds	1,090,000.00	1,090,000.00	1,088,397.51		3,635.42
Interest on Notes	67,000.00	67,000.00	63,364.58		
NJEIT Trust Loan Program:					
Loan Repayment for Principal and Interest	2,646,000.00	2,646,000.00	2,434,337.32		211,662.68
Total Debt Service	6,293,000.00	6,293,000.00	6,076,099.41		216,900.59
Deferred Charges:					
Deferred Charges to Future Revenue:					
Bond Ordinance 2018-04	1,625,000.00	1,625,000.00	1,625,000.00		
Total Deferred Charges	1,625,000.00	1,625,000.00	1,625,000.00		
Statutory Expenditures:					
Public Employees' Retirement System	363,519.98	363,519.98	363,519.98		
Social Security System	163,280.02	163,280.02	149,405.22	13,874.80	
Unemployment Compensation Insurance	25,000.00	25,000.00	25,000.00		
Total Statutory Expenditures	551,800.00	551,800.00	537,925.20	13,874.80	
Total Appropriations	\$ 16,375,000.00	\$ 16,375,000.00	\$ 15,640,656.50	\$ 517,442.91	\$ 216,900.59
				D/D-1	D-4
Cash Disbursements			\$ 14,125,689.69		
Encumbrances Payable			99,218.70		
Accrued Interest Payable			1,415,748.11		
			\$ 15,640,656.50		

The accompanying notes to the Financial Statements are an integral part of this Statement.

TOWNSHIP OF STAFFORD  
 COUNTY OF OCEAN, NEW JERSEY  
 GENERAL FIXED ASSET GROUP

STATEMENTS OF FIXED ASSETS & FUND BALANCE - REGULATORY ACCOUNTING BASIS

December 31, 2018 and 2017

<u>Assets</u>	<u>2018</u>	<u>2017</u>	<u>Reserves</u>	<u>2018</u>	<u>2017</u>
General Fixed Assets:					
Land	\$ 20,152,797.61	\$ 20,152,797.61			
Buildings and Improvements	12,724,890.28	12,724,890.28			
Machinery and Equipment	<u>19,690,260.93</u>	<u>17,931,843.95</u>	Investment in Fixed Assets	<u>\$ 52,567,948.82</u>	<u>\$ 50,809,531.84</u>
Total Assets	<u>\$ 52,567,948.82</u>	<u>\$ 50,809,531.84</u>	Total Reserves	<u>\$ 52,567,948.82</u>	<u>\$ 50,809,531.84</u>

**TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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**TOWNSHIP OF STAFFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 1. Summary of Significant Accounting Policies**

**Description of Financial Reporting Entity**

The Township of Stafford, County of Ocean, New Jersey (hereafter referred to as the "Township") is governed by the Township form of government, with a mayor and a 6-member Township Council. Administrative responsibilities are assigned to the Township Manager. Policy is determined by Council and the Manager is responsible for carrying out such policy.

**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.

**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.

**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.

**TOWNSHIP OF STAFFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

**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 10<sup>th</sup> 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** - New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insure deposits, the State of New Jersey Cash Management Fund and government money market mutual funds through registered broker/dealers and banks. The New Jersey Governmental Unit Deposit Protection Act ("GUDPA") requires public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5 percent of the average daily balance of public funds; or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of Fund investments is generally not required.

Investments

New Jersey statutes establish the following securities as eligible for the investment of Township funds:

- (a) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (b) Government Money Market Mutual Funds.
- (c) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an Act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (d) Bonds or other obligations of the Township, or bonds or other obligations of school districts of which the Township is a part or within which the school district is located.

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

- (e) Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase that are approved by the New Jersey Department of Treasury Division of Investments.
- (f) Local Government Investment Pools.
- (g) Deposits with the State of New Jersey Cash Management Fund established pursuant to Section 1 of P.L. 1977, C. 281 (C.52:18A:90.4).

Repurchase agreements (15.1(a) (8)) must comply with the following conditions:

- (a) The underlying securities are permitted investments, pursuant to the list contained in (a) and (c) above.
- (b) The custody of the collateral is transferred to a third party. This means the bank must contract with a trusted third party to hold the collateral to ensure it is not pledged against any other investments.
- (c) The maturity of the agreement is not more than 30 days.
- (d) The underlying securities are purchased through a GUDPA bank.
- (e) A master repurchase agreement providing for the custody and security of collateral is executed.

Local Government Investment Pools ("LGIP") (15.1(e) (2)) are subject to the following requirements:

- (a) It is managed in accordance with the SEC's government money market rules (2a-7).
- (b) It is rated in the highest category by a nationally recognized statistical rating organization.
- (c) Have their portfolio limited to U.S. Government securities as defined in 2a-7 and repurchase agreements that are collateralized by such U.S. Government securities.

Every local unit must have a Cash Management Plan ("Plan"); the Plan is subject to audit. In addition, when the Plan permits investments for more than one year, the investment must approximate the prospective use of funds. This primarily relates to U.S. securities and local bond issue purchases. The law also requires that cash management plans provide for the CFO to give the governing body a monthly report that summarizes:

- (a) All investments made or redeemed over the past month.
- (b) Each organization holding local unit funds.
- (c) The amount of securities purchased or sold, class or type of securities purchased, book value, earned income, fees incurred, and market value of all investments as of the report date.
- (d) Other information that may be required by the governing body.

The Township is permitted to invest public funds in accordance with N.J.S.A. 40A:5-15.1. These investments include bonds or other obligations of the United States or obligations guaranteed by the United States, Government Money Market Mutual Funds, bond or other obligations of the Township or bonds or other obligations of the school district, local government investment pools, and agreements for the repurchase of fully-collateralized securities, if purchased in accordance with N.J.S.A. 40A:5-15.1. The Township is also permitted to invest Length of Service Award Program ("LOSAP") funds with the types of eligible investments authorized in N.J.A.C. 5:30-14.19. These investments include interest-bearing accounts or securities in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

**TOWNSHIP OF STAFFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

**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 \$5,000.00 obtain capitalization policy, 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.

**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

**TOWNSHIP OF STAFFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

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 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 Ocean, and Stafford Township School District and Southern Regional 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 Ocean. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10<sup>th</sup> of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10<sup>th</sup> of the current year and due to be paid to the County by February 15<sup>th</sup> of the following year.

**School Taxes** – The municipality is responsible for levying, collecting and remitting school taxes for the Stafford Township School District and Southern Regional School District]. Operations are charged for the full amount required to be raised from taxation to operate the local and regional school district July 1 to June 30.

**Deferred School Taxes** – School taxes raised in advance in the Current Fund for a school fiscal year (July I 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.

**TOWNSHIP OF STAFFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

**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 31<sup>st</sup> 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.

**Volunteer Length of Service Award Plan** – The Township has established a Volunteer Length of Service Award Plan (“LOSAP”) (“Plan”) to ensure retention of the Township’s volunteer First Aid squad. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a “length of service award plan under Section 457(e)11 of the Internal Revenue Code”.

Annual Contributions - The annual contribution to be made by the Township for each active volunteer member shall be \$1,150.00 per year of active emergency service, commencing with the year 2005.

Appropriations - Appropriations for the purpose of funding the Township’s LOSAP shall be included as a separate line item in the Township’s budget, commencing with the year 2005.

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

Periodic Increases - Notwithstanding the provisions above, the annual contribution to be made by the Township for each active volunteer member shall not be subject to periodic increases based upon the “consumer price index factor” pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

Estimated Cost - The estimated cost of the program to the Township has been calculated to be approximately \$78,200.00 per year. (This amount may vary annually, however, based upon the total number of eligible active volunteer members at the time the program was established).

**Recent Accounting Pronouncements** – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts 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 their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The following GASB pronouncement effective for the current year did have a significant impact on the Township’s financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans.

**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, N.J.S.A. 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.

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 2. Deposits and Investments (continued)**

As of December 31, 2018, the Township's bank balance of \$48,630,090.47 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 7,642,863.34
NJ Cash Management Fund	33,106,453.52
Uninsured and Uncollateralized	<u>7,880,773.61</u>
	<u>\$ 48,630,090.47</u>

**Investments**

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

Under regulatory basis of accounting, investments are measured at cost in the Township's financial statements. However, had the financial statements been prepared in accordance with GAAP, the Township's fair value, hierarchy level and maturities of its investments at December 31, 2018 would be as followed:

<u>Investment type</u>	<u>Carrying Value</u>	<u>Fair Value as of December 31, 2018</u>			<u>Investment Maturities (in Years)</u>
		<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>	<u>Less Than 1 Year</u>
Money Markets	\$ 10,774.03	\$ 10,774.03	\$ -	\$ 10,774.03	\$ 10,774.03
Mutual Funds	810,893.52	810,893.52	-	810,893.52	810,893.52
Fixed Account Investment Contract	393,038.08	-	393,038.08	393,038.08	393,038.08
	<u>\$ 1,214,705.63</u>	<u>\$ 821,667.55</u>	<u>\$ 393,038.08</u>	<u>\$ 1,214,705.63</u>	<u>\$ 1,214,705.63</u>
 <u>Fund</u>					
Trust Fund - LOSAP	\$ 1,214,705.63	\$ 821,667.55	\$ 393,038.08	\$ 1,214,705.63	\$ 1,214,705.63
	<u>\$ 1,214,705.63</u>	<u>\$ 821,667.55</u>	<u>\$ 393,038.08</u>	<u>\$ 1,214,705.63</u>	<u>\$ 1,214,705.63</u>

Custodial credit risk related to Investments - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Other than the rules and

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 2. Deposits and Investments (continued)**

regulations promulgated by N.J.S.A. 40A:5-15.1, the Township has no investment policy to limit exposure to custodial credit risk.

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

Credit risk - Credit risk is the risk that an issuer to an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. As of December 31, 2018, the Township's investments had the following ratings:

<u>Investment type</u>	<u>Standard &amp; Poor's</u>	<u>Moody's</u>
Money Markets	AAA	Aaa
Mutual Funds	AAA	Aaa
Fixed Account Investment Contract	AAA	Aaa

**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>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	<u>\$ 2.278</u>	<u>\$ 2.353</u>	<u>\$ 2.329</u>
Apportionment of Tax Rate:			
Municipal	0.888	0.901	0.885
Municipal Open Space	0.010	0.010	0.010
County General	0.426	0.451	0.446
Local School	0.714	0.752	0.752
Regional School	0.240	0.239	0.236

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2018	\$ 4,168,223,411.00
2017	3,899,381,913.00
2016	3,849,038,400.00

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 3. Delinquent Taxes and Tax Title Liens (continued)**

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2018	\$ 95,760,139.78	\$ 95,157,177.18	99.37%
2017	92,715,159.38	91,976,720.98	99.20%
2016	90,747,341.80	89,902,076.33	99.06%

**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>
2018	\$ 266,612.75	\$ 509,855.32	\$ 776,468.07	0.81%
2017	233,145.62	675,650.29	908,795.91	0.98%
2016	196,928.39	737,904.35	934,832.74	1.03%

**Number of Tax Title Liens**

<u>Year</u>	<u>Number</u>
2018	99
2017	95
2016	78

The last tax sale was held on February 16, 2018.

**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>
2018	\$ 186,650.00
2017	186,650.00
2016	186,650.00

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 5: Water & Sewer Utility Service Charges**

The following is a three-year comparison of Water & 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>
2018	\$ 146,474.84	\$ 15,766,156.59	\$ 15,912,631.43	\$ 15,814,428.16	99.38%
2017	173,700.09	15,037,191.55	15,210,891.64	15,064,416.80	99.03%
2016	175,882.36	14,879,620.47	15,055,502.83	14,881,802.74	98.84%

**Note 6. Fund Balances Appropriated**

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<b>Current Fund:</b>			
2018	\$11,765,948.59	\$ 4,500,000.00	38.25%
2017	10,184,792.68	4,700,000.00	46.15%
2016	7,378,618.07	3,500,000.00	47.43%
<b>Utility Operating Fund:</b>			
2018	\$ 7,352,681.46	\$ 2,000,000.00	27.20%
2017	6,377,957.04	2,000,000.00	31.36%
2016	6,015,610.52	2,000,000.00	33.25%

**Note 7. Disaggregated Receivable and Payable Balances**

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

**Note 8. Interfund Receivables, Payables and Transfers**

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2018:

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 8. Interfund Receivables, Payables and Transfers (continued)**

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
Current Fund	\$ -	\$ 123,952.09
State and Federal Grant Fund	120,410.71	-
Open Space Trust	<u>3,541.38</u>	<u>-</u>
	<u>\$ 123,952.09</u>	<u>\$ 123,952.09</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:

<b>Fund</b>	<b>Transfers In</b>	<b>Transfers Out</b>
Current Fund	\$ 83,831.37	\$ -
State and Federal Grant Fund	<u>-</u>	<u>83,831.37</u>
	<u>\$ 83,831.37</u>	<u>\$ 83,831.37</u>

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, 2018.

	Balance December 31, <u>2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	Balance December 31, <u>2018</u>
Land	\$ 20,152,797.61	\$ -	\$ -	\$ -	\$ 20,152,797.61
Buildings and Improvements	12,724,890.28	-	-	-	12,724,890.28
Machinery & Equipment	<u>17,931,843.95</u>	<u>1,006,744.70</u>	<u>(1,291,911.19)</u>	<u>2,043,583.47</u>	<u>19,690,260.93</u>
	<u>\$ 50,809,531.84</u>	<u>\$ 1,006,744.70</u>	<u>\$(1,291,911.19)</u>	<u>\$ 2,043,583.47</u>	<u>\$ 52,567,948.82</u>

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 9. Fixed Assets (continued)**

The following is a summary of changes in the Water/Sewer Utility Fixed Capital for the year 2018:

	Balance December 31, <u>2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2018</u>
Land	\$ 3,222,734.82	\$ -	\$ -	\$ 3,222,734.82
Buildings and Improvements	3,201,100.59	-	-	3,201,100.59
Improvements Other than Buildings	137,055,659.80	9,564,329.95	-	146,619,989.75
Machinery & Equipment	4,246,076.27	-	-	4,246,076.27
Furniture and Fixtures	240,006.00	-	-	240,006.00
Soft Costs	366,886.90	-	-	366,886.90
	<u>\$ 148,332,464.38</u>	<u>\$ 9,564,329.95</u>	<u>\$ -</u>	<u>\$ 157,896,794.33</u>

**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 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 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.

**TOWNSHIP OF STAFFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 10. Pension Obligations (continued)**

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

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

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2018, 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, 2018, the Township's contractually required contribution to PERS plan was \$1,480,149.

**Components of Net Pension Liability** - At December 31, 2018, the Township's proportionate share of the PERS net pension liability was \$29,299,359. The net pension liability was measured as of June 30, 2018. 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, 2017, which was rolled forward to June 30, 2018. 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, 2018. The Township's proportion measured as of June 30, 2018, was .1488070% which was a decrease of .00071276% from its proportion measured as of June 30, 2017.

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 10. Pension Obligations (continued)**

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

**Collective Balances at December 31, 2018 and December 31, 2017**

	<u>12/31/2018</u>	<u>12/30/2017</u>
Actuarial valuation date (including roll forward)	June 30, 2018	June 30, 2017
Deferred Outflows of Resources	\$ 6,270,550	\$ 9,319,790
Deferred Inflows of Resources	10,090,539	7,245,891
Net Pension Liability	29,299,359	34,805,813
 Township's portion of the Plan's total net pension Liability	 0.14881%	 0.14952%

**Pension Expense and Deferred Outflows/Inflows of Resources** - At December 31, 2018, the Township's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2018 measurement date is \$1,867,584. 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 \$1,480,149 to the plan in 2018.

At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 558,743	\$ 151,077
Changes of Assumptions	4,828,049	9,368,377
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	274,829
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	<u>883,758</u>	<u>296,256</u>
	<u>\$ 6,270,550</u>	<u>\$ 10,090,539</u>

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

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 10. Pension Obligations (continued)**

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

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
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	-
June 30, 2018	5.63	-
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
June 30, 2018	-	5.63
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	-
June 30, 2018	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
June 30, 2018	5.63	5.63

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 10. Pension Obligations (continued)**

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

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

<b>Year Ending</b>	<b>Amount</b>
<b><u>Dec 31,</u></b>	
2019	\$ (145,749.00)
2020	(303,757.00)
2021	(1,016,168.00)
2022	(1,817,060.00)
2023	<u>(537,255.00)</u>
	<u>\$ (3,819,989.00)</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 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

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 10. Pension Obligations (continued)**

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

base year of 2012 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, 2017 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, 2018) 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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 STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 10. Pension Obligations (continued)**

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

**Discount Rate** - The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. 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 3.87% as of June 30, 2018 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 50% 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 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 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 (4.66%) or 1-percentage-point higher (6.66%) than the current rate:

	<b>1% Decrease <u>(4.66%)</u></b>	<b>Current Discount Rate <u>(5.66%)</u></b>	<b>1% Increase <u>(6.66%)</u></b>
Township's Proportionate Share of the Net Pension Liability	\$ 36,840,567	\$ 29,299,359	\$ 22,972,767

**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 STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 10. Pension Obligations (continued)**

**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 2018, 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, 2018, the Township's contractually required contributions to PFRS plan was \$1,781,430.

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

**Net Pension Liability and Pension Expense** - At December 31, 2018 the Township's proportionate share of the PFRS net pension liability was \$24,656,831. The net pension liability was measured as of June 30, 2018. 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, 2017,

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 10. Pension Obligations (continued)**

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

to the measurement date of June 30, 2018. 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, 2018. The Township's proportion measured as of June 30, 2018, was .182216%, which was an increase of .00123% from its proportion measured as of June 30, 2017.

**Collective Balances at December 31, 2018 and December 31, 2017**

	<u>12/31/2018</u>	<u>12/31/2017</u>
	June 30, 2018	June 30, 2017
Actuarial valuation date (including roll forward)		
Deferred Outflows of Resources	\$ 3,372,346	\$ 5,296,029
Deferred Inflows of Resources	6,825,562	5,188,871
Net Pension Liability	24,656,831	27,940,731
Township's portion of the Plan's total net pension Liability	0.18222%	0.18099%

**Pension Expense and Deferred Outflows/Inflows of Resources** – At December 31, 2018, the Township's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2018 measurement date was \$2,099,034. 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 \$1,7841,430 to the plan in 2018.

At December 31, 2018, 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	\$ 250,851	\$ 102,036
Changes of Assumptions	2,116,457	6,319,120
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	134,895
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	<u>1,005,038</u>	<u>269,511</u>
	<u>\$ 3,372,346</u>	<u>\$ 6,825,562</u>

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 10. Pension Obligations (continued)**

**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:

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
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	-
June 30, 2018	5.73	-
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
June 30, 2018	-	5.73
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	-
June 30, 2018	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
June 30, 2018	5.73	5.73

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 10. Pension Obligations (continued)**

**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:

<b>Year Ending</b>	
<b><u>Dec 31,</u></b>	<b><u>Amount</u></b>
2019	\$ 577,559.00
2020	(201,268.00)
2021	(1,302,664.00)
2022	(2,125,718.00)
2023	<u>(401,125.00)</u>
	<u>\$ (3,453,216.00)</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 \$3,349,223 as of December 31, 2018. The net pension liability was measured as of June 30, 2018. 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, 2017, to the measurement date of June 30, 2018. 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, 2018 was .182216%, which was an increase of .00123% from its proportion measured as of June 30, 2017, which is the same proportion as the Township’s. At December 31, 2018, the Township’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 24,656,831
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the	<u>3,349,223</u>
	<u>\$ 28,006,054</u>

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 10. Pension Obligations (continued)**

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

At December 31, 2018, the State’s proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2018 measurement date was \$396,710.

**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 2012 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 2012 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, 2017 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, 2018) 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

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 10. Pension Obligations (continued)**

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

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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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%
	<hr style="border-top: 1px solid black;"/>	
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 6.51% as of June 30, 2018. 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 3.87% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 10. Pension Obligations (continued)**

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

**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 (5.51%) or 1-percentage-point higher (7.51%) than the current rate:

	<b>1% Decrease <u>(5.51%)</u></b>	<b>Current Discount Rate <u>(6.51%)</u></b>	<b>1% Increase <u>(7.51%)</u></b>
Township's Proportionate Share of the Net Pension Liability	\$ 33,000,109	\$ 24,656,831	\$ 17,727,019
State of New Jersey's Proportionate Share of Net Pension Liability associated with the	4,482,519	3,349,223	2,407,923
	<u>\$ 37,482,628</u>	<u>\$ 28,006,054</u>	<u>\$ 20,134,942</u>

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

**Note 11. Postemployment Benefits Other Than Pensions**

**General Information about the OPEB Plan**

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits’ (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

**TOWNSHIP OF STAFFORD**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 11. Postemployment Benefits Other Than Pensions (continued)**

3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

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

**Basis of Presentation**

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the participating employers or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan 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.

**Allocation Methodology**

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2018 were \$6,338,578,586 and \$9,642,524,641, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2017 through June 30, 2018. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 11. Postemployment Benefits Other Than Pensions (continued)**

**Net OPEB Liability**

The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases*:	
Through 2026	1.65% to 8.98%
Thereafter	2.65% to 9.98%

\* - Salary Increases are based on the defined benefit plan that the member is enrolled in and his or her age.

**OPEB Obligation and OPEB Expense** - The State’s proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the Township’s as of June 30, 2018 was \$1,307,447.00. The Township’s proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2018, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The State’s proportionate share of the OPEB Obligation associated with the Township was based on projection of the State’s long-term contributions to the OPEB plan associated with the Township relative to the projected contributions by the State associated with all participating Municipalities, actuarially determined. At June 30, 2018, the State proportionate share of the OPEB Obligation attributable to the Township was 0.2558820%, which was an increase of 0.006160% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2018, the State of New Jersey recognized an OPEB expense in the amount of \$1,307,447.00 for the State’s proportionate share of the OPEB expense attributable to the Township. This OPEB expense was based on the OPEB plans June 30, 2018 measurement date.

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the June 30, 2017 valuation were based on the results of the pension plans’ experience studies for which the members are eligible for coverage under this Plan – the Police and Firemen Retirement System (PFRS) and the Public Employees’ Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 11. Postemployment Benefits Other Than Pensions (continued)**

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

*Health Care Trend Assumptions*

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

*Discount Rate*

The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

The following presents the collective net OPEB liability of the participating employers as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	At 1% Decrease (2.87%)	At Discount Rate (3.87%)	At 1% Increase (4.87%)
State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with The Township	\$ 47,033,888.36	\$ 40,088,056.00	\$ 34,539,907.94
State of New Jersey's Total Nonemployer OPEB Liability	18,381,085,096.00	15,666,618,141.00	13,498,373,388.00

*Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate:*

The following presents the net OPEB liability as of June 30, 2018, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the Township	\$ 33,439,866.26	\$ 40,088,056.00	\$ 48,691,801.40
State of New Jersey's Total Nonemployer OPEB Liability	13,068,471,450.00	15,666,618,141.00	19,029,006,023.00

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 11. Postemployment Benefits Other Than Pensions (continued)**

**Additional Information** – The following is a summary of the collective balances of the local group at June 30, 2018:

	12/31/2018	12/31/2017
Collective Deferred Outflows of Resources	\$ 2,115,007,508.00	\$ 1,151,561,955.00
Collective Deferred Inflows of Resources	9,261,653,464.00	3,414,042,238.00
Collective Net OPEB Liability	15,666,618,141.00	20,415,788,739.00
 Township's Portion	 0.255882%	 0.249722%

The collective amounts reported as a deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:	
2019	\$ (1,049,390,011.00)
2020	(1,049,390,011.00)
2021	(1,049,390,011.00)
2022	(1,050,264,681.00)
2023	(1,051,678,489.00)
Thereafter	(1,896,532,753.00)
	\$ (7,146,645,956.00)

*Changes in Proportion*

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 8.14 and 8.04 years for the 2018 and 2017 amounts, respectively.

**Plan Membership**

At June 30, 2017, the Program membership consisted of the following:

	June 30, 2017
Active Plan Members	61,789
Retirees Currently Receiving Benefits	26,277
Total Plan Members	88,066

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 11. Postemployment Benefits Other Than Pensions (continued)**

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2018 (measurement date June 30, 2017) is as follows:

Service Cost	\$ 896,235,148.00
Interest on the Total OPEB Liability	764,082,232.00
Differences Between Expected and Actual Experience	(3,626,384,047.00)
Changes of Assumptions	(2,314,240,675.00)
Contributions From the Employer	(421,194,662.00)
Contributions From Non-Employer Contributing Entity	(53,548,285.00)
Net Investment Income	(2,320,422.00)
Administrative Expense	8,200,113.00
	<hr/>
Net Change in Total OPEB Liability	(4,749,170,598.00)
Total OPEB Liability (Beginning)	20,415,788,739.00
	<hr/>
Total OPEB Liability (Ending)	<u>\$ 15,666,618,141.00</u>

**Special Funding Situation**

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

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

The participating employer allocations included in the supplemental schedule of employer special funding allocations and the supplemental schedule of special funding amounts by employer for each employer are provided as each employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the OPEB expense allocated to the State of New Jersey under the special funding situation and include their proportionate share of the collective net OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 11. Postemployment Benefits Other Than Pensions (continued)**

Additionally, the State’s proportionate share of the OPEB liability attributable to the Township is \$11,808,417.00 as of December 31, 2018. The OPEB liability was measured as of June 30, 2018. The total OPEB liability used to calculate the OPEB liability was determined using update procedures to roll forward the total OPEB liability from an actuarial valuation as of July 1, 2017, to the measurement date of June 30, 2018. The State’s proportion of the OPEB liability associated with the Township was based on a projection of the Township’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2018 was 0.190034%, which was an increase of 0.003219% from its proportion measured as of June 30, 2017, which is the same proportion as the Township’s. At December 31, 2018, the Township’s and the State of New Jersey’s proportionate share of the OPEB liability were as follows:

Township's Proportionate Share of OPEB Liability	\$ 40,088,056.00
State of New Jersey's	
Proportionate Share of OPEB Liability	
Associated with the Township	11,808,417.00
	\$ 51,896,473.00

At December 31, 2018, the State’s proportionate share of the OPEB expense, associated with the Township, calculated by the plan as of the June 30, 2018 measurement date was \$357,455.00.

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 12. 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:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Issued:</b>			
General:			
Bonds, Notes and Loans	\$ 55,778,460.86	\$ 57,091,988.76	\$ 61,104,489.03
Utility:			
Bonds, Notes and Loans	52,460,364.63	52,695,066.49	56,238,780.90
	<hr/>	<hr/>	<hr/>
Total Debt Issued	108,238,825.49	109,787,055.25	117,343,269.93
	<hr/>	<hr/>	<hr/>
<b>Authorized But Not Issued:</b>			
General:			
Bonds, Notes and Loans	476,000.00	4,227,500.00	4,085,000.00
Utility:			
Bonds, Notes and Loans	585,389.00	4,283,644.00	6,310,672.00
	<hr/>	<hr/>	<hr/>
Total Authorized But Not Issued	1,061,389.00	8,511,144.00	10,395,672.00
	<hr/>	<hr/>	<hr/>
<b>Total Gross Debt</b>	<b>\$ 109,300,214.49</b>	<b>\$ 118,298,199.25</b>	<b>\$ 127,738,941.93</b>
	<hr/>	<hr/>	<hr/>
<b>Deductions:</b>			
General:			
Funds on Hand For Payment of Bonds and Notes:			
Reserve for Debt Service	\$ 1,185,144.71	\$ 1,680,988.29	\$ 2,352,510.82
Utility:			
Self Liquidating Debt	53,045,753.63	56,978,710.49	62,549,452.90
	<hr/>	<hr/>	<hr/>
Total Deductions	54,230,898.34	58,659,698.78	64,901,963.72
	<hr/>	<hr/>	<hr/>
<b>Total Net Debt</b>	<b>\$ 55,069,316.15</b>	<b>\$ 59,638,500.47</b>	<b>\$ 62,836,978.21</b>
	<hr/>	<hr/>	<hr/>

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	\$ 13,078,000.00	\$ 13,078,000.00	\$ -
Regional School Debt	-	-	-
General Debt	56,254,460.86	1,185,144.71	55,069,316.15
Utility Debt	53,045,753.63	53,045,753.63	-
	<hr/>	<hr/>	<hr/>
	\$ 122,378,214.49	\$ 67,308,898.34	\$ 55,069,316.15
	<hr/>	<hr/>	<hr/>

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 12. Municipal Debt (continued)**

Net Debt \$55,069,316.15 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$4,366,096,577, equals 1.261%. 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, 2018 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 152,813,380.20
Net Debt	55,069,316.15
 Remaining Borrowing Power	 \$ 97,744,064.05

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

Cash Receipts From Fees, Rents or Other Charges for the Year	\$ 18,507,467.45
 Deductions:	
Operating and Maintenance Costs	\$ 8,457,000.00
Debt Service	6,076,099.41
 Total Deductions	 14,533,099.41
 Excess/(Deficit) in Revenue	 \$ 3,974,368.04

**General Debt**

**A. Serial Bonds Payable**

On May 24, 2011, the Township issued \$8,850,000.00 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 3.00% to 4.00% and mature on January 15, 2021.

On May 22, 2012, the Township issued \$7,965,000.00 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 2.50% to 3.00% and mature on January 15, 2029.

On March 27, 2014, the Township issued \$6,111,500.00 of General Obligation Refunding Bonds. The General Obligation Bonds were issued at interest rates varying from 4.00% to 5.00% and mature on July 1, 2020.

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 12. Municipal Debt (continued)**

**General Debt (continued)**

**A. Serial Bonds Payable**

On March 27, 2014, the Township issued \$1,025,000.00 of Pension Refunding Bonds. The General Obligation Bonds were issued at interest rates varying from 2.50% to 5.00% and mature on April 1, 2033.

On May 19, 2014, the Township issued \$6,500,000.00 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 2.00% to 4.00% and mature on May 1, 2025.

On November 19, 2014, the Township issued \$8,480,000.00 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 1.75% to 5.00% and mature on February 1, 2024.

On February 24, 2016, the Township issued \$11,095,000.00 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 3.00% to 5.00% and mature on August 1, 2028.

On May 10, 2017 the Township issued \$10,880,000.00 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 3.00% to 5.00% and mature on May 1, 2029.

On November 9, 2017 the Township issued \$4,560,000.00 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 3.00% to 5.00% and mature on January 1, 2031.

On May 3, 2018 the Township issued \$4,580,000.00 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 3.00% to 5.00% and mature on May 1, 2032.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 5,250,000.00	\$ 1,696,953.75	\$ 6,946,953.75
2020	5,365,000.00	1,513,347.50	6,878,347.50
2021	4,855,000.00	1,316,197.50	6,171,197.50
2022	4,945,000.00	1,147,035.00	6,092,035.00
2023	5,040,000.00	962,247.50	6,002,247.50
2024-2028	20,290,000.00	2,294,360.00	22,584,360.00
2029-2033	5,000,000.00	181,882.50	5,181,882.50
	<u>\$ 50,745,000.00</u>	<u>\$ 9,112,023.75</u>	<u>\$ 59,857,023.75</u>

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 12. Municipal Debt (continued)**

**General Debt (continued)**

**B. Bond Anticipation Notes Payable – Short Term Debt**

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2018:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2018</u>
Series 2018	5/3/2018	5/2/2019	2.750%	<u>\$ 3,940,000.00</u>
				<u>\$ 3,940,000.00</u>

The purpose of these short-term borrowings was to provide resources for general capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

**C. Bonds and Notes Authorized But Not Issued**

As of December 31, 2018, the Township had \$476,000 in various General Capital bonds and notes authorized but not issued.

**D. Loans Payable**

New Jersey Environmental Infrastructure Trust

In 2000, 2001, 2002 and 2006 the Township finalized one loan agreement with the State of New Jersey Department of Environmental Protection, pursuant to New Jersey Environmental Infrastructure Trust Financing Program.

The first loan consists of two agreements, a Trust Loan Agreement of \$840,000 to be repaid over a 10 year period at varying interest rates.

The second loan consists of five agreements, a Trust Loan Agreement of \$2,700,444.22 to be repaid over a 20 year period at varying interest rates.

The third loan consists of two agreements, a Trust Loan Agreement of \$1,000,000.00 to be repaid over a 20 year period at varying interest rates.

The fourth loan consists of two agreements, a Trust Loan Agreement of \$500,000.00 to be repaid over a 20 year period at varying interest rates.

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 12. Municipal Debt (continued)**

**General Debt (continued)**

**D. Loans Payable**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 284,068.58	\$ 26,137.20	\$ 310,205.78
2020	274,265.45	31,986.38	306,251.83
2021	177,371.01	27,373.41	204,744.42
2022	66,405.36	25,683.92	92,089.28
2023	52,038.86	25,418.19	77,457.05
2024-2028	213,188.71	126,272.89	339,461.60
2029	26,122.89	26,122.89	52,245.78
	<u>\$ 1,093,460.86</u>	<u>\$ 288,994.88</u>	<u>\$ 1,382,455.74</u>

Under regulatory basis of accounting, amortization of the leased equipment is not reported in the financial statements.

**Water & Sewer Utility Debt**

**A. Serial Bonds Payable**

On July 1, 2005, the Township issued \$10,151,000 of Utility Improvement Bonds. The Bonds were issued at a 3.00% interest rate and mature on July 1, 2030.

On May 24, 2011 the Township issued \$5,900,000.00 of Utility Improvement Bonds. The Bonds were issued at interest rates varying from 3.00% to 4.00% and mature on January 15, 2022.

On May 22, 2012 the Township issued \$4,035,000.00 of Utility Improvement Bonds. The Bonds were issued at interest rates varying from 2.50% to 3.125% and mature on January 15, 2032.

On March 27, 2014 the Township issued \$4,218,500.00 of Utility Refunding Bonds. The Bonds were issued at interest rates varying from 2.50% to 5.00% and mature on July 1, 2025.

On May 19, 2014 the Township issued \$3,500,000.00 of Utility Improvement Bonds. The Bonds were issued at interest rates varying from 2.00% to 4.00% and mature on May 1, 2029.

On February 24, 2016 the Township issued \$7,425,000.00 of Utility Refunding Bonds. The Bonds were issued at interest rates varying from 2.25% to 5.00% and mature on August 1, 2029.

On May 10, 2017 the Township issued \$5,280,000.00 of Utility Improvement Bonds. The Bonds were issued at interest rates varying from 3.00% to 5.00% and mature on May 1, 2032.

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 12. Municipal Debt (continued)**

**Water & Sewer Utility Debt (continued)**

**A. Serial Bonds Payable**

On November 9, 2017 the Township issued \$5,730,000.00 of Utility Refunding Bonds. The Bonds were issued at interest rates varying from 2.00% to 5.00% and mature on May 1, 2031.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 2,520,000.00	\$1,071,057.50	\$ 3,591,057.50
2020	2,645,000.00	987,405.00	3,632,405.00
2021	2,730,000.00	893,560.00	3,623,560.00
2022	2,890,000.00	789,190.00	3,679,190.00
2023	2,345,000.00	680,955.00	3,025,955.00
2024-2028	12,730,000.00	2,008,350.00	14,738,350.00
2029-2033	4,981,000.00	263,660.00	5,244,660.00
	<u>\$30,841,000.00</u>	<u>\$6,694,177.50</u>	<u>\$37,535,177.50</u>

**B. Bond Anticipation Notes Payable – Short Term Debt**

The following is a summary of bond anticipation notes payable accounted for in the Utility Capital Fund at December 31, 2018:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2018</u>
Series 2018	5/3/2018	5/2/2019	2.750%	<u>\$ 3,500,000.00</u>
				<u>\$ 3,500,000.00</u>

The purpose of these short-term borrowings was to provide resources for utility capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

**C. Bonds and Notes Authorized But Not Issued**

As of December 31, 2018 the Township had \$585,389 in various Utility bonds and notes authorized but not issued.

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 12. Municipal Debt (continued)**

**Water & Sewer Utility Debt (continued)**

**D. Loans Payable**

New Jersey Environmental Infrastructure Trust

In 1996, 2005, 2006, 2007, 2008, 2009, 2010, 2017 and 2019 the Township finalized loan agreements with the State of New Jersey Department of Environmental Protection, pursuant to the New Jersey Environmental Infrastructure Trust Financing Program.

The first loan consists of two agreements, a Trust Loan Agreement of \$2,185,000 to be repaid over a 25 year period at interest rates ranging from 5.00% to 5.25%, and a no interest Fund Loan Agreement of \$2,183,651 to be repaid over a 25 year period.

The second loan consists of two agreements, a Trust Loan Agreement of \$5,295,000 to be repaid over a 20 year period at interest rates ranging from 4.00% to 5.00%, and a no interest Fund Loan Agreement of \$4,895,597 to be repaid over a 20 year period.

The third loan consists of two agreements, a Trust Loan Agreement of \$3,075,000 to be repaid over a 20 year period at interest rates ranging from 4.00% to 5.00%, and a no interest Fund Loan Agreement of \$3,026,741 to be repaid over a 20 year period.

The fourth loan consists of two agreements, a Trust Loan Agreement of \$4,425,000 to be repaid over a 20 year period at interest rates ranging from 4.25% to 5.00%, and a no interest Fund Loan Agreement of \$4,361,085 to be repaid over a 20 year period.

The fifth loan consists of two agreements, a Trust Loan Agreement of \$2,295,000 to be repaid over a 20 year period at interest rates ranging from 5.00% to 5.50%, and a no interest Fund Loan Agreement of \$2,263,923 to be repaid over a 20 year period.

The sixth loan consists of two agreements, a Trust Loan Agreement of \$100,180.18 to be repaid over a 20 year period at interest rates ranging from 0.65% to 4.15%, and a no interest Fund Loan Agreement of \$2,88,693 to be repaid over a 20 year period.

The seventh loan consists of two agreements, a Trust Loan Agreement of \$1,405,000 to be repaid over a 25 year period at interest rates ranging from 3.00% to 5.00%, and a no interest Fund Loan Agreement of \$4,221,645 to be repaid over a 20 year period.

The eighth loan consists of two agreement, a Trust Loan Agreement of \$590,000 to be repaid over a 20 year period at interest rates ranging from 3.00% to 5.00%, and a no interest Fund Loan Agreement of \$1,782,179 to be repaid over a 20 year period.

The ninth loan consists of one agreement, a no interest Fund Loan Agreement of \$1,474,611 to be repaid over a 20 year period.

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 12. Municipal Debt (continued)**

**Water & Sewer Utility Debt (continued)**

**D. Loans Payable (continued)**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 2,369,213.05	\$ 355,261.67	\$ 2,724,474.72
2020	2,379,106.54	307,579.31	2,686,685.85
2021	2,167,603.21	260,848.76	2,428,451.97
2022	2,211,303.53	216,029.16	2,427,332.69
2023	2,257,050.37	168,356.96	2,425,407.33
2024-2028	5,456,927.01	278,753.34	5,735,680.35
2029-2033	1,071,590.82	4,200.00	1,075,790.82
2034-2038	206,570.10	840.00	207,410.10
	<u>\$18,119,364.63</u>	<u>\$1,591,869.20</u>	<u>\$19,711,233.83</u>

**Summary of Principal Debt**

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

	Balance December 31, <u>2017</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2018</u>
<b>General Capital:</b>				
General Bonds	\$ 50,990,000.00	\$ 4,824,000.00	\$ 5,069,000.00	\$ 50,745,000.00
Bond Anticipation Notes	4,715,000.00	3,940,000.00	4,715,000.00	3,940,000.00
Loans	1,386,988.76		293,527.90	1,093,460.86
	<u>\$ 57,091,988.76</u>	<u>\$ 8,764,000.00</u>	<u>\$ 10,077,527.90</u>	<u>\$ 55,778,460.86</u>
<b>Utility Capital:</b>				
Utility Bonds	\$ 33,331,000.00	\$ -	\$ 2,490,000.00	\$ 30,841,000.00
Bond Anticipation Notes	-	3,500,000.00	-	3,500,000.00
Loans	19,364,066.49	3,846,790.00	5,091,491.86	18,119,364.63
	<u>\$ 52,695,066.49</u>	<u>\$ 7,346,790.00</u>	<u>\$ 7,581,491.86</u>	<u>\$ 52,460,364.63</u>

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 13. Deferred School Taxes**

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

<u>Local Taxes</u>	Balance, December 31,	
	2018	2017
Total Balance of Local Tax	\$ 13,815,481.00	\$ 13,544,585.00
Deferred Taxes	11,292,290.00	11,292,290.00
Local Tax Payable	\$ 2,523,191.00	\$ 2,252,295.00

  

<u>Regional Tax</u>	Balance, December 31,	
	2018	2017
Total Balance of Regional Tax	\$ 4,994,532.00	\$ 4,657,637.00
Deferred Taxes	4,138,088.13	4,138,088.13
Regional Tax Payable	\$ 856,443.87	\$ 519,548.87

**Note 14. 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 \$1,254,305.99 at December 31, 2018.

The Township has established a Trust Fund in accordance with NJSA 40A:4-39 to set aside funds for future payments of compensated absences. As of December 31, 2018, the Township has reserved in the Other Trust Fund \$1,254,305.99 to fund compensated absences in accordance with NJSA 40A:4-39.

**Note 15. 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.

**TOWNSHIP OF STAFFORD  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 15. Risk Management**

**Joint Insurance Pool**

The Township is a member of the Ocean County Municipal Joint Insurance Fund. The Fund provides the Township with the following primary coverage:

- Crime
- Commercial General Liability
- Law Enforcement Professional Liability
- Bodily Injury and Property Damage Liability (Auto)
- Workers Compensation
- Environmental Legal Liability

**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>
2018	\$ 153,757.93	\$ 94,664.61	\$ 97,393.70
2017	146,664.47	119,515.26	38,300.38
2016	111,310.08	168,834.61	11,151.17

**Note 16. 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, 2018 the Township estimates that no material liabilities will result from such audits.

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 16. Contingencies (continued)**

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, 2018.

**Note 17. 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. . All the units in the project qualify as low or moderate income units under the Fair Housing Act, NJSA, 52:270-301 et seq. the regulations of the council on Affordable Housing, NJAC5:94: et seq. and NJAC 5:95 et seq. and the Uniform Housing Affordability Controls, NJAC 5:94 et seq. Tax abatements may be granted to any affordable housing, as deemed appropriate by the Township.

The Township of Stafford is authorized by the Long Term Tax Exemption Law of 1991, N.J.S.A. 40A:21 et seq. (hereinafter "Long Term Tax Exemption Law") to enter into property tax abatement agreements for the purpose of attracting redevelopment projects. The exemption of the projects from real property taxation subject to this law shall apply to the value of the new improvements constructed as part of a redevelopment project and must have a maximum exemption term of thirty (30) years or no more than thirty-five (35) years from the execution of the financial agreement. Tax abatements may be granted for any redevelopment project in accordance with the Long Term Tax Exemption Law as deemed appropriate by the Township.

For the year ended December 31, 2018, the Township abated property taxes totaling \$2,154,151.68 under this program. However, the Township collected \$922,163.49 from these properties under a payment in lieu of taxes program.

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 17. Tax Abatements (continued)**

Recipient	Purpose	Amount Abated	Municipal Portion Collected Under PILOT Program	County Portion Collected Under PILOT Program
Target	Commercial	\$ 356,570.78	\$ 129,084.23	\$ 6,793.46
Costco	Commercial	373,983.82	130,230.97	6,854.28
Best Buy, PetSmart & Dick's	Commercial	217,858.81	48,498.34	2,552.56
Vitamin Shoppe	Commercial	12,624.29	6,574.40	346.04
Ulta Beauty	Commercial	37,251.97	19,399.87	1,021.07
AT&T	Commercial	11,037.62	5,748.11	302.55
Olive Garden	Commercial	22,987.30	491.78	25.89
Five Below	Commercial	33,524.87	14,686.42	772.99
		<u>1,065,839.46</u>	<u>354,714.12</u>	
Stafford Family Apartments	Affordable Housing	467,445.60	49,276.05	25,837.42
Presbyterian Homes	Affordable Housing	153,421.02	27,262.43	-
		<u>620,866.62</u>	<u>76,538.48</u>	<u>25,837.42</u>
Stafford Preserve	Other	467,445.60	490,910.89	25,837.42
		<u>\$ 2,154,151.68</u>	<u>\$ 922,163.49</u>	<u>\$ 51,674.84</u>

**Note 18. Community Disaster Loan**

The Community Disaster Loan Program is administered by the United States Department of Homeland Security, Federal Emergency Management Agency. Loans are made to local governments in designated major disaster areas which experience significant revenue losses. As a result of Superstorm Sandy the Township was designated a major disaster area.

The Township was approved for a total of \$5,000,000 from the Community Disaster Loan Program. In accordance with federal guidelines, the loans may be fully or partially forgiven if certain revenue criteria are met over the three years following the disaster. FEMA has completed their analysis and determined that the Township is not eligible for loan forgiveness. The Township is currently evaluating options to pay off the outstanding balance of the Community Disaster Loan.

During the year ending December 31, 2013, the Township realized \$2,000,000 as revenue in the Current Fund from the Community Disaster Loan received from the United States Department of Homeland Security, Federal Emergency Management Agency. On July, 2, 2014, the Township drew down an additional \$1,240,000. In accordance with directives from the Division of Local Government Services, State of New Jersey, the drawdowns were realized as revenue in 2013 and 2014, respectively. As of December 31, 2018, \$112,150.68 of interest has accrued on the loan.

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 19. Length of Service Awards Program**

The Township has established a Volunteer Length of Service Award Plan (“LOSAP”) (“Plan”) to ensure retention of the Township’s volunteer Fire Department and also their First Aid Squad. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a “length of service award plan under Section 457(e)11 of the Internal Revenue Code”.

Annual Contributions - The annual contribution to be made by the Township for each active volunteer member shall be \$1,150.00 per year of active emergency service, commencing with the year 2005.

Appropriations - Appropriations for the purpose of funding the Township’s LOSAP shall be included as a separate line item in the Township’s budget, commencing with the year 2005.

Periodic Increases - Notwithstanding the provisions above, the annual contribution to be made by the Township for each active volunteer member shall not be subject to periodic increases based upon the “consumer price index factor” pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

Criteria for Eligibility; Contributions; Points - Any active volunteer member shall be eligible to participate in the LOSAP Plan immediately upon commencement of the member’s performance of active voluntary services in the emergency service organization. Annual contributions shall only be made by the Township, however, for those active volunteer members who have earned the minimum number of points for performing certain volunteer services on a yearly basis.

Determination as to Eligibility - Each emergency service organization shall provide to the Township Administrator, acting as the Plan Administrator of LOSAP Plan, a certified list as to the active volunteer members who are initially eligible to participate in the Plan and those who are eligible to participate as of each January 1 thereafter. The Plan Administrator shall forward said certified list to the Township Council for approval, in accordance with the provisions of N.J.A.C. 5:30-14.10. The decision of the Township Council as to such active member’s eligibility shall be binding upon the Plan Administrator, participants, beneficiaries and any and all other persons having an interest hereunder, subject to appropriate judicial review.

Terms of Participation - The Plan Administrator shall have the right to require any active volunteer member at the time of his or her becoming a participant to agree, in writing, to be bound by the terms, covenants and conditions of the LOSAP and accompanying trust. Each participant shall furnish to the Plan Administrator all pertinent information required for the administration of the LOSAP. The Plan Administrator shall rely upon all such information furnished.

Vesting - The active volunteer member shall not be permitted to receive a distribution of the fund in his or her LOSAP account until the completion of a five-year vesting period.

Termination of Service - Any participant who terminates service as an active volunteer member shall cease to participate hereunder. A former participant may resume participation immediately upon returning to the service of the emergency service organization as an active volunteer member. Any active volunteer member who terminates service with the emergency service organization, subsequently returns to service and again becomes a participant shall be treated as a new participant for purposes of eligibility unless said participant was fully vested prior to his or her termination from service.

**TOWNSHIP OF STAFFORD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 19. Length of Service Awards Program (continued)**

Reporting Requirements - N.J.A.C. 5:30-14.49 requires that the Township perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accountants Statements for Accounting and Auditing Review Services.

**Note 20. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2018 and July 30, 2019, the date the financial statements were available to be issued. There are no material subsequent events that need to be disclosed.

**SUPPLEMENTAL SCHEDULES**

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**CURRENT FUND**

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TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF CASH AND CASH EQUIVALENTS - TREASURER

Year ended December 31, 2018

	<u>Reference</u>		
Balance, December 31, 2017	A		\$ 20,184,687.88
Increased By Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	\$ 1,337,579.76	
Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	2-A	345,556.33	
Taxes Receivable	3-A	91,518,851.98	
Tax Title Liens Receivable	4-A	7,218.17	
Revenue Accounts Receivable	5-A	6,085,732.21	
Grants Received	7-A	115,351.73	
Payroll Deductions Payable	11-A	13,456,876.23	
Prepaid Taxes	12-A	821,057.32	
Tax Overpayments	15-A	10,468.33	
Due to County - Share of PILOT Revenue	22-A	47,100.21	
Due to State Agencies:			
State Training Fees	1-A	63,562.00	
Marriage License Fees	1-A	4,175.00	
		<u>113,813,529.27</u>	
			133,998,217.15
Decreased By Disbursements:			
Current Appropriations	A-3	42,634,602.83	
Appropriation Reserves	8-A	1,105,201.11	
Payroll Deductions Payable	11-A	13,376,423.06	
County Taxes Payable	13-A	17,923,502.82	
Local District School Tax Payable	14-A	29,484,132.00	
Regional High School Tax Payable	14-A	9,652,168.00	
Tax Overpayments	15-A	10,030.87	
Municipal Open Space Tax	16-A	416,822.35	
Cash - Change Fund	A	100.00	
Due to County - Share of PILOT Revenue	22-A	16,289.37	
Due to State Agencies:			
State Training Fees	1-A	63,562.00	
Marriage License Fees	1-A	4,175.00	
Refund of Prior Year Revenue	A-1	14,853.32	
Reserve for Tax Appeals	17-A	16,004.77	
Reserve for Grant Expenditures - Appropriated	18-A	206,245.35	
Accounts Payable	19-A	6,596.30	
		<u>114,930,709.15</u>	
Balance, December 31, 2018	A		<u>\$ 19,067,508.00</u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE FROM (TO) STATE OF NEW JERSEY -  
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS

Year ended December 31, 2018

	<u>Reference</u>		
Balance, December 31, 2017	A		\$ 5,252.12
Increased By:			
Senior Citizens'/Veterans' Deductions per Tax Billing	3-A	345,500.00	
Deductions Allowed By Collector: 2018 Taxes	3-A	<u>7,250.00</u>	
			<u>352,750.00</u>
			358,002.12
Decreased By:			
Cash Receipts	1-A	\$ 345,556.33	
Deductions Disallowed By Collector: 2017 Taxes	A-1,3-A	4,500.00	
2018 Taxes	3-A	<u>4,107.25</u>	
			<u>354,163.58</u>
Balance, December 31, 2018	A		<u>\$ 3,838.54</u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF LEVY

Year ended December 31, 2018

Year	Balance December 31, 2017	2018 Levy	Added/ Omitted 2018	Collections 2017	Collections 2018	Senior Citizens' and Veterans' Deductions Allowed/ (Disallowed)	Transferred To Tax Title Liens	Cancelled	Balance December 31, 2018	Reference
2016	\$ 500.00				\$ 500.00					
2017	675,150.29				675,297.60	\$ (4,500.00)	\$ 3,601.95	\$ 500.74	\$ 250.00	
2018		\$ 94,952,129.82	\$ 808,009.96	\$ 3,965,480.05	90,843,054.38	348,642.75	37,284.07	56,073.21	509,605.32	
	\$ 675,650.29	\$ 94,952,129.82	\$ 808,009.96	\$ 3,965,480.05	\$ 91,518,851.98	\$ 344,142.75	\$ 40,886.02	\$ 56,573.95	\$ 509,855.32	A
				12-A	1-A	2-A	4-A			A

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF LEVY

Year ended December 31, 2018

	<u>Reference</u>		
<u>Analysis of 2018 Property Tax Levy</u>			
Tax Yield:			
Senior Citizens' Deductions per Tax Billing	2-A	\$ 60,500.00	
Veterans' Deductions per Tax Billing	2-A	285,000.00	
General Purpose Tax	3-A	94,606,629.82	
Added Taxes (54:4-63.1 et seq.)	3-A	<u>808,009.96</u>	
	3-A		<u>\$ 95,760,139.78</u>
Tax Levy:			
County Tax (Abstract)	13-A	\$ 14,993,852.78	
County Library Tax (Abstract)	13-A	1,635,990.76	
County Health Tax (Abstract)	13-A	590,749.79	
County Open Space Preservation	13-A	518,394.20	
Due County for Added Tax	13-A	151,298.88	
Local District School Tax (Abstract)	14-A	29,755,028.00	
Regional School Tax (Abstract)	14-A	9,989,063.00	
Municipal Open Space Tax	16-A	416,822.35	
Due Open Space Trust for Added Tax	16-A	<u>3,541.38</u>	
	A-2		58,054,741.14
Local Tax for Municipal Purposes (Abstract)	A-2		37,019,621.56
Add: Additional Tax Levied			<u>685,777.08</u>
	3-A		<u>\$ 95,760,139.78</u>
 <u>Analysis of Current Revenue From Taxes</u>			
		<u>2018</u>	<u>Delinquent</u>
		<u>Property Taxes</u>	<u>Taxes</u>
Prepaid Taxes Applied	3-A	\$ 3,965,480.05	
Taxes Collected in 2018	3-A	90,843,054.38	\$ 675,797.60
Senior Citizens' and Veterans' Deductions (Net)	3-A	348,642.75	
Tax Title Liens Collected in 2018	4-A		<u>7,218.17</u>
	A-1,A-2	<u>\$ 95,157,177.18</u>	<u>\$ 683,015.77</u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

Year ended December 31, 2018

	<u>Reference</u>		
Balance, December 31, 2017	A		\$ 233,145.62
Increased By:			
Transfer From Taxes Receivable	3-A	\$ 40,886.02	
Interest and Costs of Tax Sale		<u>1,197.43</u>	
			<u>42,083.45</u>
			275,229.07
Decreased By:			
Collections	1-A,3-A	7,218.17	
Cancelled		<u>1,398.15</u>	
			<u>8,616.32</u>
Balance, December 31, 2018	A		<u><u>\$ 266,612.75</u></u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Year ended December 31, 2018

	<u>Reference</u>	Balance December 31, <u>2017</u>	Accrued <u>2018</u>	Realized Revenue <u>2018</u>	Balance December 31, <u>2018</u>
Licenses:					
Alcoholic Beverages	A-2		\$ 30,700.00	\$ 30,700.00	
Fees and Permits:					
Other	A-2		33,170.00	33,170.00	
Fines and Costs:					
Municipal Court	A-2	\$ 26,355.86	337,260.48	341,832.37	\$ 21,783.97
Interest and Cost on Taxes	A-2		203,878.59	203,878.59	
Fire Prevention Bureau Fees	A-2		138,264.05	138,264.05	
Mobile Home Park Fees	A-2		147,431.40	147,431.40	
Payments in Lieu of Taxes - Federal	A-2		11,710.00	11,710.00	
Cable TV Fees and Lease	A-2		146,108.99	146,108.99	
PILOT - Target, Costco, etc.	A-2		307,813.54	307,813.54	
Energy Receipts Tax	A-2		2,465,920.00	2,465,920.00	
Supplemental Energy Receipts Tax	A-2		104,286.00	104,286.00	
Reserve for Garden State Preservation Trust Fund	A-2		36,666.00	36,666.00	
Uniform Construction Code Fees	A-2		783,998.20	783,998.20	
Interlocal Government Services Agreement -					
Animal Control:					
Long Beach Township	A-2		15,261.50	15,261.50	
Borough of Beach Haven	A-2		5,705.00	5,705.00	
Borough of Barnegat Light	A-2		3,259.00	3,259.00	
Borough of Harvey Cedars	A-2		3,133.00	3,133.00	
Interlocal Government Services Agreement -					
Construction:					
Township of Eagleswood	A-2		36,747.00	36,747.00	
Borough of Beach Haven	A-2		29,729.70	29,729.70	
Borough of Surf City	A-2		31,915.00	31,915.00	
Borough of Harvey Cedars	A-2		39,756.00	39,756.00	
Interlocal Government Services Agreement -					
Class III Police Officers:					
Southern Regional High School	A-2		50,547.69	50,547.69	
Ocean County Cooperative Pricing System	A-2		18,500.00	18,500.00	
Reserve To Pay Bonds	A-2		58,508.00	58,508.00	
Capital Surplus	A-2		100,000.00	100,000.00	
Reserve To Pay Notes	A-2		449,980.29	449,980.29	
PILOT - Stafford Preserve	A-2		490,910.89	490,910.89	
Total		<u>\$ 26,355.86</u>	<u>\$ 6,081,160.32</u>	<u>\$ 6,085,732.21</u>	<u>\$ 21,783.97</u>
	<u>Reference</u>	A		1-A	A

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2018 and 2017	A	<u>\$ 186,650.00</u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

GRANT FUND

SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE

Year ended December 31, 2018

	Balance December 31, 2017	Increased By Revenue Anticipated 2018	Receipts Realized	Grants Unappropriated	Cancelled	Balance December 31, 2018
County of Ocean:						
Municipal Alliance on Alcoholism and Drug Abuse - FY 2018	\$ 24,883.61		\$ 24,405.57		\$ 478.04	0.00
Municipal Alliance on Alcoholism and Drug Abuse - FY 2019		\$ 28,249.00	3,684.06			\$ 24,564.94
Community Development Block Grant (CT-1531-16)						
Other Agencies:						
Clean Communities Program		73,290.99	73,290.99			
Distracted Driving Crackdown		6,600.00	4,400.00		2,200.00	
Click It or Ticket		5,500.00	3,960.00		1,540.00	
Homeland Security Grant		27,600.00				27,600.00
Alcohol Education and Rehabilitation Fund		1,611.11	1,611.11			
FEMA Hazard Mitigation Assistance		958,775.00		\$		958,775.00
American Legion Post 511 Donation (Vests)		4,000.00	4,000.00			
	<u>\$ 24,883.61</u>	<u>\$ 1,105,626.10</u>	<u>\$ 115,351.73</u>		<u>\$ 4,218.04</u>	<u>\$ 1,010,939.94</u>

Reference A

A-2,10-A

1-A,10-A

19-A

18-A

A

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

SCHEDULE OF 2017 APPROPRIATION RESERVES

Year ended December 31, 2018

	Appropriations				
	Balance December 31, <u>2017</u>	Prior Year <u>Encumbrances</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
<b>GENERAL GOVERNMENT</b>					
General Administration:					
Salaries and Wages	\$ 1,659.81	\$ 1,307.72	\$ 1,659.81	\$ 622.72	\$ 1,659.81
Other Expenses	4,682.16		5,989.88		5,367.16
Purchasing:					
Salaries and Wages	84.66		84.66		84.66
Other Expenses	280.98	2,240.84	2,521.82	1,214.70	1,307.12
Human Resources:					
Other Expenses	19,902.00	70.00	19,972.00	168.00	19,804.00
Mayor and Council:					
Salaries and Wages	961.24		961.24		961.24
Other Expenses	14.83		14.83		14.83
Municipal Clerk:					
Salaries and Wages	470.84		470.84		470.84
Other Expenses	5,953.07	3,653.26	9,606.33	1,582.07	8,024.26
Financial Administration (Treasury):					
Salaries and Wages	58,269.91		58,269.91		58,269.91
Other Expenses	1,978.30	3,782.84	5,761.14	3,702.84	2,058.30
Audit Services:					
Other Expenses	2,860.00		2,860.00		2,860.00
Banking and Arbitrage Rebate Services:					
Other Expenses	8,381.79		8,381.79	218.98	8,162.81
Computerized Data Processing:					
Salaries and Wages	381.76		381.76		381.76
Other Expenses	16,596.59	29,002.34	45,598.93	28,944.53	16,654.40
Revenue Administration (Tax Collection):					
Salaries and Wages	8,263.40		263.40		263.40
Other Expenses	14,131.80	755.85	14,887.65	755.85	14,131.80
Tax Assessment Administration:					
Salaries and Wages	22,678.39		678.39		678.39
Other Expenses	36,680.33	6,721.30	43,401.63	9,473.80	33,927.83
Legal Services (Legal Department):					
Other Expenses	92,461.85		92,461.85	8,079.16	84,382.69
Engineering Services:					
Other Expenses	8,787.20	5,546.25	14,333.45	13,944.00	389.45
Municipal Alliance:					
Salaries and Wages	25.61		25.61		25.61
Community Development and Zoning:					
Salaries and Wages	26,684.91		1,684.91		1,684.91
Other Expenses	4,594.60	1,925.16	6,519.76	2,032.58	4,487.18
Historic Sites Office:					
Salaries and Wages	500.00		500.00		500.00
Other Expenses	213.81	558.34	772.15	341.61	430.54
<b>LAND USE ADMINISTRATION</b>					
Planning Board:					
Salaries and Wages	2,224.53		2,224.53		2,224.53
Other Expenses	5,052.66	335.70	5,388.36	689.20	4,699.16
Zoning Board of Adjustment:					
Salaries and Wages	2,052.42		2,052.42		2,052.42
Other Expenses	3,720.74	282.14	4,002.88	1,107.14	2,895.74

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

SCHEDULE OF 2017 APPROPRIATION RESERVES

Year ended December 31, 2018

	Appropriations		Paid or Charged	Lapsed
	Balance December 31, 2017	Prior Year Encumbrances		
<b>CODE ENFORCEMENT AND ADMINISTRATION</b>				
Uniform Construction Code Enforcement:				
Salaries and Wages	70,474.21		474.21	474.21
Other Expenses	389.70	1,637.45	2,027.15	235.97
Other Code Enforcement Functions:				
Salaries and Wages	7,260.59		260.59	260.59
Other Expenses	707.17	17.85	725.02	707.17
<b>INSURANCE</b>				
General Liability	61,773.87		61,773.87	61,469.47
Employee Group Health Insurance	297,030.95	4,847.00	301,877.95	295,896.75
<b>PUBLIC SAFETY</b>				
Police Department:				
Salaries and Wages	148,116.94		116.94	116.94
Other Expenses	59,256.22	59,364.24	118,620.46	52,296.58
Office of Emergency Management:				
Other Expenses	1,416.42	1,725.00	3,141.42	1,416.42
Uniform Fire Safety:				
Salaries and Wages	17,934.70		934.70	934.70
Other Expenses	3,117.74	155.00	3,272.74	3,157.74
Municipal Prosecutor's Office:				
Other Expenses	3,653.25	3,476.25	7,129.50	3,653.25
New Jersey Public Employees Safety and Health	8,462.03	3,298.00	11,760.03	8,462.03
<b>PUBLIC WORKS</b>				
Streets and Road Maintenance:				
Salaries and Wages	18,575.88		18,575.88	3,575.88
Other Expenses	7,038.29	14,221.99	21,260.28	7,916.10
Solid Waste Collection:				
Salaries and Wages	111,985.01		70,985.01	985.01
Other Expenses	3,122.09	5,558.62	8,680.71	3,586.57
Buildings and Grounds:				
Salaries and Wages	59,254.68		59,254.68	4,254.68
Other Expenses	6,906.74	30,658.95	37,565.69	10,225.84
Vehicle Maintenance:				
Salaries and Wages	43,871.05		43,871.05	3,871.05
Other Expenses	17,262.29	106,314.03	123,576.32	48,439.42
Municipal Bus Service:				
Salaries and Wages	23,741.84		23,741.84	3,741.84
Other Expenses	1,423.71	264.54	1,688.25	1,466.93
<b>HEALTH AND HUMAN SERVICES</b>				
Environmental Health Services:				
Salaries and Wages	2,472.78		2,472.78	2,472.78
Other Expenses	1,081.91	79.62	1,161.53	1,081.91
Animal Control Services:				
Salaries and Wages	5,652.33		5,652.33	5,652.33
Other Expenses	1,101.61	4,596.83	5,698.44	3,348.26

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

SCHEDULE OF 2017 APPROPRIATION RESERVES

Year ended December 31, 2018

	Appropriations				
	Balance December 31, <u>2017</u>	Prior Year <u>Encumbrances</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
<b>PARKS AND RECREATION</b>					
Recreation Services and Programs:					
Salaries and Wages	10,883.05		883.05		883.05
Other Expenses	4,984.49	2,784.26	7,768.75	2,364.47	5,404.28
Beach and Boardwalk Operations:					
Salaries and Wages	6,227.00		6,227.00		6,227.00
Celebration of Public Events:					
Other Expenses	1,023.65	3,450.00	4,473.65	3,322.54	1,151.11
Municipal Court:					
Salaries and Wages	22,790.01		790.01		790.01
Other Expenses	1,959.51	198.99	2,158.50	161.13	1,997.37
Public Defender:					
Other Expenses	8,120.80	1,625.00	9,745.80	2,403.22	7,342.58
<b>UNCLASSIFIED</b>					
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Electricity	23,917.28	13,805.80	37,723.08	3,047.00	34,676.08
Street Lighting	57,577.16	74.68	57,651.84	39,542.93	18,108.91
Telephone (excluding telephone acquisition)	10,908.58	14.00	10,922.58	8,610.84	2,311.74
Water	4,272.30		4,272.30	1,957.69	2,314.61
Gas (natural or propane)	13,373.58	4,077.52	17,451.10	7,928.47	9,522.63
Telecommunications Costs	23.45	14.73	38.18	14.73	23.45
Sewerage Processing and Disposal	5,133.10		5,133.10	4,391.45	741.65
Gasoline	132,370.71	9,446.39	141,817.10	21,480.51	120,336.59
Landfill/Solid Waste Disposal Costs	152,587.26		152,587.26		152,587.26
Accumulated Leave Compensation			450,000.00	450,000.00	
<b>STATUTORY EXPENDITURES</b>					
Contribution To:					
Social Security System (O.A.S.I.)	170,361.98		90,361.98		90,361.98
DCRP Appropriation	1,658.54		1,658.54		1,658.54
Length of Service Award Program	106,950.00		106,950.00	80,500.00	26,450.00
Local Match for Future Grants	<u>5,000.00</u>		<u>5,000.00</u>		<u>5,000.00</u>
<b>Total General Appropriations</b>	<b><u>\$ 2,073,756.64</u></b>	<b><u>\$ 327,888.48</u></b>	<b><u>\$ 2,401,645.12</u></b>	<b><u>\$ 1,105,201.11</u></b>	<b><u>\$ 1,296,444.01</u></b>
	<u>Reference</u>	<u>A</u>	<u>9-A</u>		<u>A-1</u>
Cash Disbursed	1-A			<u>\$ 1,105,201.11</u>	
				<u>\$ 1,105,201.11</u>	

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2018

	Balance December 31, <u>2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2018</u>
Budget Appropriations	\$ 327,888.48	\$ 315,601.39	\$ 327,888.48	\$ 315,601.39
Grant Fund	<u>7,354.78</u>	<u>21,974.64</u>	<u>7,354.78</u>	<u>21,974.64</u>
	<u>\$ 335,243.26</u>	<u>\$ 337,576.03</u>	<u>\$ 335,243.26</u>	<u>\$ 337,576.03</u>
<u>Reference</u>	A	A-3,18-A	8-A,18-A	A

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF DUE TO GRANT FUND

Year ended December 31, 2018

	<u>Reference</u>		
Balance, December 31, 2017	A		\$ 204,242.08
Increased By:			
Cash Receipts	7-A	\$ 115,351.73	
Budget Appropriations	18-A	<u>1,112,688.35</u>	
			<u>1,228,040.08</u>
			1,432,282.16
Decreased By:			
Revenue Anticipated	7-A	1,105,626.10	
Cash Disbursements	18-A	<u>206,245.35</u>	
			<u>1,311,871.45</u>
Balance, December 31, 2018	A		<u>\$ 120,410.71</u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	A	\$ 123,489.94
Increased By:		
Cash Receipts:		
Payroll Deductions	1-A	<u>13,456,876.23</u>
		13,580,366.17
Decreased By:		
Cash Disbursements	1-A	<u>13,376,423.06</u>
Balance, December 31, 2018	A	<u>\$ 203,943.11</u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF PREPAID TAXES

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	A	\$ 3,965,480.05
Increased By:		
Collection of 2019 Taxes	1-A	<u>821,057.32</u>
		4,786,537.37
Decreased By:		
Applied To Taxes Receivable	3-A	<u>3,965,480.05</u>
Balance, December 31, 2018	A	<u><u>\$ 821,057.32</u></u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

Year ended December 31, 2018

	<u>Reference</u>			
Balance, December 31, 2017	A		\$	184,515.29
Increased By:				
2018 Levy:				
General County	3-A	\$ 14,993,852.78		
County Library	3-A	1,635,990.76		
County Health	3-A	590,749.79		
County Open Space Preservation	3-A	518,394.20		
Due County for Added Assessments	3-A	<u>151,298.88</u>		
	A-1			<u>17,890,286.41</u>
				18,074,801.70
Decreased By:				
Cash Disbursements	1-A			<u>17,923,502.82</u>
Balance, December 31, 2018	A		\$	<u><u>151,298.88</u></u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF SCHOOL TAXES PAYABLE

Year ended December 31, 2018

	<u>Reference</u>	<u>Local District School Tax</u>	<u>Regional High School Tax</u>
Balance, December 31, 2017			
School Tax Payable	A	\$ 2,252,295.00	\$ 519,548.87
School Tax Deferred	14-A	<u>11,292,290.00</u>	<u>4,138,088.13</u>
		13,544,585.00	4,657,637.00
Increased By:			
Levy - School Year, July 1, 2018 to June 30, 2019	3-A	<u>29,755,028.00</u>	<u>9,989,063.00</u>
		43,299,613.00	14,646,700.00
Decreased By:			
Cash Disbursements	1-A	<u>29,484,132.00</u>	<u>9,652,168.00</u>
Balance, December 31, 2018	14-A	<u>\$ 13,815,481.00</u>	<u>\$ 4,994,532.00</u>
Analysis of Balance:			
School Tax Payable	A	\$ 2,523,191.00	\$ 856,443.87
School Tax Deferred	14-A	<u>11,292,290.00</u>	<u>4,138,088.13</u>
		<u>\$ 13,815,481.00</u>	<u>\$ 4,994,532.00</u>
2018 Liability for School Taxes:			
Tax Paid	1-A	\$ 29,484,132.00	\$ 9,652,168.00
Taxes Payable, December 31, 2018	A	<u>13,815,481.00</u>	<u>4,994,532.00</u>
		43,299,613.00	14,646,700.00
Taxes Payable, December 31, 2017	A	<u>13,544,585.00</u>	<u>4,657,637.00</u>
Amount Charged To Operations	A-1	<u>\$ 29,755,028.00</u>	<u>\$ 9,989,063.00</u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS PAYABLE

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	A	\$ 10,030.87
Increased By:		
Cash Receipts	1-A	<u>10,468.33</u>
		20,499.20
Decreased By:		
Cash Disbursements	1-A	<u>10,030.87</u>
Balance, December 31, 2018	A	<u><u>\$ 10,468.33</u></u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE

Year ended December 31, 2018

	<u>Reference</u>		
Balance, December 31, 2017	A		\$ 0.00
Increased By:			
2018 Levy	3-A	\$ 416,822.35	
Added and Omitted Taxes	3-A	<u>3,541.38</u>	
	A-1		<u>420,363.73</u>
			420,363.73
Decreased By:			
Cash Disbursements	1-A		<u>416,822.35</u>
Balance, December 31, 2018	A		<u>\$ 3,541.38</u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX APPEALS

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	A	\$ 144,305.55
Decreased By:		
Cash Disbursed	1-A	<u>16,004.77</u>
Balance, December 31, 2018	A	<u><u>\$ 128,300.78</u></u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR GRANT EXPENDITURES - APPROPRIATED

Year ended December 31, 2018

	Balance December 31, 2017	Transferred From 2018 Budget Appropriations	Transfer From Encumbrances	Cash Disbursed	Cancelled	Encumbrances Payable	Balance December 31, 2018
County of Ocean:							
Municipal Alliance on Alcoholism - FY 2018	\$ 21,548.39			\$ 21,070.35	\$ 478.04		0.00
Municipal Alliance on Alcoholism - FY 2018 Match	3,531.06			3,531.06			
Municipal Alliance on Alcoholism - FY 2019		\$ 28,249.00		6,932.88			\$ 21,316.12
Municipal Alliance on Alcoholism - FY 2019 Match		7,062.25		3,781.45			3,280.80
Other Agencies:							
Clean Communities Program - 2016			\$ 4,383.39	4,383.39			
Clean Communities Program - 2017	72,964.45		1,850.00	72,042.93		\$ 2,271.52	500.00
Clean Communities Program - 2018				17,288.10		17,577.12	38,425.77
Drunk Driving Enforcement Fund	13,601.45		1,121.39	6,657.79			8,065.05
Alcohol Education and Rehabilitation Fund - 2016	5,160.38			438.98			2,595.40
Alcohol Education and Rehabilitation Fund - 2017	3,731.71					2,126.00	3,731.71
Alcohol Education and Rehabilitation Fund - 2018							1,611.11
Click It or Ticket							
Homeland Security Grant				3,960.00	1,540.00		18,600.00
Distracted Driving Crackdown				9,000.00			
Body Armor Replacement Fund - 2017				4,400.00	2,200.00		
Recycling Tonnage Grant - 2015	4,677.95			4,677.95			
Recycling Tonnage Grant - 2014	48,475.05						48,475.05
FEIMA Hazard Mitigation Assistance	48,080.47			48,080.47			
American Legion Post 511 Donation (Vests)		958,775.00					958,775.00
		4,000.00					4,000.00
	\$ 221,770.91	\$ 1,112,688.35	\$ 7,354.78	\$ 206,245.35	\$ 4,218.04	\$ 21,974.64	\$ 1,109,376.01
	Reference A	A-3,10-A	9-A	1-A,10-A	7-A	9-A	A

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	A	\$ 6,596.30
Decreased By:		
Cash Disbursed	1-A	<u>6,596.30</u>
Balance, December 31, 2018	A	<u><u>\$ -</u></u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2018 and 2017	A	<u>\$ 193,298.25</u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF FEMA COMMUNITY DISASTER LOAN PAYABLE

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	A	\$ 3,333,975.62
Increased By:		
Accrued Interest		<u>18,175.06</u>
Balance, December 31, 2018	A	<u>\$ 3,352,150.68</u>

TOWNSHIP OF STAFFORD  
 COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO COUNTY - SHARE OF PILOT REVENUE

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	A	\$ -
Increased By:		
Cash Receipts	1-A	<u>47,100.21</u>
		47,100.21
Decreased By:		
Cash Disbursed	1-A	<u>16,289.37</u>
Balance, December 31, 2018	A	<u><u>\$ 30,810.84</u></u>

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**TRUST FUND**

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TOWNSHIP OF STAFFORD  
 COUNTY OF OCEAN, NEW JERSEY

TRUST FUND

SCHEDULE OF TRUST CASH AND CASH EQUIVALENTS - TREASURER

Year ended December 31, 2018

	<u>Reference</u>	<u>Animal Control Fund</u>	<u>Trust - Other Fund</u>	<u>Open Space Trust Fund</u>
Balance, December 31, 2017	B	\$ 21,088.98	\$ 7,126,063.75	\$ 383,278.21
Increased By Receipts:				
Dog License Fees	3-B	24,066.00		
Due To State of New Jersey Department of Health	4-B	5,316.60		
Reserve for Landfill Tax Escrow	5-B		8,728.52	
Escrow Funds	6-B		810,905.35	
Municipal Alliance	7-B		26,762.50	
Various Reserves	8-B		4,428,335.88	
Open Space Fund Receipts	9-B			422,497.39
		<u>29,382.60</u>	<u>5,274,732.25</u>	<u>422,497.39</u>
		<u>50,471.58</u>	<u>12,400,796.00</u>	<u>805,775.60</u>
Decreased By Disbursements:				
Animal Control Fund Expenditures	3-B	11,458.53		
Due To State of New Jersey Department of Health	4-B	5,302.80		
Reserve for Landfill Tax Escrow	5-B		6,116.02	
Escrow Funds	6-B		627,648.93	
Municipal Alliance	7-B		23,839.10	
Various Reserves	8-B		4,183,230.37	
Open Space Fund Expenditures	9-B			510,675.00
Due to Current Fund	10-B			
		<u>16,761.33</u>	<u>4,840,834.42</u>	<u>510,675.00</u>
Balance, December 31, 2018	B	\$ 33,710.25	\$ 7,559,961.58	\$ 295,100.60

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF INVESTMENTS

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	B	\$ 1,290,706.95
Increased By:		
Township Contributions	10-B	<u>78,200.00</u>
		1,368,906.95
Decreased By:		
Withdrawals	10-B	115,314.02
Accounting Charges	10-B	3,291.02
Change in Investment Value	10-B	<u>35,596.28</u>
		<u>154,201.32</u>
Balance, December 31, 2018	B	<u>\$ 1,214,705.63</u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

ANIMAL CONTROL FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	B	\$ 21,088.98
Increased By:		
Dog License Fees Collected	1-B	<u>24,066.00</u>
		45,154.98
Decreased By:		
Expenditures for Animal Control Fund	1-B	<u>11,458.53</u>
Balance, December 31, 2018	B	<u><u>\$ 33,696.45</u></u>

Fees Collected

2016	\$ 26,292.00
2017	<u>25,151.00</u>
	<u><u>\$ 51,443.00</u></u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

## ANIMAL CONTROL FUND

## SCHEDULE OF DUE TO STATE OF NEW JERSEY DEPARTMENT OF HEALTH

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	B	\$ 0.00
Increased By:		
Cash Receipts	1-B	<u>5,316.60</u>
		5,316.60
Decreased By:		
Cash Disbursements	1-B	<u>5,302.80</u>
Balance, December 31, 2018	B	<u><u>\$ 13.80</u></u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF RESERVE FOR LANDFILL TAX ESCROW

Year ended December 31, 2018

	<u>Reference</u>		
Balance, December 31, 2017	B		\$ 417,156.28
Increased By:			
Interest Earned	1-B		<u>8,728.52</u>
			425,884.80
Decreased By:			
Bank Fees	1-B	\$ 3,089.12	
Change in Investment Value	1-B	<u>3,026.90</u>	
			<u>6,116.02</u>
Balance, December 31, 2018	B		<u><u>\$ 419,768.78</u></u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF CASH SURETY BONDS AND ESCROW DEPOSITS

Year ended December 31, 2018

<u>Trust Funds</u>	Balance December 31, <u>2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2018</u>
Cash Surety Bonds	\$ 1,399,234.92	\$ 264,241.40	\$ 290,114.07	\$ 1,373,362.25
Reserve for Developers' Escrow Deposits	<u>1,519,132.16</u>	<u>546,663.95</u>	<u>337,534.86</u>	<u>1,728,261.25</u>
	<u>\$ 2,918,367.08</u>	<u>\$ 810,905.35</u>	<u>\$ 627,648.93</u>	<u>\$ 3,101,623.50</u>
<u>Reference</u>	B	1-B	1-B	B

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF RESERVE FOR MUNICIPAL ALLIANCE PROGRAM INCOME

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	B	\$ 22,560.52
Increased By:		
Cash Receipts	1-B	<u>26,762.50</u>
		49,323.02
Decreased By:		
Cash Disbursements	1-B	<u>23,839.10</u>
Balance, December 31, 2018	B	<u><u>\$ 25,483.92</u></u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2018

	Balance December 31, <u>2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2018</u>
Unemployment Compensation				
Insurance	\$ 38,300.38	\$ 153,757.93	\$ 94,664.61	\$ 97,393.70
Reserve for:				
Adopt-A-Park Program	876.75			876.75
Community Outreach Donations	4,054.52		3,331.36	723.16
P.O.A.A.	285.00	20.00		305.00
Disposal of Forfeited Property	57,875.79	4,443.30	9,132.54	53,186.55
Public Defender	3,437.00	10,169.50	11,604.50	2,002.00
Outside Employment	5,966.94	418,275.47	322,092.56	102,149.85
Utility Developers Escrow	314,206.58	209,392.63	105,140.36	418,458.85
Adopt A Tree Program	8,946.94	7,082.00	7,425.46	8,603.48
Recreation Trust Fund	22,396.86	144,175.23	139,301.84	27,270.25
Accumulated Leave Time	775,686.64	855,000.00	376,380.65	1,254,305.99
Affordable Housing Trust	1,430,222.53	248,900.00	661,945.72	1,017,176.81
Storm Recovery Trust	675,836.37	200,000.00	90,429.89	785,406.48
Tax Title Liens	90,106.55	1,783,138.99	1,849,667.94	23,577.60
Tax Sale Premiums	339,781.02	393,980.83	512,112.94	221,648.91
	<u>\$ 3,767,979.87</u>	<u>\$ 4,428,335.88</u>	<u>\$ 4,183,230.37</u>	<u>\$ 4,013,085.38</u>
<u>Reference</u>	B	1-B	1-B	B

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

OPEN SPACE TRUST FUND

SCHEDULE OF RESERVE FOR OPEN SPACE FUND EXPENDITURES

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	B	\$ 383,278.21
Increased By:		
Open Space Tax Levy	1-B	\$ 416,822.35
Interest Earned	1-B	5,675.04
Open Space Tax - Added/Omitted	B	<u>3,541.38</u>
		<u>426,038.77</u>
		809,316.98
Decreased By:		
Cash Disbursed:		
Debt Service	1-B	<u>510,675.00</u>
Balance, December 31, 2018	B	<u><u>\$ 298,641.98</u></u>

TOWNSHIP OF STAFFORD  
 COUNTY OF OCEAN, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF MISCELLANEOUS RESERVES

Year ended December 31, 2018

	<u>Reference</u>		
Balance, December 31, 2017	B		\$ 1,290,706.95
Increased By:			
Budget Appropriation	2-B		78,200.00
			1,368,906.95
Decreased By:			
Withdrawals	2-B	115,314.02	
Accounting Charges	2-B	3,291.02	
Change in Investment Value	2-B	<u>35,596.28</u>	
			<u>154,201.32</u>
Balance, December 31, 2018	B		<u>\$ 1,214,705.63</u>

**GENERAL CAPITAL FUND**

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TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH

Year ended December 31, 2018

	<u>Reference</u>		
Balance, December 31, 2017	C		\$ 7,281,557.95
Increased By Cash Receipts:			
Serial Bonds	6-C	\$ 4,824,000.00	
Bond Anticipation Notes	7-C	3,940,000.00	
Capital Improvement Fund	11-C	400,000.00	
Grants Receivable - NJ DOT	3-C	243,750.00	
Deferred Charges to Future Taxation - Unfunded	5-C	1,421,575.72	
Fund Balance	C-1	35,215.65	
Reserve for:			
Debt Service	12-C	<u>98,894.71</u>	
			<u>10,963,436.08</u>
			18,244,994.03
Decreased By Cash Disbursements:			
Bond Anticipation Notes	7-C	4,715,000.00	
Improvement Authorizations	10-C	6,541,644.55	
Reserve for Debt Service	12-C	508,488.29	
Fund Balance	C-1	<u>100,000.00</u>	
			<u>11,865,132.84</u>
Balance, December 31, 2018	C		<u><u>\$ 6,379,861.19</u></u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH

Year ended December 31, 2018

	Balance December 31, <u>2018</u>																																				
Fund Balance	\$ 535,252.82																																				
Capital Improvement Fund	331,639.46																																				
Encumbrances Payable	1,294,591.97																																				
Grants Receivable - FY 2017 NJ DOT - Mermaid Drive	(81,250.00)																																				
Reserve for:																																					
Debt Service	98,894.71																																				
Developer's Contributions	42,000.00																																				
Grants Receivable	81,250.00																																				
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 15%;"><u>Ordinance Number</u></th> <th style="text-align: left; width: 65%;"><u>Improvement Description</u></th> <th style="text-align: right; width: 20%;"></th> </tr> </thead> <tbody> <tr> <td>08-103</td> <td>Closure of Landfill</td> <td style="text-align: right;">37,328.88</td> </tr> <tr> <td>11-25</td> <td>Improvements to Municipal Building</td> <td style="text-align: right;">1,435.03</td> </tr> <tr> <td>13-13</td> <td>Various Capital Improvements/Acquisition of Capital Equipment</td> <td style="text-align: right;">71,368.00</td> </tr> <tr> <td>14-03</td> <td>Various Capital Improvements/Acquisition of Capital Equipment</td> <td style="text-align: right;">90,481.89</td> </tr> <tr> <td>15-02</td> <td>Various Capital Improvements/Acquisition of Capital Equipment</td> <td style="text-align: right;">818,585.25</td> </tr> <tr> <td>16-03</td> <td>Various Capital Improvements/Acquisition of Capital Equipment</td> <td style="text-align: right;">708,254.80</td> </tr> <tr> <td>16-17</td> <td>Construction of a Bulkhead on Mill Creek Road</td> <td style="text-align: right;">(500.00)</td> </tr> <tr> <td>17-10</td> <td>Various Capital Improvements/Acquisition of Capital Equipment</td> <td style="text-align: right;">1,548,213.94</td> </tr> <tr> <td>18-03</td> <td>Various Capital Improvements/Acquisition of Capital Equipment</td> <td style="text-align: right;">957,391.14</td> </tr> <tr> <td>18-14</td> <td>Various Capital Improvements/Acquisition of Real Property</td> <td style="text-align: right;"><u>(155,076.70)</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><u>\$ 6,379,861.19</u></td> </tr> </tbody> </table>		<u>Ordinance Number</u>	<u>Improvement Description</u>		08-103	Closure of Landfill	37,328.88	11-25	Improvements to Municipal Building	1,435.03	13-13	Various Capital Improvements/Acquisition of Capital Equipment	71,368.00	14-03	Various Capital Improvements/Acquisition of Capital Equipment	90,481.89	15-02	Various Capital Improvements/Acquisition of Capital Equipment	818,585.25	16-03	Various Capital Improvements/Acquisition of Capital Equipment	708,254.80	16-17	Construction of a Bulkhead on Mill Creek Road	(500.00)	17-10	Various Capital Improvements/Acquisition of Capital Equipment	1,548,213.94	18-03	Various Capital Improvements/Acquisition of Capital Equipment	957,391.14	18-14	Various Capital Improvements/Acquisition of Real Property	<u>(155,076.70)</u>			<u>\$ 6,379,861.19</u>
<u>Ordinance Number</u>	<u>Improvement Description</u>																																				
08-103	Closure of Landfill	37,328.88																																			
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Reference

C

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE - NJ DOT

Year ended December 31, 2018

	<u>Reference</u>		
Balance, December 31, 2017	C		\$ 406,250.00
Decreased By:			
Cash Receipts	1-C	\$ 243,750.00	
NJ DOT FY 2015 Grant Received	14-C	<u>81,250.00</u>	
			<u>325,000.00</u>
Balance, December 31, 2018	C		<u><u>\$ 81,250.00</u></u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Year ended December 31, 2018

	<u>Reference</u>		
Balance, December 31, 2017	C		\$ 52,376,988.76
Increased By:			
Bonds Issued	5-C		<u>4,824,000.00</u>
			57,200,988.76
Decreased By:			
Payments By Budget Appropriation:			
Bonds Payable	6-C	\$ 4,825,000.00	
Bonds Cancelled at Sale	6-C	244,000.00	
Loans Payable	9-C	<u>293,527.90</u>	
			<u>5,362,527.90</u>
Balance, December 31, 2018	C		<u>\$ 51,838,460.86</u>

TOWNSHIP OF STAFFORD  
 COUNTY OF OCEAN, NEW JERSEY  
 GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Year ended December 31, 2018

Ordinance Number	Improvement Description	Balance December 31, 2017	2018 Authorizations	Raised in Budget	Bonds Issued	Cancelled	Balance December 31, 2018	Bond Anticipation Notes	Analysis of Balance December 31, 2018	
									Expenditures	Unexpended Improvement Authorizations
	General Improvements:									
13-18	Neptune Basin Project	\$ 3,325,000.00			\$ 3,325,000.00					
14-05	Construction of Community Center & Pavilion	518,750.00	\$ 518,750.00				500.00		\$ 500.00	
16-17	Construction of a Bulkhead on Mill Creek Road	760,000.00	2,825.72	\$ 628,000.00	128,674.28	\$ 500.00				
17-10	Various Capital Improvements/Acquisition of Capital Equipment	4,196,250.00		4,196,000.00			250.00			\$ 250.00
17-30	Renovation of Pine Street Building	142,500.00					142,500.00			
18-03	Various Capital Improvements/Acquisition of Capital Equipment		\$ 4,697,750.00	900,000.00			3,797,750.00		142,500.00	250.00
18-14	Various Capital Improvements/Acquisition of Real Property		475,000.00				475,000.00		155,076.70	319,923.30
		<u>\$ 8,942,500.00</u>	<u>\$ 5,172,750.00</u>	<u>\$ 1,421,575.72</u>	<u>\$ 4,824,000.00</u>	<u>\$ 3,453,674.28</u>	<u>\$ 4,416,000.00</u>	<u>\$ 3,940,000.00</u>	<u>\$ 155,576.70</u>	<u>\$ 320,423.30</u>
	Reference	C	10-C	1-C		10-C	C	7-C	2-C	
	Bonds Issued				<u>\$ 4,824,000.00</u>					
	Improvement Authorizations Unfunded				<u>\$ 4,824,000.00</u>					
	Less:									
	Unexpended Proceeds of Bond									\$ 1,277,814.44
	Anticipation Notes Issued:									
							Ordinance Number			
							18-03		\$ 957,391.14	957,391.14
										<u>\$ 320,423.30</u>

TOWNSHIP OF STAFFORD  
 COUNTY OF OCEAN, NEW JERSEY  
 GENERAL CAPITAL FUND  
 SCHEDULE OF SERIAL BONDS  
 Year ended December 31, 2018

<u>Year</u>	<u>Purpose</u>	<u>Date of Issue</u>	<u>Issue Amount</u>	<u>Maturity Date</u>	<u>Maturity Schedule</u>	<u>Interest Rate</u>	<u>Balance December 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2018</u>
2008	General Improvement Bonds	08/26/08	19,200,000.00	01/15/19	470,000.00	3.000%	\$ 900,000.00		\$ 900,000.00	\$
2011	General Improvement Bonds	05/24/11	8,850,000.00	01/15/20	470,000.00	3.000%				
				01/15/21	470,000.00	4.000%	1,880,000.00		470,000.00	1,410,000.00
2012	General Improvement Bonds	05/22/12	7,965,000.00	01/15/19	500,000.00	3.000%				
				01/15/20	500,000.00	3.000%				
				01/15/21	500,000.00	3.500%				
				01/15/22	500,000.00	3.000%				
				01/15/23	500,000.00	3.000%				
				01/15/24	500,000.00	2.500%				
				01/15/25	500,000.00	3.000%				
				01/15/26	500,000.00	3.000%				
				01/15/27	500,000.00	3.000%				
				01/15/28	500,000.00	3.000%				
				01/15/29	500,000.00	3.000%	6,000,000.00		500,000.00	5,500,000.00
2014	General Obligation Refunding Bonds	03/27/14	6,111,500.00	07/01/19	910,000.00	4.000%				
				07/01/20	695,000.00	4.000%				
				07/01/20	250,000.00	5.000%	2,735,000.00		880,000.00	1,855,000.00
2014	Pension Refunding Bonds	03/27/14	1,025,000.00	04/01/19	5,000.00	2.500%				
				04/01/20	5,000.00	4.000%				
				04/01/21	15,000.00	4.000%				
				04/01/22	20,000.00	4.000%				
				04/01/23	30,000.00	4.000%				
				04/01/24	40,000.00	4.000%				
				04/01/25	50,000.00	4.700%				
				04/01/26	60,000.00	4.700%				
				04/01/27	70,000.00	4.700%				
				04/01/28	80,000.00	4.700%				
				04/01/29	95,000.00	4.700%				
				04/01/30	105,000.00	5.000%				
				04/01/31	125,000.00	5.000%				
				04/01/32	145,000.00	5.000%				
				04/01/33	160,000.00	5.000%	1,010,000.00		5,000.00	1,005,000.00
2014	General Obligation Bonds	05/19/14	6,500,000.00	05/01/19	600,000.00	4.000%				
				05/01/20	600,000.00	4.000%				
				05/01/21	700,000.00	4.000%				
				05/01/22	700,000.00	2.000%				
				05/01/23	700,000.00	2.250%				
				05/01/24	700,000.00	2.250%				
				05/01/25	700,000.00	2.500%	5,300,000.00		600,000.00	4,700,000.00

TOWNSHIP OF STAFFORD  
 COUNTY OF OCEAN, NEW JERSEY  
 GENERAL CAPITAL FUND  
 SCHEDULE OF SERIAL BONDS  
 Year ended December 31, 2018

<u>Year</u>	<u>Purpose</u>	<u>Date of Issue</u>	<u>Issue Amount</u>	<u>Maturity Date</u>	<u>Maturity Schedule</u>	<u>Interest Rate</u>	<u>Balance December 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2018</u>
2014	General Obligation Refunding Bonds, Series 2014B	11/19/14	8,480,000.00	02/01/19 02/01/19 02/01/20 02/01/20 02/01/21 02/01/21 02/01/22 02/01/22 02/01/23 02/01/23 02/01/24	125,000.00 800,000.00 440,000.00 500,000.00 805,000.00 140,000.00 770,000.00 180,000.00 970,000.00 990,000.00	1.750% 4.000% 2.000% 4.000% 2.000% 5.000% 2.250% 5.000% 5.000% 5.000%	6,630,000.00		910,000.00	5,720,000.00
2016	General Obligation Refunding Bonds, Series 2016A	02/24/16	11,095,000.00	08/01/19 08/01/20 08/01/21 08/01/21 08/01/22 08/01/23 08/01/24 08/01/24 08/01/25 08/01/25 08/01/26 08/01/27 08/01/28	900,000.00 940,000.00 120,000.00 860,000.00 1,025,000.00 1,080,000.00 1,130,000.00 1,180,000.00 1,235,000.00 1,295,000.00 1,330,000.00	4.000% 4.000% 3.000% 5.000% 5.000% 5.000% 4.000% 5.000% 5.000% 2.250% 2.500%	11,095,000.00			11,095,000.00
2017	General Obligation Bonds	05/10/17	10,880,000.00	05/01/19 05/01/20 05/01/21 05/01/22 05/01/23 05/01/24 05/01/25 05/01/26 05/01/27 05/01/28 05/01/29	750,000.00 760,000.00 950,000.00 990,000.00 990,000.00 990,000.00 990,000.00 990,000.00 990,000.00 990,000.00 990,000.00	3.000% 4.000% 4.000% 5.000% 5.000% 5.000% 5.000% 4.000% 4.000% 3.000% 3.000%	10,880,000.00		500,000.00	10,380,000.00
2017	General Obligation Refunding Bonds, Series 2017B	11/09/17	4,560,000.00	01/15/22 01/15/23 01/15/24 01/15/25 01/15/26 01/15/27 01/15/28 01/15/29 01/15/30 01/15/31	450,000.00 450,000.00 445,000.00 445,000.00 450,000.00 450,000.00 450,000.00 455,000.00 455,000.00 450,000.00	3.000% 4.000% 4.000% 4.000% 5.000% 5.000% 5.000% 5.000% 4.000% 3.000%	4,560,000.00		60,000.00	4,500,000.00

TOWNSHIP OF STAFFORD  
 COUNTY OF OCEAN, NEW JERSEY  
 GENERAL CAPITAL FUND  
 SCHEDULE OF SERIAL BONDS  
 Year ended December 31, 2018

<u>Year</u>	<u>Purpose</u>	<u>Date of Issue</u>	<u>Issue Amount</u>	<u>Maturity Date</u>	<u>Maturity Schedule</u>	<u>Interest Rate</u>	<u>Balance December 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2018</u>
2018	General Improvement Bonds, Series 2018	05/03/18	4,580,000.00	05/01/19	190,000.00	5.000%				
				05/01/20	205,000.00	5.000%				
				05/01/21	295,000.00	5.000%				
				05/01/22	310,000.00	5.000%				
				05/01/23	320,000.00	5.000%				
				05/01/24	325,000.00	5.000%				
				05/01/25	335,000.00	5.000%				
				05/01/26	345,000.00	5.000%				
				05/01/27	360,000.00	3.000%				
				05/01/28	375,000.00	3.000%				
				05/01/29	380,000.00	3.000%				
				05/01/30	380,000.00	3.000%				
				05/01/31	380,000.00	3.000%				
				05/01/32	380,000.00	3.000%				
							\$ 50,980,000.00	\$ 4,824,000.00	\$ 244,000.00	4,580,000.00
							\$ 50,980,000.00	\$ 4,824,000.00	\$ 5,069,000.00	\$ 50,745,000.00
							C	1-C		C
									\$ 4,480,000.00	
									244,000.00	
									345,000.00	
									\$ 5,069,000.00	

Payments By Budget Appropriation  
 Bonds Cancelled at Sale  
 Payments By Open Space Trust Fund

4-C

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

Schedule 7-C

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2018

Ordinance Number	Improvement Description	Original Issue Date	Date of Issue	Maturity Date	Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
14-05	Construction of Community Center & Pavilion	05/19/14	05/10/17	05/09/18	2.250%	\$ 373,750.00		\$ 373,750.00	
14-05	Construction of Community Center & Pavilion	05/15/15	05/10/17	05/09/18	2.250%	145,000.00		145,000.00	
17-10	Various Capital Improvements/Acquisition of Capital Equipment	05/10/17	05/10/17	05/09/18	2.250%	4,196,250.00		4,196,250.00	
17-30	Renovation of Pine Street Building	05/03/18	05/03/18	05/02/19	2.750%		\$ 142,500.00		\$ 142,500.00
18-03	Various Capital Improvements/Acquisition of Capital Equipment	05/03/18	05/03/18	05/02/19	2.750%		3,797,500.00		3,797,500.00
						<u>\$ 4,715,000.00</u>	<u>\$ 3,940,000.00</u>	<u>\$ 4,715,000.00</u>	<u>\$ 3,940,000.00</u>
	Cash				Reference	C			C,5-C
					1-C		\$ 3,940,000.00	\$ 4,715,000.00	
							<u>\$ 3,940,000.00</u>	<u>\$ 4,715,000.00</u>	

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	C	\$ 2,268,264.00
Increased By:		
Encumbered in 2018	10-C	<u>1,294,591.97</u>
		3,562,855.97
Decreased By:		
Transferred To Improvement Authorizations	10-C	<u>2,268,264.00</u>
Balance, December 31, 2018	C	<u>\$ 1,294,591.97</u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF LOANS PAYABLE

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	C	\$ 1,386,988.76
Decreased By:		
Budget Appropriation	4-C	<u>293,527.90</u>
Balance, December 31, 2018	C	<u><u>\$ 1,093,460.86</u></u>

Analysis of Balance

Manahawkin Lake Development	\$ 25,858.35
Acquisition of Nautilus Park	226,351.39
Acquisition of Ocean Acres Park	8,546.13
Rudder Park Development - Phase I	78,790.72
Ocean Acres Park Development	57,342.34
Rudder Park Acquisition	37,725.26
Rudder Park Development - Phase II	104,595.14
Manahawkin Lake - Phase I	75,450.45
Manahawkin Lake - Phase II	228,801.08
Nautilus Park - Phase II	<u>250,000.00</u>
	<u><u>\$ 1,093,460.86</u></u>



TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	C	\$ 123,526.00
Increased By:		
Budget Appropriation	1-C	\$ 400,000.00
Cancelled Funded Authorizations	10-C	<u>80,363.46</u>
		<u>480,363.46</u>
		603,889.46
Decreased By:		
Appropriated To Finance Improvement Authorizations	10-C	<u>272,250.00</u>
Balance, December 31, 2018	C	<u><u>\$ 331,639.46</u></u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR DEBT SERVICE

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	C	\$ 508,488.29
Increased By:		
Cash Receipts	1-C	<u>98,894.71</u>
		607,383.00
Decreased By:		
Anticipated as Revenue in Current Fund	1-C	<u>508,488.29</u>
Balance, December 31, 2018	C	<u><u>\$ 98,894.71</u></u>
	Reserve to Pay Bonds	<u>\$ 98,894.71</u>
		<u><u>\$ 98,894.71</u></u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR DEVELOPER CONTRIBUTIONS

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2018 and 2017	C	\$ <u>42,000.00</u>

TOWNSHIP OF STAFFORD  
 COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR GRANTS RECEIVABLE

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	C	\$ 162,500.00
Decreased By:		
NJ DOT FY 2015 Grant Received	3-C	<u>81,250.00</u>
Balance, December 31, 2018	C	<u><u>\$ 81,250.00</u></u>

TOWNSHIP OF STAFFORD  
 COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2018

Ordinance Number	Improvement Description	Balance December 31, 2017	2018 Authorizations	Notes Matured	Bonds Issued	Notes Issued	Raised in Budget	Cancelled	Balance December 31, 2018
	General Improvements:								
13-18	Neptune Basin Project	\$ 3,325,000.00		\$ 518,750.00			\$ 518,750.00	\$ 3,325,000.00	
14-05	Construction of Community Center & Pavilion	760,000.00			\$ 628,000.00		2,825.72	128,674.28	500.00
16-17	Construction of a Bulkhead on Mill Creek Road			4,196,250.00	4,196,000.00				250.00
17-10	Various Capital Improvements/Acquisition of Capital Equipment	142,500.00				\$ 142,500.00			
17-30	Renovations to Pine Street Building		\$ 4,697,750.00			3,797,500.00	900,000.00		250.00
18-03	Various Capital Improvements/Acquisition of Capital Equipment		475,000.00						475,000.00
18-14	Various Capital Improvements/Acquisition of Real Property								
		<u>\$ 4,227,500.00</u>	<u>\$ 5,172,750.00</u>	<u>\$ 4,715,000.00</u>	<u>\$ 4,824,000.00</u>	<u>\$ 3,940,000.00</u>	<u>\$ 1,421,575.72</u>	<u>\$ 3,453,674.28</u>	<u>\$ 476,000.00</u>
	Reference	15-C	10-C	5-C	5-C	7-C	10-C	10-C	15-C

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**WATER/SEWER UTILITY FUND**

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TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY FUND

SCHEDULE OF CASH AND CASH EQUIVALENTS - TREASURER

Year ended December 31, 2018

	<u>Reference</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2017	D	<u>\$ 7,823,220.28</u>	<u>\$ 1,730,033.99</u>
Increased By Receipts:			
Water/Sewer Utility Revenue	D-3	16,373,713.54	
Premium on Sale of Bonds and Notes	D-2		28,394.58
Due from NJEIT	7-D		1,540,496.00
Prepaid Revenue	11-D	142,495.37	
Bond Anticipation Notes	14-D		3,500,000.00
Deferred Charges Raised in Budget	18-D		1,275,000.00
Developer Contribution	18-D		200,000.00
Reserve to Pay Notes	19-D		350,000.00
		<u>16,516,208.91</u>	<u>6,893,890.58</u>
		<u>24,339,429.19</u>	<u>8,623,924.57</u>
Decreased By Disbursements:			
2018 Appropriations	D-4	14,125,689.69	
Appropriation Reserves	8-D	106,048.80	
Accrued Interest on Bonds and Notes	10-D	1,401,558.69	
Improvement Authorizations	15-D		3,862,913.37
		<u>15,633,297.18</u>	<u>3,862,913.37</u>
Balance, December 31, 2018	D	<u>\$ 8,706,132.01</u>	<u>\$ 4,761,011.20</u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF ANALYSIS OF WATER/SEWER UTILITY CAPITAL FUND CASH AND CASH EQUIVALENTS

Year ended December 31, 2018

	Balance December 31, <u>2018</u>
Fund Balance	\$ 579,928.33
Capital Improvement Fund	12,625.00
Contracts/Encumbrances Payable	1,501,536.81
Reserve to Pay Notes	350,000.00
Due from NJEIT	(933,846.00)

Improvement Authorizations

<u>Ordinance Number</u>	<u>Improvement Description</u>	
14-04	Various Water/Sewer Improvements/Acquisition of Equipment	287,863.03
15-03	Various Water/Sewer Improvements/Acquisition of Equipment	645.31
16-05	Various Water/Sewer Improvements/Acquisition of Equipment	250,016.13
16-06	Millcreek Rd and Paul Blvd Water Main Replacement - Phase II	261,805.98
16-07	Beachview Area Water Main Extension	(38,707.73)
17-08	Millcreek Rd and Paul Blvd Water Main Replacement - Phase II	377,658.16
17-09	Various Water/Sewer Improvements/Acquisition of Equipment	87,776.84
17-18	Directional Drilling and Various Water/Sewer Improvements	1,465,047.18
18-04	Various Water/Sewer Improvements/Acquisition of Equipment	478,648.96
18-15	Perry's Lake Purchase and Installation of Water Meters	80,013.20
		<u>\$ 4,761,011.20</u>

Reference      D,1-D

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	D	\$ 146,474.84
Increased By:		
Water/Sewer Charges Levied in 2018		<u>15,766,156.59</u>
		15,912,631.43
Decreased By:		
Collections - Rents, Surcharges, Connection Fees		\$ 15,677,909.25
Prepaid Revenue Applied	D-3,11-D	133,753.91
Transfer to Water-Sewer Liens Receivable	4-D	<u>2,765.00</u>
		<u>15,814,428.16</u>
Balance, December 31, 2018	D	<u><u>\$ 98,203.27</u></u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF WATER-SEWER LIENS RECEIVABLE

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	D	\$ 23,316.25
Increased By:		
Transfer from Consumer Accounts Receivable	3-D	<u>2,765.00</u>
Balance, December 31, 2018	D	<u><u>\$ 26,081.25</u></u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

Year ended December 31, 2018

	Balance December 31, <u>2017</u>	<u>Increased</u>	Balance December 31, <u>2018</u>
Land	\$ 3,222,734.82		\$ 3,222,734.82
Buildings and Improvements	3,201,100.59		3,201,100.59
Improvements Other Than Buildings	137,055,659.80	\$ 9,564,329.95	146,619,989.75
Machinery and Equipment	4,246,076.27		4,246,076.27
Furniture and Fixtures	240,006.00		240,006.00
Soft Costs	<u>366,886.90</u>		<u>366,886.90</u>
	<u>\$ 148,332,464.38</u>	<u>\$ 9,564,329.95</u>	<u>\$ 157,896,794.33</u>
<u>Reference</u>	D	6-D	D

TOWNSHIP OF STAFFORD  
 COUNTY OF OCEAN, NEW JERSEY  
 WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Year ended December 31, 2018

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2017	2018 Authorizations	Decreases	Balance December 31, 2018
		Date	Amount				
13-14	Various Water/Sewer Improvements	08/16/13	\$ 1,800,000.00	\$ 608,800.00		\$ 608,800.00	\$ 319,848.82
14-04	Various Water/Sewer Improvements/Acquisition of Equipment	03/18/14	2,595,679.00	2,595,679.00		2,275,830.18	645.31
15-03	Various Water/Sewer Improvements/Acquisition of Equipment	03/17/15	2,997,192.00	2,997,192.00		2,996,546.69	250,016.13
16-05	Various Water/Sewer Improvements/Acquisition of Equipment	02/23/16	1,135,600.00	1,135,600.00		885,583.87	261,845.73
16-06	Millcreek Rd and Paul Blvd Water Main Replacement - Phase I	02/23/16	2,500,000.00	2,500,000.00		2,238,154.27	210,000.00
16-07	Beachview Area Water Main Extension	02/23/16	210,000.00	210,000.00			
16-18	Fawn Lakes Tank Replacement/Fawn Lakes Plant/Wells Refurbishment	08/16/16	3,600,000.00	29,016.75		29,016.75	1,800,000.00
17-08	Millcreek Rd and Paul Blvd Water Main Replacement - Phase II	03/14/17	1,800,000.00	1,800,000.00		687,235.94	167,764.06
17-09	Various Water/Sewer Improvements/Acquisition of Equipment	03/14/17	855,000.00	855,000.00			2,000,000.00
17-18	Directional Drilling and Various Water/Sewer Improvements	07/18/17	2,000,000.00	2,000,000.00			2,775,000.00
18-04	Various Water/Sewer Improvements/Acquisition of Equipment	02/27/18	2,775,000.00		\$ 2,775,000.00		
18-15	Perry's Lake Purchase and Installation of Water Meters	09/11/18	250,000.00		250,000.00		
				<u>\$ 14,731,287.75</u>	<u>\$ 3,025,000.00</u>	<u>\$ 9,721,167.70</u>	<u>\$ 8,035,120.05</u>
				D	15-D		D
	Cancelled by Resolution					\$ 156,837.75	
	Transfer to Fixed Capital					<u>9,564,329.95</u>	
						<u>\$ 9,721,167.70</u>	

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF DUE FROM N.J.E.I.T.  
Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	D	\$ 853,908.00
Increased By:		
Interim Construction Loan	13-D	<u>1,620,434.00</u>
		2,474,342.00
Decreased By:		
Cash Received	1-D	<u>1,540,496.00</u>
Balance, December 31, 2018	D	<u><u>\$ 933,846.00</u></u>

TOWNSHIP OF STAFFORD  
 COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF APPROPRIATION RESERVES

Year ended December 31, 2018

	<u>Balance December 31, 2017</u>	<u>Transfer From Encumbrances Payable</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:					
Salaries and Wages	\$ 109,750.48		\$ 109,750.48		\$ 109,750.48
Other Expenses	533,950.47	\$ 66,660.17	600,610.64	\$ 106,048.80	494,561.84
Statutory Expenditures:					
Social Security System	<u>21,044.06</u>		<u>21,044.06</u>		<u>21,044.06</u>
	<u>\$ 664,745.01</u>	<u>\$ 66,660.17</u>	<u>\$ 731,405.18</u>	<u>\$ 106,048.80</u>	<u>\$ 625,356.38</u>

Reference

D

09-D

1-D

D-1

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	D	\$ 66,660.17
Increased By:		
Encumbered in 2018	D-4	<u>99,218.70</u>
		165,878.87
Decreased By:		
Transferred To Appropriation Reserves	8-D	<u>66,660.17</u>
Balance, December 31, 2018	D	<u><u>\$ 99,218.70</u></u>

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	D	\$ 580,404.15
Increased By:		
Budget Appropriation	D-4	<u>1,415,748.11</u>
		1,996,152.26
Decreased By:		
Interest Paid	1-D	<u>1,401,558.69</u>
Balance, December 31, 2018	D	<u><u>\$ 594,593.57</u></u>

Analysis of Accrued Interest - December 31, 2018

Principal Outstanding December 31, 2018	Interest Rate	From	To	Period	Amount
Bond Anticipation Note:					
\$ 3,500,000.00	2.75%	05/03/18	12/31/18	237.00	\$ 63,364.58
<u>\$ 3,500,000.00</u>					<u>\$ 63,364.58</u>

Loans:

\$ 340,000.00	5.250%	12/01/18	12/31/18	1 Month	\$ 1,487.50
187,045.82	0.000%	12/01/18	12/31/18	1 Month	0.00
310,000.00	4.250%	08/01/18	12/31/18	5 Months	0.00
1,268,314.90	4.375%	08/01/18	12/31/18	5 Months	0.00
325,000.00	4.500%	08/01/18	12/31/18	5 Months	31,721.94
1,450,062.33	0.000%	08/01/18	12/31/18	5 Months	0.00
301,248.54	4.000%	08/01/18	12/31/18	5 Months	0.00
385,000.00	4.125%	08/01/18	12/31/18	5 Months	0.00
335,000.00	4.250%	08/01/18	12/31/18	5 Months	0.00
210,000.00	5.000%	08/01/18	12/31/18	5 Months	21,196.87
918,942.97	0.000%	08/01/18	12/31/18	5 Months	0.00
327,000.00	5.000%	08/01/18	12/31/18	5 Months	0.00

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES

Year ended December 31, 2018

Analysis of Accrued Interest - December 31, 2018 (continued)

Principal Outstanding December 31, 2018	Interest Rate	From	To	Period	Amount
485,000.00	4.000%	08/01/18	12/31/18	5 Months	0.00
285,000.00	4.250%	08/01/18	12/31/18	5 Months	0.00
520,000.00	4.500%	08/01/18	12/31/18	5 Months	33,687.50
1,223,852.69	0.000%	08/01/18	12/31/18	5 Months	0.00
684,000.00	5.000%	08/01/18	12/31/18	5 Months	0.00
115,000.00	5.250%	08/01/18	12/31/18	5 Months	0.00
525,000.00	5.500%	08/01/18	12/31/18	5 Months	26,610.42
988,724.14	0.000%	08/01/18	12/31/18	5 Months	0.00
40,729.50	Various	08/01/18	12/31/18	5 Months	596.00
53,824.22	0.000%	08/01/18	12/31/18	5 Months	0.00
75,000.00	3.000%	08/01/18	12/31/18	5 Months	0.00
95,000.00	3.500%	08/01/18	12/31/18	5 Months	0.00
656,000.00	4.000%	08/01/18	12/31/18	5 Months	0.00
75,000.00	5.000%	08/01/18	12/31/18	5 Months	15,016.67
2,153,242.36	0.000%	08/01/18	12/31/18	5 Months	0.00
225,000.00	5.000%	08/01/18	12/31/18	5 Months	4,687.50
135,000.00	3.000%	08/01/18	12/31/18	5 Months	1,687.50
70,000.00	3.125%	08/01/18	12/31/18	5 Months	911.46
80,000.00	3.250%	08/01/18	12/31/18	5 Months	1,083.33
80,000.00	3.375%	08/01/18	12/31/18	5 Months	1,125.00
1,721,766.16	0.000%	08/01/18	12/31/18	5 Months	0.00
<u>1,474,611.00</u>	0.000%	08/01/18	12/31/18	5 Months	<u>0.00</u>
<u>\$ 18,119,364.63</u>					<u>\$ 139,811.69</u>
Serial Bonds:					
\$ 630,000.00	3.000%	07/15/18	12/31/18	165 Days	\$ 8,662.50
330,000.00	4.000%	07/15/18	12/31/18	165 Days	6,050.00
2,821,000.00	3.000%	07/01/18	12/31/18	6 Months	42,315.00
220,000.00	2.500%	07/15/18	12/31/18	165 Days	2,520.84
2,145,000.00	3.000%	07/15/18	12/31/18	165 Days	29,493.75
440,000.00	3.125%	07/15/18	12/31/18	165 Days	6,302.08
210,000.00	3.500%	07/15/18	12/31/18	165 Days	3,368.75
65,000.00	2.500%	07/01/18	12/31/18	6 Months	812.50

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES

Year ended December 31, 2018

Analysis of Accrued Interest - December 31, 2018 (continued)

Principal Outstanding December 31, <u>2018</u>	Interest Rate	From	To	Period	Amount
1,405,000.00	3.000%	07/01/18	12/31/18	6 Months	21,075.00
1,135,000.00	4.000%	07/01/18	12/31/18	6 Months	22,700.00
450,000.00	5.000%	07/01/18	12/31/18	6 Months	11,250.00
300,000.00	2.000%	11/01/18	12/31/18	2 Months	1,000.00
600,000.00	2.250%	11/01/18	12/31/18	2 Months	2,250.00
300,000.00	2.500%	11/01/18	12/31/18	2 Months	1,250.00
1,200,000.00	3.000%	11/01/18	12/31/18	2 Months	6,000.00
500,000.00	4.000%	11/01/18	12/31/18	2 Months	3,333.33
2,000,000.00	4.000%	08/01/18	12/31/18	5 Months	33,333.33
870,000.00	2.250%	08/01/18	12/31/18	5 Months	8,156.25
855,000.00	2.500%	08/01/18	12/31/18	5 Months	8,906.25
80,000.00	3.000%	08/01/18	12/31/18	5 Months	1,000.00
3,620,000.00	5.000%	08/01/18	12/31/18	5 Months	75,416.67
2,315,000.00	3.000%	11/01/18	12/31/18	2 Months	11,575.00
1,365,000.00	4.000%	11/01/18	12/31/18	2 Months	9,100.00
1,370,000.00	5.000%	11/01/18	12/31/18	2 Months	11,416.67
605,000.00	2.050%	12/01/18	12/31/18	1 Month	1,033.54
635,000.00	2.200%	12/01/18	12/31/18	1 Month	1,164.17
605,000.00	2.400%	12/01/18	12/31/18	1 Month	1,210.00
610,000.00	2.600%	12/01/18	12/31/18	1 Month	1,321.67
630,000.00	3.000%	07/15/18	12/31/18	165 Days	8,662.50
1,580,000.00	4.000%	07/15/18	12/31/18	165 Days	28,966.67
<u>950,000.00</u>	5.000%	07/15/18	12/31/18	165 Days	<u>21,770.83</u>
<u>\$ 30,841,000.00</u>					<u>\$ 391,417.30</u>
					<u>\$ 594,593.57</u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

## WATER/SEWER UTILITY OPERATING FUND

## SCHEDULE OF PREPAID REVENUE

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	D	\$ 133,753.91
Increased By:		
Cash Receipts	1-D	<u>142,495.37</u>
		276,249.28
Decreased By:		
Prepaid Revenue Applied	D-3, 3-D	<u>133,753.91</u>
Balance, December 31, 2018	D	<u><u>\$ 142,495.37</u></u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY  
WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF SERIAL BONDS  
Year ended December 31, 2018

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2018		Interest Rate	Balance December 31, 2017	Decreased	Balance December 31, 2018				
			Date	Amount								
Water and Sewer Improvements	07/01/05	10,151,000.00	07/01/26	525,000.00	3.000%	\$ 2,821,000.00	\$ 2,821,000.00					
	07/01/27	545,000.00	07/01/27	545,000.00	3.000%							
	07/01/28	570,000.00	07/01/28	570,000.00	3.000%							
	07/01/29	585,000.00	07/01/29	585,000.00	3.000%							
	07/01/30	596,000.00	07/01/30	596,000.00	3.000%							
Water and Sewer Improvements	08/26/08	12,800,000.00				605,000.00	\$ 605,000.00					
Refunding Bonds	03/12/09	9,345,000.00				560,000.00	560,000.00					
Water and Sewer Improvements	05/24/11	5,900,000.00	01/15/19	310,000.00	3.000%	1,260,000.00	300,000.00					
			01/15/20	320,000.00	3.000%							
			01/15/21	330,000.00	4.000%							
			01/15/22	210,000.00	3.000%							
Water and Sewer Improvements	05/22/12	4,035,000.00	01/15/23	215,000.00	3.000%	3,215,000.00	200,000.00					
			01/15/24	220,000.00	2.500%							
			01/15/25	220,000.00	3.000%							
			01/15/26	220,000.00	3.000%							
			01/15/27	220,000.00	3.000%							
			01/15/28	220,000.00	3.000%							
			01/15/29	220,000.00	3.000%							
			01/15/30	220,000.00	3.000%							
			01/15/31	220,000.00	3.125%							
			01/15/32	220,000.00	3.125%							
			Refunding Bonds	03/27/14	4,218,500.00			07/01/19	390,000.00	4.000%	3,425,000.00	370,000.00
								07/01/20	305,000.00	4.000%		
07/01/20	100,000.00	5.000%										
07/01/21	65,000.00	2.500%										
07/01/21	350,000.00	5.000%										
07/01/22	440,000.00	4.000%										
	07/01/23	455,000.00	3.000%									
	07/01/24	465,000.00	3.000%									
	07/01/25	485,000.00	3.000%									

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY  
WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF SERIAL BONDS  
Year ended December 31, 2018

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2018		Interest Rate	Balance December 31, 2017	Decreased	Balance December 31, 2018
			Date	Amount				
Water and Sewer Improvements	05/19/14	3,500,000.00	05/01/19	150,000.00	4.000%			
			05/01/20	150,000.00	4.000%			
			05/01/21	200,000.00	4.000%			
			05/01/22	300,000.00	2.000%			
			05/01/23	300,000.00	2.250%			
			05/01/24	300,000.00	2.250%			
			05/01/25	300,000.00	2.500%			
			05/01/26	300,000.00	3.000%			
			05/01/27	300,000.00	3.000%			
Refunding Bonds			05/01/28	300,000.00	3.000%	3,050,000.00	150,000.00	2,900,000.00
			05/01/29	300,000.00	3.000%			
			08/01/19	605,000.00	4.000%			
		02/24/16	7,425,000.00	08/01/20	630,000.00	4.000%		
				08/01/21	80,000.00	3.000%		
				08/01/21	575,000.00	5.000%		
				08/01/22	690,000.00	5.000%		
				08/01/23	725,000.00	5.000%		
				08/01/24	765,000.00	4.000%		
Water and Sewer Improvements			08/01/25	795,000.00	5.000%			
			08/01/26	835,000.00	5.000%			
			08/01/27	870,000.00	2.250%			
			08/01/28	855,000.00	2.500%			
						7,425,000.00		7,425,000.00
		05/10/17	5,280,000.00	05/01/19	260,000.00	3.000%		
				05/01/20	305,000.00	4.000%		
				05/01/21	315,000.00	4.000%		
				05/01/22	325,000.00	5.000%		
				05/01/23	335,000.00	5.000%		
				05/01/24	350,000.00	5.000%		
				05/01/25	360,000.00	5.000%		
			05/01/26	365,000.00	4.000%			
			05/01/27	380,000.00	4.000%			
			05/01/28	390,000.00	3.000%			
			05/01/29	405,000.00	3.000%			
			05/01/30	420,000.00	3.000%			
			05/01/31	420,000.00	3.000%			
			05/01/32	420,000.00	3.000%			
						5,280,000.00	230,000.00	5,050,000.00





TOWNSHIP OF STAFFORD  
 COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Issue Date</u>	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance December 31, 2017</u>	<u>Increased</u>	<u>Balance December 31, 2018</u>
17-18	Directional Drilling and Various Water/Sewer Improvements	05/03/18	05/03/18	05/02/19	2.750%	\$	\$ 2,000,000.00	\$ 2,000,000.00
18-04	Various Water/Sewer Improvements/Acquisition of Equipment	05/03/18	05/03/18	05/02/19	2.750%	\$	1,500,000.00	1,500,000.00
						\$	\$ 3,500,000.00	\$ 3,500,000.00
					<u>Reference</u>			D
	Cash				1-D, 21-D		\$ 3,500,000.00	\$
							\$ 3,500,000.00	\$

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2018

Ordinance Number	Improvement Description	Date	Amount	Balance December 31, 2017		Transferred From Contracts/ Encumbrances Payable	2018 Authorizations	Expended	Cancelled	Contracts/ Encumbrances Payable	Balance December 31, 2018	
				Funded	Unfunded						Funded	Unfunded
13-14	Various Water/Sewer Improvements	08/16/13	1,800,000.00	\$ 17,658.14				\$ 17,658.14		\$ 31,985.79	\$ 287,863.03	
14-04	Various Water/Sewer Improvements/Acquisition of Equipment	03/18/14	2,595,679.00	307,630.37	\$ 78,986.62			66,768.17			645.31	
15-03	Various Water/Sewer Improvements/Acquisition of Equipment	03/17/15	2,997,192.00	92,659.68	128,882.81			220,897.18			250,016.13	
16-05	Various Water/Sewer Improvements/Acquisition of Equipment	02/23/16	1,135,600.00	195,357.12	58,280.00			3,620.99			261,805.98	
16-06	Millicreek Rd and Paul Blvd Water Main Replacement - Phase I	02/23/16	2,500,000.00	\$ 717,069.25	429,590.30			756,992.82	\$ 127,821.00	39.75		
16-07	Beachview Area Water Main Extension	02/23/16	210,000.00	171,292.27					29,016.75			\$ 171,292.27
16-18	Fawn Lakes Tank Replacement/Fawn Lakes Plant/Wells Refurbishment	08/16/16	3,600,000.00	29,016.75				982,893.26		97,916.59	377,658.16	325,389.00
17-08	Millicreek Rd and Paul Blvd Water Main Replacement - Phase II	03/14/17	1,800,000.00	1,783,001.01	856.00			509,994.40		79,987.22	87,776.84	
17-09	Various Water/Sewer Improvements/Acquisition of Equipment	03/14/17	855,000.00	170,566.02	507,192.44			179,358.03				1,465,047.18
17-18	Directional Drilling and Various Water/Sewer Improvements	07/18/17	2,000,000.00	1,518,102.07	126,303.14			1,116,368.58		1,179,982.46	80,013.20	478,648.96
18-04	Various Water/Sewer Improvements/Acquisition of Equipment	02/27/18	2,775,000.00			\$ 2,775,000.00				111,625.00		
18-15	Perry's Lake Purchase and Installation of Water Meters	09/11/18	250,000.00			250,000.00		8,361.80				50,000.00
				\$ 812,868.08	\$ 4,189,464.60	\$ 1,330,091.31	\$ 3,025,000.00	\$ 3,862,913.37	\$ 156,837.75	\$ 1,501,536.81	\$ 1,345,776.65	\$ 2,490,377.41

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF CONTRACTS/ENCUMBRANCES PAYABLE

Year ended December 31, 2018

	<u>Reference</u>	
Balance, December 31, 2017	D	\$ 1,330,091.31
Increased By:		
Charges To Improvement Authorizations	15-D	<u>1,501,536.81</u>
		2,831,628.12
Decreased By:		
Transferred To Improvement Authorizations	15-D	<u>1,330,091.31</u>
Balance, December 31, 2018	D	<u><u>\$ 1,501,536.81</u></u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2018

Reference

Balance, December 31, 2018 and 2017	D	<u>\$ 12,625.00</u>
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TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

Year ended December 31, 2018

	<u>Reference</u>		
Balance, December 31, 2017	D		\$ 2,546,287.75
Increased By:			
Developer Contribution	1-D	\$ 200,000.00	
Deferred Charges Raised in Budget	1-D, 21-D	<u>1,275,000.00</u>	
			<u>1,475,000.00</u>
			4,021,287.75
Decreased By:			
Cancelled to Fund Balance	D-2	29,016.75	
Transferred to Reserve for Amortization	20-D	<u>2,349,506.94</u>	
			<u>2,378,523.69</u>
Balance, December 31, 2018	D		<u><u>\$ 1,642,764.06</u></u>

Analysis:

Ordinance Number:

17-09		\$ 167,764.06	
18-04		1,275,000.00	
18-15		<u>200,000.00</u>	
			<u><u>\$ 1,642,764.06</u></u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEBT SERVICE

Year ended December 31, 2018

Reference

Balance, December 31, 2017	D	\$
Increased By:		
Deferred Charges Raised in Budget	1-D	<u>350,000.00</u>
Balance, December 31, 2018	D	<u>\$ 350,000.00</u>
Reserve to Pay Notes (18-04)		<u>\$ 350,000.00</u>

TOWNSHIP OF STAFFORD  
COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

Year ended December 31, 2018

	<u>Reference</u>		
Balance, December 31, 2017	D		\$ 103,538,753.89
Increased By:			
Serial Bonds Paid By Operating Budget	12-D	\$ 2,490,000.00	
Transferred from Reserve for Deferred Amortization	18-D	2,349,506.94	
NJEIT Refinancing	13-D	694,784.56	
Loan Paid By Operating Budget	13-D	<u>2,170,351.30</u>	
			<u>7,704,642.80</u>
Balance, December 31, 2018	D		<u>\$ 111,243,396.69</u>

TOWNSHIP OF STAFFORD  
 COUNTY OF OCEAN, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2018

Ordinance Number	Improvement Description	Balance		Cancelled	BAN and NJEIT Loans Issued	Raised in Budget	Balance December 31, 2018
		December 31, 2017	2018 Authorizations				
16-06	Water Main Replacement BHW PH I	\$ 273,644.00		\$ 127,821.00	\$ 145,823.00		\$ 210,000.00
16-07	Beachview Ave Water Main Extension	210,000.00					325,389.00
17-08	Water Main Replacement BHW PH II	1,800,000.00			1,474,611.00		
17-18	Directional Drilling and Water/Sewer Improvements	2,000,000.00			2,000,000.00		
18-04	Various Water/Sewer Improvements/Acquisition of Equipment		\$ 2,775,000.00		1,500,000.00	\$ 1,275,000.00	
18-15	Perry's Lake Acquisition and Installation of Water Meters		250,000.00			200,000.00	50,000.00
		<u>\$ 4,283,644.00</u>	<u>\$ 3,025,000.00</u>	<u>\$ 127,821.00</u>	<u>\$ 5,120,434.00</u>	<u>\$ 1,475,000.00</u>	<u>\$ 585,389.00</u>

Reference 21-D

15-D

14-D

13-D

18-D

21-D

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**TOWNSHIP OF STAFFORD**

**PART II**

**SINGLE AUDIT SECTION**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

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HOLMAN | FRENIA  
ALLISON, P.C.

*Certified Public Accountants & Consultants*

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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

Honorable Mayor and Members  
of the Township Council  
Township of Stafford  
County of Ocean  
Manahawkin, New Jersey 08050

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

We have audited the Township of Stafford’s compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Township’s major state programs for the year ended December 31, 2018. The Township’s major state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

**Management’s Responsibility**

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

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for each of the Township’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards and New Jersey OMB’s Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Township’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Township’s compliance.

## **Opinion on Each Major State Program**

In our opinion, the Township of Stafford complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2018.

## **Report on Internal Control Over Compliance**

Management of the Township of Stafford is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 581

Toms River, New Jersey  
July 30, 2019

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**TOWNSHIP OF STAFFORD  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2018**

STATE PROGRAM	STATE ACCOUNT NUMBER OR GRANT NUMBER	GRANT PERIOD	CURRENT EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	CUMULATIVE EXPENDITURES
<b>Department of Environmental Protection:</b>					
Clean Communities Act	765-042-4900-004	Various	\$ 113,563.06	\$ -	\$ 113,563.06
Recycling Tonnage Grant	100-042-4910-224	Various	48,080.47	-	48,080.47
Environmental Infrastructure Financing Program	711-042-4860-007	2018	1,540,496.00	-	1,540,496.00
Total Department of Environmental Protection			1,702,139.53	-	1,702,139.53
<b>Department of Law &amp; Public Safety:</b>					
Body Armor Grant	1020-718-066-1020-001	Various	4,677.95	-	4,677.95
Drunk Driving Enforcement Fund	100-066-6400-078	Open	6,657.79	-	6,657.79
Total Department of Law & Public Safety			11,335.74	-	11,335.74
<b>Department of Judiciary:</b>					
Alcohol Education & Rehabilitation	760-098-9735-001	Various	2,564.98	-	2,564.98
Total Department of Judiciary:			2,564.98	-	2,564.98
<b>Department of Health:</b>					
Pass-Through Programs from:					
Ocean County Board of Health:					
Municipal Alliance on Alcoholism	Not Available	Various	28,003.23	-	28,003.23
Total Department of Health			28,003.23	-	28,003.23
Total State Financial Assistance			\$ 1,744,043.48	\$ -	\$ 1,744,043.48

The notes to the schedule of expenditures of state financial assistance are an integral part of this statement

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**TOWNSHIP OF STAFFORD**  
**NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of state financial assistance present the activity of all state financial assistance programs of the Township of Stafford. The Township is defined in Note 1 of the basic financial statements. The information in this schedule is presented in accordance with the requirements of New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditures of state financial assistance.

**Note 2. Summary of Significant Accounting Policies**

The accompanying schedule of state financial assistance is presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

The amounts shown as current year expenditures represent only the state grant portion of the program costs. Such expenditures are recognized following the cost principles contained in State of New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Township did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

**Note 3. Relationship to Basic Financial Statements**

Amounts reported in the accompanying schedule agree with amounts reported in the Township's financial statements. Expenditures from awards are reported in the Township’s financial statements as follows:

	<b>State</b>
State & Federal Grant Fund	203,547.48
Utility Capital Fund	<u>1,540,496.00</u>
Total	<u>\$ 1,744,043.48</u>

**TOWNSHIP OF STAFFORD**  
**NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 4. Relationship to State Financial Reports**

The regulations and guidelines governing the preparation of state financial reports vary by state agency and among programs administered by the same agencies. Accordingly, the amounts reported in the state financial reports do not necessarily agree with the amounts reported in the accompanying Schedule, which is prepared on the modified accrual basis of accounting as explained in Note 2.

**Note 5. State Loans Outstanding**

The Township had no loan balances outstanding at December 31, 2018.

**Note 6. Contingencies**

Each of the grantor agencies reserves the right to conduct additional audits of the Township's grant program for economy, efficiency and program results. However, the Township administration does not believe such audits would result in material amounts of disallowed costs.

**Note 7. Major Programs**

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

**TOWNSHIP OF STAFFORD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

**Financial Statements**

Type of auditor's report issued	Unmodified - Regulatory
Internal control over financial reporting:	
1) Material weakness(es) identified?	_____ yes <u>  X  </u> no
2) Significant deficiency(ies) identified?	_____ yes <u>  X  </u> none reported
Noncompliance material to financial statements noted?	_____ yes <u>  X  </u> no

**State Financial Assistance**

Dollar threshold used to determine Type A programs	\$750,000.00
Auditee qualified as low-risk auditee?	_____ yes <u>  X  </u> no
Internal control over major programs:	
1) Material weakness(es) identified?	_____ yes <u>  X  </u> no
2) Significant deficiency(ies) identified?	_____ yes <u>  X  </u> no
Type of auditor's report issued on compliance for major programs	Unmodified - Regulatory
Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB's Circular 15-08?	_____ yes <u>  X  </u> no
Identification of major programs:	

<b><u>State Grant/Project Number(s)</u></b>	<b><u>Name of State Program</u></b>
711-042-4860-007	Environmental Infrastructure Financing Program

**TOWNSHIP OF STAFFORD  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Section II – Financial Statement Findings**

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

None.

**TOWNSHIP OF STAFFORD  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Section III – State Financial Assistance Findings & Questioned Costs**

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

None

**TOWNSHIP OF STAFFORD  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

**FINANCIAL STATEMENT FINDINGS**

No Prior Year Findings.

**STATE FINANCIAL ASSISTANCE**

No Prior Year Findings.

**TOWNSHIP OF STAFFORD**

**PART III**

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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HOLMAN | FRENIA  
ALLISON, P.C.

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Honorable Mayor and Members  
of the Township Council  
Township of Stafford  
Ocean County  
Manahawkin, New Jersey 08050

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, 2018.

#### **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, 2018.

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.

In as much 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 9, 2018 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

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

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

### **OTHER COMMENTS (FINDINGS):**

None.

### **RECOMMENDATIONS:**

None.

## OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2018:

<u>Name</u>	<u>Title</u>
John R. Spodofora	Mayor
Paul B. Marchal	Council President
William S. Fessler	Councilmember
Sharon McKenna	Councilmember
Steven M. Jeffries	Councilmember
Alan R. Smith	Councilmember
David J. Taylor	Councilmember
James A. Moran	Business Administrator
Douglas R. Gannon	Chief Financial Officer
Linda Martin	Municipal Clerk
Margaret Favorito	Tax Collector
Carol Jenkins	Court Administrator

## 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.

Jerry W. Conaty  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 581

Toms River, New Jersey  
July 30, 2019