

Report of Audit
on the
Financial Statements
of the
Borough of Flemington
in the
County of Hunterdon
New Jersey
for the
Year Ended
December 31, 2017

BOROUGH OF FLEMINGTON

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BOROUGH OF FLEMINGTON

PART I

INDEPENDENT AUDITOR'S REPORT ON
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AND SUPPLEMENTARY SCHEDULES AND DATA

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YEAR ENDED DECEMBER 31, 2017 AND 2016



SUPLEE, CLOONEY & COMPANY

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Flemington
County of Hunterdon
Flemington, New Jersey 08822

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Borough of Flemington, as of December 31, 2017 and 2016, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

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

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory 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 Borough of Flemington'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 Borough of Flemington'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 regulatory financial statements.

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2017 and 2016, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2017 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Flemington's regulatory financial statements. The supplementary information and data and schedules of federal awards and state financial assistance listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information and schedules listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information and data listed in the table of contents, schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2018 on our consideration of the Borough of Flemington'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Flemington's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 419

June 29, 2018



SUPLEE, CLOONEY & COMPANY

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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**

The Honorable Mayor and Members
of the Borough Council
Borough of Flemington
County of Hunterdon
Flemington, New Jersey 08822

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Borough of Flemington, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated June 29, 2018. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Flemington prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory financial statements, we considered the Borough's 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 Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of Borough's internal control.

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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 Borough'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.

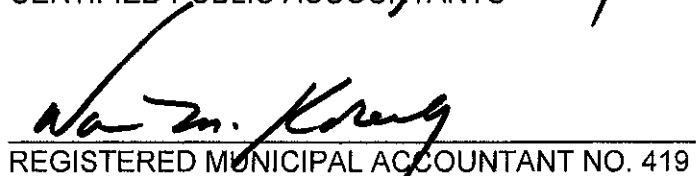
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough'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*. However, we noted other instances of noncompliance which are discussed in Part II, General Comments and Recommendations Section of this report.

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 Borough of Flemington's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Flemington's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 419

June 29, 2018

CURRENT FUND

BOROUGH OF FLEMINGTON

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>
Cash-Treasurer	A-4	\$ 2,352,368.81	\$ 1,191,311.31
Cash-Tax Collector	A-5	528,772.62	175,521.18
Change Fund	A-6	225.00	225.00
Due State of New Jersey-Chapter 20, PL 1971	A-8	250.00	
		<u>\$ 2,881,616.43</u>	<u>\$ 1,367,057.49</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	\$ 278,424.60	\$ 306,026.00
Tax Title Liens	A-26	20,837.99	8,254.54
Property Acquired for Taxes - Assessed Valuation	A-27	380,000.00	380,000.00
Revenue Accounts Receivable	A-9	9,990.18	7,521.94
Interfunds Receivable	A-10	81,353.21	39,455.37
Refunds Receivable		1,888.08	1,888.08
Prepaid Special Improvement Tax	A-21	28,184.73	
Prepaid Regional High School Tax	A-16	537.99	
	A	<u>\$ 801,216.78</u>	<u>\$ 743,145.93</u>
		<u>\$ 3,682,833.21</u>	<u>\$ 2,110,203.42</u>
Grant Fund:			
Cash	A-4	\$ 260,458.49	\$ 223,234.76
Grants Receivable	A-19		26,713.00
Interfunds Receivable	A-24	7,491.69	
		<u>\$ 267,950.18</u>	<u>\$ 249,947.76</u>
		<u>\$ 3,950,783.39</u>	<u>\$ 2,360,151.18</u>

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

BOROUGH OF FLEMINGTON

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-13	\$ 111,222.62	\$ 159,585.82
Prepaid Taxes	A-17	568,167.81	278,354.18
Tax Overpayments	A-18	35,305.00	55,208.30
Due State of New Jersey-Chapter 20, PL 1971	A-8		500.00
Interfunds Payable	A-10	1,449,902.47	240,029.23
County Taxes-Payable	A-14	2,231.36	535.59
Special Improvement Tax Payable	A-21		91,703.98
Reserve for Encumbrances	A-20	58,954.73	13,990.63
Reserve for Miscellaneous Deposits	A-23	5,050.83	4,690.76
Reserve for Sale of Assets	A-22	70,000.00	70,000.00
		\$ 2,300,834.82	\$ 914,598.49
Reserve for Receivables and Other Assets	A	801,216.78	743,145.93
Fund Balance	A-1	580,781.61	452,459.00
		\$ 3,682,833.21	\$ 2,110,203.42
Grant Fund:			
Encumbrances Payable	A-25	\$ 843.70	\$
Unappropriated Reserves	A-12	6,260.49	
Appropriated Reserves	A-25	260,845.99	249,947.76
		\$ 267,950.18	\$ 249,947.76
		\$ 3,950,783.39	\$ 2,360,151.18

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

BOROUGH OF FLEMINGTONCURRENT FUNDSTATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR 2017</u>	<u>YEAR 2016</u>
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-2	\$ 85,000.00	\$ 62,682.00
Miscellaneous Revenue Anticipated	A-2	931,260.39	937,624.16
Receipts From Delinquent Taxes	A-2	301,233.38	358,817.17
Receipts From Current Taxes	A-2	13,976,338.69	14,074,718.10
Non-Budget Revenue	A-2	35,598.25	38,532.15
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	111,571.34	110,673.74
Tax Overpayments Canceled	A-18	126.86	2,519.87
Encumbrances Canceled	A-20	350.00	15,934.66
Senior Citizen & Veteran Deductions			500.00
Interfunds Returned			125,647.09
<u>Total Income</u>		\$ <u>15,441,478.91</u>	\$ <u>15,727,648.94</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Operations Within "CAPS":			
Operating	A-3	\$ 3,578,270.00	\$ 3,531,158.00
Deferred Charges and Statutory Expenditures	A-3	544,284.90	551,256.77
Operations Excluded from "CAPS":			
Operating	A-3	402,382.20	430,545.77
Capital Improvements	A-3	133,000.00	130,000.00
Municipal Debt Service	A-3	573,573.82	531,499.92
Interfunds Advanced		41,897.84	
County Taxes	A-14	1,543,645.19	1,604,181.91
County Share of Added Taxes	A-14	2,231.36	535.59
Regional School Tax	A-15	6,087,968.00	6,173,326.00
Regional High School Tax	A-16	1,958,050.00	2,042,014.00
Special Improvement District Tax	A-21	333,815.27	363,203.98
Prepaid Special Improvement District Tax	A-21	28,184.73	
Prepaid Regional High School Tax	A-16	537.99	
Refunds Receivable			1,888.08
Refund of Prior Year Revenue	A-4	315.00	16,102.66
<u>Total Expenditures</u>		\$ <u>15,228,156.30</u>	\$ <u>15,375,712.68</u>
Excess in Revenue		\$ 213,322.61	\$ 351,936.26
<u>Fund Balance</u>			
Balance, January 1	A	452,459.00	163,204.74
		\$ 665,781.61	\$ 515,141.00
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	85,000.00	62,682.00
Fund Balance, December 31	A	\$ <u>580,781.61</u>	\$ <u>452,459.00</u>

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

BOROUGH OF FLEMINGTON

CURRENT FUND

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

		<u>ANTICIPATED</u>			<u>EXCESS OR (DEFICIT)</u>
	<u>REF.</u>	<u>BUDGET</u>	<u>SPECIAL N.J.S. 40A:4-87</u>	<u>REALIZED</u>	
Fund Balance Anticipated	A-1	\$ 85,000.00		\$ 85,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-9	\$ 7,600.00	\$	\$ 12,180.00	\$ 4,580.00
Other	A-9	15,000.00		19,699.00	4,699.00
Fees and Permits:					
Construction Code Official	A-9	95,000.00		92,366.00	(2,634.00)
Other	A-2	105,000.00		104,460.49	(539.51)
Fines:					
Municipal Court	A-9	110,000.00		135,551.22	25,551.22
Interest and Costs on Taxes	A-9	75,000.00		94,541.08	19,541.08
Payment in Lieu of Taxes	A-9	34,000.00		35,700.00	1,700.00
Consolidated Municipal Property Tax Relief Aid	A-9	33,988.00		26,342.00	(7,646.00)
Energy Receipts Tax	A-9	333,986.00		341,632.00	7,646.00
Uniform Fire Safety	A-9	15,800.00		19,406.40	3,606.40
Clean Communities Program	A-19		8,911.36	8,911.36	
Safe and Secure Communities	A-19		26,713.00	26,713.00	
Hunterdon County Open Space Grant	A-19		8,900.00	8,900.00	
Body Armor Replacement Fund	A-19		1,705.18	1,705.18	
Alcohol Education Rehabilitation Fund	A-19		3,152.66	3,152.66	
	A-1	\$ 825,374.00	\$ 49,382.20	\$ 931,260.39	\$ 56,504.19
Receipts from Delinquent Taxes	A-1:A-7	\$ 300,000.00	\$	\$ 301,233.38	\$ 1,233.38
Amount to be Raised by Taxation for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-7	\$ 4,316,962.16	\$	\$ 4,395,628.87	\$ 78,666.71
<u>Budget Totals</u>		\$ 5,527,336.16	\$ 49,382.20	\$ 5,713,122.64	\$ 136,404.28
Non-Budget Revenue	A-1:A-2			35,598.25	35,598.25
		\$ 5,527,336.16	\$ 49,382.20	\$ 5,748,720.89	\$ 172,002.53
	<u>REF.</u>	<u>A-3</u>	<u>A-3</u>		

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

BOROUGH OF FLEMINGTON

CURRENT FUND

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

	<u>REF.</u>	
Allocation of Current Tax Collections:		
Collections Realized on a Cash Basis	A-7	\$ 13,976,338.69
Allocated to:		
School, County and Special Improvement District Taxes		<u>9,925,709.82</u>
Balance for Support of Municipal Budget Appropriations		\$ 4,050,628.87
Add: Appropriation - "Reserve for Uncollected Taxes"	A-3	<u>345,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 4,395,628.87</u>
Delinquent Taxes:		
Delinquent Taxes	A-2:A-7	\$ <u>301,233.38</u>
	A-2 -	<u>\$ 301,233.38</u>
Fees and Permits - Other:		
Planning Board	A-9	\$ 6,550.00
Clerk	A-9	25,188.59
Police	A-9	3,019.90
Fire	A-9	40,072.00
Landlord Registration	A-9	29,480.00
Miscellaneous	A-9	<u>4,460.00</u>
		108,770.49
Less: Refunds	A-4	<u>4,310.00</u>
	A-2	<u>\$ 104,460.49</u>

Analysis of Non-Budget Revenues

Miscellaneous Revenue Not Anticipated:

Treasurer:		
Refunds		\$ 6,269.11
Miscellaneous		5,923.23
Senior Citizen and Veterans Administrative Fee		310.00
Cable T.V. Franchise Fee		5,923.40
Interest on Investment		10,421.61
Bad Check Fees		<u>3,141.62</u>
	A-4	\$ <u>31,988.97</u>
Tax Collector	A-5	<u>3,609.28</u>
	A-1:A-2	<u>\$ 35,598.25</u>

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

BOROUGH OF FLEMINGTON

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS"</u>					
<u>GENERAL GOVERNMENT</u>					
Administrative and Executive:					
Other Expenses	\$ 42,000.00	\$ 42,000.00	\$ 35,770.80	\$ 6,229.20	
Mayor and Council:					
Salaries and Wages	36,000.00	36,000.00	35,730.00	270.00	
Other Expenses	13,600.00	13,600.00	13,586.63	13.37	
Municipal Clerk:					
Salaries and Wages	73,000.00	73,000.00	73,000.00		
Other Expenses	12,500.00	12,500.00	12,497.75	2.25	
Financial Administration:					
Salaries and Wages	25,000.00	25,000.00	24,999.45	0.55	
Other Expenses	8,300.00	8,300.00	8,286.15	13.85	
Audit Services	30,000.00	30,000.00	30,000.00		
Assessment of Taxes:					
Salaries and Wages	29,250.00	29,250.00	29,148.90	101.10	
Other Expenses	23,000.00	23,000.00	6,742.01	16,257.99	
Collection of Taxes:					
Salaries and Wages	20,000.00	20,000.00	19,992.37	7.63	
Other Expenses	11,000.00	11,000.00	4,959.42	6,040.58	
Legal Services and Costs:					
Other Expenses	135,000.00	151,950.00	151,758.73	191.27	
Engineering Services and Costs:					
Other Expenses	6,000.00	6,000.00	4,864.00	1,136.00	
Planning Board:					
Salaries and Wages	23,000.00	23,000.00	22,965.21	34.79	
Other Expenses	53,150.00	53,150.00	53,068.69	81.31	
Insurance:					
Group Insurance Plan for Employees	514,000.00	514,000.00	511,985.50	2,014.50	
Other Insurance Premiums	73,000.00	73,000.00	73,000.00		
Workers Compensation	23,000.00	23,000.00	23,000.00		
Group Insurance - Health Benefit Waiver	10,000.00	10,000.00	10,000.00		
Municipal Court:					
Salaries and Wages	132,000.00	129,500.00	125,678.03	3,821.97	
Other Expenses	35,000.00	35,000.00	18,558.98	16,441.02	
Public Defender:					
Salaries and Wages	100.00	100.00	57.20	42.80	
<u>PUBLIC SAFETY</u>					
Fire:					
Other Expenses	43,000.00	43,000.00	42,850.16	149.84	
Fire Safety and Housing Enforcement:					
Salaries and Wages	41,000.00	47,200.00	47,111.44	88.56	
Other Expenses	12,700.00	7,700.00	7,682.91	17.09	
Police:					
Salaries and Wages	1,190,000.00	1,190,000.00	1,189,643.26	356.74	
Other Expenses	110,500.00	110,500.00	97,558.34	12,941.66	
First Aid Organization Contribution	10,000.00	10,000.00	10,000.00		
Municipal Prosecutor:					
Salaries and Wages	27,000.00	26,000.00	24,933.41	1,066.59	
Emergency Management Services:					
Salaries and Wages	3,500.00	3,500.00	3,423.00	77.00	
Other Expenses	4,000.00	4,000.00	1,195.16	2,804.84	
Environmental Commission:					
Other Expenses	750.00	750.00		750.00	

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

BOROUGH OF FLEMINGTON

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
<u>PUBLIC WORKS</u>					
Streets and Roads:					
Salaries and Wages	\$ 140,000.00	\$ 140,000.00	\$ 139,999.41	\$ 0.59	
Other Expenses	92,200.00	92,200.00	86,565.02	5,634.98	
Sanitation (Garbage and Trash Removal):					
Other Expenses	200,000.00	200,000.00	200,000.00		
Recycling:					
Salaries and Wages	4,100.00	4,100.00	4,009.12	90.88	
Other Expenses	25,000.00	25,000.00	22,920.00	2,080.00	
Public Building and Grounds:					
Other Expenses	14,000.00	14,000.00	13,861.71	138.29	
Rental Property Expenses	8,000.00	8,000.00	7,974.79	25.21	
Shade Tree Commission:					
Other Expenses	3,800.00	3,800.00	3,699.69	100.31	
<u>HEALTH AND WELFARE (BOARD OF HEALTH- LOCAL HEALTH AGENCY)</u>					
Board of Health:					
Other Expenses	15,000.00	15,000.00	14,575.00	425.00	
Dog Regulation:					
Other Expenses	9,000.00	9,000.00	6,599.99	2,400.01	
P.E.O.S.H.A. - Fire Department	8,000.00	8,000.00	4,700.20	3,299.80	
<u>RECREATION AND EDUCATION</u>					
Recreation:					
Other Expenses	20,000.00	20,000.00	20,000.00		
Economic Development:					
Other Expenses	14,000.00	1,000.00	100.00	900.00	
<u>STATE UNIFORM CONSTRUCTION CODE (N.J.S.A.52:270-120 ET SEQ.)</u>					
Building Inspector:					
Salaries and Wages	32,500.00	32,500.00	32,499.50	0.50	
Other Expenses	3,000.00	3,000.00	1,297.40	1,702.60	
Plumbing Inspector:					
Salaries and Wages	11,000.00	11,000.00	10,999.02	0.98	
Electrical Inspector:					
Salaries and Wages	12,000.00	12,000.00	11,866.96	133.04	
Fire Protection Official:					
Salaries and Wages	11,000.00	10,600.00	10,508.02	91.98	
Property Maintenance Inspector:					
Salaries and Wages	16,500.00	16,500.00	16,400.98	99.02	
Other Expenses	570.00	570.00	570.00		
<u>UNCLASSIFIED</u>					
Municipal Services Act - Condo Reimbursement Law	3,000.00	3,000.00		3,000.00	
Electricity	16,000.00	16,000.00	14,023.99	1,976.01	
Telephone	32,000.00	32,000.00	31,913.83	86.17	
Water	9,000.00	9,000.00	8,998.90	1.10	
Natural Gas	13,000.00	13,000.00	12,136.63	863.37	
Gasoline	32,000.00	32,000.00	30,114.25	1,885.75	
Street Lighting	62,000.00	62,000.00	50,026.48	11,973.52	
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	<u>\$ 3,577,020.00</u>	<u>\$ 3,578,270.00</u>	<u>\$ 3,470,408.39</u>	<u>\$ 107,861.61</u>	

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

BOROUGH OF FLEMINGTON

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>CANCELED</u>
<u>DEFERRED CHARGES AND STATUTORY</u>					
<u>EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>					
Deferred Charges:					
Statutory Expenditures:					
Contribution to:					
Police and Fireman's Pension Fund	\$ 272,128.30	\$ 272,128.30	\$ 272,128.30	\$	
Defined Contribution Retirement Program	3,000.00	1,750.00	1,733.78	16.22	
Public Employees' Retirement System	100,406.60	100,406.60	100,406.60		
Social Security System	170,000.00	170,000.00	166,655.71	3,344.29	
<u>TOTAL DEFERRED CHARGES AND STATUTORY</u>	<u>\$ 545,534.90</u>	<u>\$ 544,284.90</u>	<u>\$ 540,924.39</u>	<u>\$ 3,360.51</u>	
<u>EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>					
<u>TOTAL GENERAL APPROPRIATIONS FOR</u>	<u>\$ 4,122,554.90</u>	<u>\$ 4,122,554.90</u>	<u>\$ 4,011,332.78</u>	<u>\$ 111,222.12</u>	
<u>MUNICIPAL PURPOSES WITHIN "CAPS"</u>					
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Maintenance of Free Public Library	\$ 259,000.00	\$ 259,000.00	\$ 259,000.00	\$	
Length of Service Award Program	24,000.00	24,000.00	24,000.00		
<u>TOTAL OTHER OPERATIONS</u>	<u>\$ 283,000.00</u>	<u>\$ 283,000.00</u>	<u>\$ 283,000.00</u>	<u>\$</u>	
<u>EXCLUDED FROM "CAPS"</u>					
<u>PUBLIC AND PRIVATE PROGRAMS</u>					
<u>OFF-SET BY REVENUES</u>					
Safe and Secure Communities:					
State Share (N.J.S.A. 40A:4-87 +\$26,713.00)	\$	\$ 26,713.00	\$ 26,713.00	\$	
Local Share	70,000.00	70,000.00	70,000.00		
Alcohol Education Rehabilitation Fund (NJSA 40A:4-87 + \$3,152.66)		3,152.66	3,152.66		
Clean Communities Program (N.J.S.A. 40A:4-87 +\$8,911.36)		8,911.36	8,911.36		
Body Armor Replacement Fund (NJSA 40A:4-87 + \$1,705.18)		1,705.18	1,705.18		
Hunterdon County Open Space Grant (N.J.S.A. 40A:4-87 +\$8,900.00)		8,900.00	8,900.00		
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS</u>	<u>\$ 70,000.00</u>	<u>\$ 119,382.20</u>	<u>\$ 119,382.20</u>	<u>\$</u>	
<u>OFF-SET BY REVENUES</u>					
<u>CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	\$ 75,000.00	75,000.00	75,000.00	\$	
Reserve for:					
Purchase of Police SUV	35,000.00	35,000.00	35,000.00		
Preliminary Road Engineering	5,000.00	5,000.00	4,999.50	0.50	
Purchase of Ambulance	18,000.00	18,000.00	18,000.00		
<u>TOTAL CAPITAL IMPROVEMENTS</u>	<u>\$ 133,000.00</u>	<u>\$ 133,000.00</u>	<u>\$ 132,999.50</u>	<u>\$ 0.50</u>	
<u>EXCLUDED FROM "CAPS"</u>					
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	\$ 395,000.00	395,000.00	395,000.00	\$	
Payment of Bond Anticipation Notes	39,000.00	39,000.00	39,000.00		
Interest on Bonds	98,781.26	98,781.26	98,781.26		
Interest on Notes	41,000.00	41,000.00	40,792.56		207.44
<u>TOTAL MUNICIPAL DEBT SERVICE</u>	<u>\$ 573,781.26</u>	<u>\$ 573,781.26</u>	<u>\$ 573,573.82</u>	<u>\$</u>	<u>207.44</u>
<u>EXCLUDED FROM "CAPS"</u>					

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

BOROUGH OF FLEMINGTON

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ 1,059,781.26	\$ 1,109,163.46	\$ 1,108,955.52	\$ 0.50	\$ 207.44
SUB-TOTAL GENERAL APPROPRIATIONS	\$ 5,182,336.16	\$ 5,231,718.36	\$ 5,120,288.30	\$ 111,222.62	\$ 207.44
RESERVE FOR UNCOLLECTED TAXES	345,000.00	345,000.00	345,000.00		
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 5,527,336.16</u>	<u>\$ 5,576,718.36</u>	<u>\$ 5,465,288.30</u>	<u>\$ 111,222.62</u>	<u>\$ 207.44</u>
	REF.	A-2	A-1	A:A-1	
Encumbered	A-20		\$ 58,954.73		
Reserve for Uncollected Taxes	A-2		345,000.00		
Reserve for Grants Appropriated	A-25		49,382.20		
Disbursed	A-4		<u>5,135,874.12</u>		
			5,589,211.05		
Less: Refunds	A-4		<u>123,922.75</u>		
			\$ <u>5,465,288.30</u>		
Budget	A-3	\$ 5,527,336.16			
Appropriation by 40A:4-87	A-2	<u>49,382.20</u>			
		\$ <u>5,576,718.36</u>			

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

TRUST FUND

"B"

BOROUGH OF FLEMINGTON

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>
<u>ASSETS</u>			
Assessment Trust Fund:			
Assessments Receivable	B-7	\$ <u>3,750.20</u>	\$ <u>3,750.20</u>
Animal Control Trust Fund:			
Interfunds Receivable	B-6	\$ <u>6,593.79</u>	\$ <u>4,856.99</u>
Other Funds:			
Cash	B-1	\$ <u>1,142,901.11</u>	\$ <u>1,113,035.76</u>
		\$ <u><u>1,153,245.10</u></u>	\$ <u><u>1,121,642.95</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Assessment Trust Fund:			
Interfunds Payable	B-8	\$ <u>3,750.20</u>	\$ <u>3,750.20</u>
Animal Control Trust Fund:			
Reserve for Animal Control Trust Fund Expenditures	B-2	\$ <u>6,593.79</u>	\$ <u>4,856.99</u>
Other Funds:			
Interfunds Payable	B-5	\$ 88,370.89	\$ 44,736.25
Encumbrances Payable	B-4	7,687.25	4,809.91
Reserve for:			
State Unemployment Insurance	B-3	125,360.82	120,517.08
Various Reserves and Deposits	B-4	<u>921,482.15</u>	<u>942,972.52</u>
		\$ <u><u>1,142,901.11</u></u>	\$ <u><u>1,113,035.76</u></u>
		\$ <u><u>1,153,245.10</u></u>	\$ <u><u>1,121,642.95</u></u>

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

GENERAL CAPITAL FUND

"C"

BOROUGH OF FLEMINGTON

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>
<u>ASSETS</u>			
Cash	C-2	\$ 274,971.43	\$ 334,854.45
Deferred Charges to Future Taxation:			
Funded	C-12	3,005,000.00	3,400,000.00
Unfunded	C-5	3,230,967.50	2,789,967.50
Grants Receivable	C-11	1,056,990.50	1,104,165.25
Interfunds Receivable	C-4	<u>503,671.18</u>	<u>225,993.75</u>
		\$ <u>8,071,600.61</u>	\$ <u>7,854,980.95</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes	C-8	\$ 2,603,878.00	\$ 2,039,628.00
Serial Bonds	C-13	3,005,000.00	3,400,000.00
Interfunds Payable	C-4	375,195.80	
Improvement Authorizations:			
Funded	C-7	1,020,906.14	1,153,103.79
Unfunded	C-7	375,223.96	736,393.98
Capital Improvement Fund	C-9	427,832.81	377,506.81
Reserve For:			
Contracts Payable	C-6	100,216.78	20,102.25
Miscellaneous Deposits	C-10	91,022.31	91,022.31
Fund Balance	C-1	<u>72,324.81</u>	<u>37,223.81</u>
		\$ <u>8,071,600.61</u>	\$ <u>7,854,980.95</u>

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

BOROUGH OF FLEMINGTON

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2016	C	\$	37,223.81
Increased by:			
Premium on Sale of Notes	C-2		<u>35,101.00</u>
Balance, December 31, 2017	C	\$	<u><u>72,324.81</u></u>

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

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WATER UTILITY FUND

BOROUGH OF FLEMINGTON

WATER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE DECEMBER 31, 2016</u>
Operating Fund:			
Cash - Treasurer	D-5	\$ 127,797.74	\$ 146,355.68
Cash - Collector	D-6	63,659.94	23,325.34
Interfunds Receivable	D-12	513,550.21	399,036.73
		<u>\$ 705,007.89</u>	<u>\$ 568,717.75</u>
Receivables and Inventories with Full Reserves:			
Consumer Accounts Receivable	D-7	\$ 99,770.99	\$ 277,541.32
Inventory	D-8	61,844.43	31,759.83
	D	<u>\$ 161,615.42</u>	<u>\$ 309,301.15</u>
<u>Total Operating Fund</u>		<u>\$ 866,623.31</u>	<u>\$ 878,018.90</u>
Capital Fund:			
Cash	D-5	\$	\$ 167,794.01
Fixed Capital	D-20	7,025,049.72	4,654,049.72
New Jersey Environmental Infrastructure			
Grants/Loans Receivable	D-23	535,656.17	604,587.17
Interfunds Receivable	D-22	11,473.45	
Fixed Capital Authorized and Uncompleted	D-21	<u>15,241,549.00</u>	<u>12,897,549.00</u>
<u>Total Capital Fund</u>		<u>\$ 22,813,728.34</u>	<u>\$ 18,323,979.90</u>
		<u>\$ 23,680,351.65</u>	<u>\$ 19,201,998.80</u>

BOROUGH OF FLEMINGTON

WATER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4:D-10	\$ 102,884.20	\$ 26,670.26
Accrued Interest	D-9	91,752.22	83,242.15
Encumbrances Payable	D-11	50,783.56	87,029.15
Overpayments	D-13	15,589.99	7,281.60
Interfunds Payable	D-12	83,748.32	28,748.32
		\$ 344,758.29	\$ 232,971.48
Reserve for Receivables and Inventory	D	161,615.42	309,301.15
Fund Balance	D-1	360,249.60	335,746.27
<u>Total Operating Fund</u>		\$ 866,623.31	\$ 878,018.90
Capital Fund:			
Cash Overdraft	D-5	\$ 212,331.18	\$
Improvement Authorizations:			
Funded	D-15	518,551.12	680,880.90
Unfunded	D-15	6,389,395.14	2,703,829.16
Capital Improvement Fund	D-18	16,357.38	16,357.38
Bond Anticipation Notes	D-27	2,397,000.00	1,619,500.00
Water Utility Bonds	D-25	295,000.00	345,000.00
New Jersey Environmental Infrastructure			
Loans Payable	D-26	2,514,620.83	2,687,005.26
U.S.D.A. Loan Payable	D-24	2,196,808.09	2,227,278.04
Interfunds Payable	D-22	506,888.64	394,139.00
Reserve For:			
Contracts Payable	D-14	242,151.42	380,720.00
Amortization	D-17	4,289,493.53	3,819,748.53
Deferred Amortization	D-16	3,214,482.08	3,428,872.70
Improvement to Water Tower	D-19	20,000.00	20,000.00
Fund Balance	D-2	648.93	648.93
<u>Total Capital Fund</u>		\$ 22,813,728.34	\$ 18,323,979.90
		\$ 23,680,351.65	\$ 19,201,998.80

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

BOROUGH OF FLEMINGTON

WATER UTILITY OPERATING FUND

STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>REF.</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2017</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2016</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-3	\$ 159,700.00	\$ 144,300.00
Rents	D-3	1,068,571.69	1,112,733.16
Other Credits to Income:			
Miscellaneous Revenue Not Anticipated	D-3	83,350.91	78,846.42
Unexpended Balance of Appropriation Reserves	D-10	77,423.71	8,669.50
Encumbrances Payable Canceled	D-11	<u>34,857.02</u>	<u>3,920.80</u>
<u>TOTAL INCOME</u>		\$ <u>1,423,903.33</u>	\$ <u>1,348,469.88</u>
<u>EXPENDITURES</u>			
Operating	D-4	\$ 756,500.00	\$ 701,500.00
Statutory Expenditures	D-4	30,000.00	25,000.00
Debt Service	D-4	453,200.00	419,781.09
Refund of Prior Year Revenue		<u> </u>	<u>188.77</u>
<u>TOTAL EXPENDITURES</u>		\$ <u>1,239,700.00</u>	\$ <u>1,146,469.86</u>
Excess in Revenue		\$ 184,203.33	\$ 202,000.02
<u>Fund Balance</u>			
Balance, January 1	D	<u>335,746.27</u>	<u>278,046.25</u>
		\$ 519,949.60	\$ 480,046.27
Decreased by:			
Utilization by Water Operating Budget	D-1	<u>159,700.00</u>	<u>144,300.00</u>
Balance, December 31	D	\$ <u><u>360,249.60</u></u>	\$ <u><u>335,746.27</u></u>

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

BOROUGH OF FLEMINGTON

WATER UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2016	D	\$ <u>648.93</u>
Balance, December 31, 2017	D	\$ <u><u>648.93</u></u>

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

BOROUGH OF FLEMINGTON

WATER UTILITY OPERATING FUND

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

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS/ (DEFICIT)</u>
Fund Balance Anticipated	D-1	\$ 159,700.00	\$ 159,700.00	\$
Water Use Charges	D-1:D-3	1,080,000.00	1,068,571.69	(11,428.31)
Miscellaneous Revenue Not Anticipated	D-1:D-3		83,350.91	83,350.91
	D-4	\$ <u>1,239,700.00</u>	\$ <u>1,311,622.60</u>	\$ <u>71,922.60</u>

ANALYSIS OF REALIZED REVENUE

Water Use Charges:

Consumer Accounts Receivable:

Collected	D-7	\$ <u>1,068,571.69</u>
	D-3	\$ <u>1,068,571.69</u>

Miscellaneous:

Tower Lease		\$ 65,719.49
Miscellaneous-Treasurer	D-5	\$ <u>10,606.59</u>
		\$ <u>76,326.08</u>

Interest on Delinquent Accounts	D-6	<u>7,024.83</u>
	D-3	\$ <u>83,350.91</u>

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

BOROUGH OF FLEMINGTON

WATER UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
Operating:				
Salaries and Wages	\$ 285,000.00	\$ 285,000.00	\$ 284,946.74	53.26
Other Expenses	471,500.00	471,500.00	369,904.97	101,595.03
<u>Total Operating</u>	<u>\$ 756,500.00</u>	<u>\$ 756,500.00</u>	<u>\$ 654,851.71</u>	<u>\$ 101,648.29</u>
Debt Services:				
Payment of Bond Principal	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	
Payment of Note Principal	2,500.00	2,500.00	2,500.00	
Interest on Bonds	9,600.00	9,600.00	9,600.00	
Interest on Notes	33,100.00	33,100.00	33,100.00	
USDA Loan	118,000.00	118,000.00	118,000.00	
NJEIT Loan	240,000.00	240,000.00	240,000.00	
<u>Total Debt Services</u>	<u>\$ 453,200.00</u>	<u>\$ 453,200.00</u>	<u>\$ 453,200.00</u>	
Statutory Expenditures:				
Contributions To:				
Public Employees' Retirement System	\$ 5,000.00	\$ 5,000.00	\$ 4,000.00	1,000.00
Social Security System	25,000.00	25,000.00	24,764.09	235.91
<u>Total Statutory Expenditures</u>	<u>\$ 30,000.00</u>	<u>\$ 30,000.00</u>	<u>\$ 28,764.09</u>	<u>\$ 1,235.91</u>
	<u>\$ 1,239,700.00</u>	<u>\$ 1,239,700.00</u>	<u>\$ 1,136,815.80</u>	<u>\$ 102,884.20</u>
	REF.	D-3	D-1	D:D-1
Cash Disbursements	D-5		\$ 888,901.62	
Encumbrances Payable	D-11		50,783.56	
Accrued Interest	D-9		197,845.62	
			\$ 1,137,530.80	
Less: Refunds	D-5		715.00	
			<u>\$ 1,136,815.80</u>	

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

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SEWER UTILITY FUND

BOROUGH OF FLEMINGTON

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>
<u>ASSETS</u>			
Operating Fund:			
Cash-Treasurer	E-4	\$ 49,574.52	\$ 2,055,056.81
Cash - Collector	E-5	293,132.82	32,090.63
Interfunds Receivable	E-7	1,815,911.90	37,886.07
		<u>\$ 2,158,619.24</u>	<u>\$ 2,125,033.51</u>
Receivables With Full Reserves:			
Consumer Accounts Receivable	E-6	\$ 194,699.66	\$ 280,029.87
<u>Total Operating Fund</u>		<u>\$ 2,353,318.90</u>	<u>\$ 2,405,063.38</u>
Capital Fund:			
Cash-Treasurer	E-4	\$ 79,305.56	\$ 57,387.52
Fixed Capital	E-18	4,032,481.35	1,694,481.35
Fixed Capital Authorized and Uncompleted	E-16	3,686,123.00	6,024,123.00
Grants Receivable	E-19	400,000.00	400,000.00
Interfunds Receivable	E-17	363,722.35	
<u>Total Capital Fund</u>		<u>\$ 8,561,632.26</u>	<u>\$ 8,175,991.87</u>
		<u>\$ 10,914,951.16</u>	<u>\$ 10,581,055.25</u>

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

BOROUGH OF FLEMINGTON

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	E-3:E-10	\$ 336,787.53	\$ 1,022,273.86
Sewer Overpayments	E-9	0.90	125.08
Encumbrances Payable	E-11	507,695.87	40,113.60
Accrued Interest	E-8	34,512.01	34,301.66
		\$ 878,996.31	\$ 1,096,814.20
Reserve for Receivables	E	194,699.66	280,029.87
Fund Balance	E-1	1,279,622.93	1,028,219.31
<u>Total Operating Fund</u>		\$ 2,353,318.90	\$ 2,405,063.38
Capital Fund:			
Capital Improvement Fund	E-14	\$ 177,492.00	\$ 167,492.00
U.S.D.A. Loan Payable	E-23	1,624,418.00	1,646,069.00
Bond Anticipation Notes	E-22	390,656.00	400,656.00
Interfunds Payable	E-17	800,085.55	
Reserve for:			
Deferred Amortization	E-20	2,151,849.00	2,833,780.00
Amortization	E-21	2,169,563.35	1,455,981.35
Debt Service	E-13	11,627.70	11,627.70
Improvement Authorizations:			
Funded	E-15	33,085.49	428,761.01
Unfunded	E-15	1,202,855.17	1,231,624.81
<u>Total Capital Fund</u>		\$ 8,561,632.26	\$ 8,175,991.87
		\$ 10,914,951.16	\$ 10,581,055.25

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

BOROUGH OF FLEMINGTON

SEWER UTILITY FUND

STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>REF.</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2017</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2016</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	E-2	\$ 771,000.00	\$ 692,000.00
Sewer Use Charges	E-2	1,787,662.71	1,653,006.79
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-10	804,774.07	689,127.60
Accrued Interest Canceled	E-8	1,672.08	
Miscellaneous Revenue Not Anticipated	E-2	15,063.75	33,646.86
Encumbrance Payables Canceled	E-11	3,112.30	33,927.56
Overpayments Canceled	E-9	118.71	
<u>TOTAL INCOME</u>		<u>\$ 3,383,403.62</u>	<u>\$ 3,101,708.81</u>
<u>EXPENDITURES</u>			
Operating	E-3	\$ 2,134,000.00	\$ 2,142,000.00
Statutory Expenditures and Deferred Charges	E-3	33,000.00	25,000.00
Capital Improvements	E-3	85,000.00	50,000.00
Debt Service	E-3	109,000.00	166,427.71
<u>TOTAL EXPENDITURES</u>		<u>\$ 2,361,000.00</u>	<u>\$ 2,383,427.71</u>
Excess in Revenue		\$ 1,022,403.62	\$ 718,281.10
<u>Fund Balance</u>			
Balance, January 1	E	1,028,219.31	1,001,938.21
		<u>\$ 2,050,622.93</u>	<u>\$ 1,720,219.31</u>
Decreased by:			
Utilization by Sewer Operating Budget	E-1:E-2	771,000.00	692,000.00
Balance, December 31	E	<u>\$ 1,279,622.93</u>	<u>\$ 1,028,219.31</u>

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

BOROUGH OF FLEMINGTON

SEWER UTILITY OPERATING FUND

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

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS/(DEFICIT)</u>
Fund Balance Anticipated	E-1	\$ 771,000.00	\$ 771,000.00	\$
Sewer Use Charges	E-1:E-2	1,590,000.00	1,787,662.71	197,662.71
Miscellaneous	E-1:E-2		15,063.75	15,063.75
	E-3	\$ <u>2,361,000.00</u>	\$ <u>2,573,726.46</u>	\$ <u>212,726.46</u>

ANALYSIS OF REALIZED REVENUE

Sewer Use Charges:

Consumer Accounts Receivable:
Collected

E-6 \$ 1,787,662.71

E-2 \$ 1,787,662.71

Miscellaneous:

Miscellaneous

\$ 2,064.57

E-4 \$ 2,064.57

Miscellaneous - Collector

E-5 \$ 1,906.98

Interest on Delinquent Accounts

E-5 11,092.20

\$ 12,999.18

E-2 \$ 15,063.75

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

BOROUGH OF FLEMINGTON

SEWER UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
Operating:				
Salaries and Wages	\$ 500,000.00	\$ 500,000.00	\$ 499,971.96	\$ 28.04
Other Expenses:				
Administration	334,000.00	334,000.00	280,248.69	53,751.31
MUA Share of Costs	1,300,000.00	1,300,000.00	1,078,390.88	221,609.12
<u>Total Operating</u>	<u>\$ 2,134,000.00</u>	<u>\$ 2,134,000.00</u>	<u>\$ 1,858,611.53</u>	<u>\$ 275,388.47</u>
Capital Improvements:				
Capital Improvement Fund	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$
Capital Outlay	25,000.00	25,000.00		25,000.00
Purchases of Equipment	50,000.00	50,000.00	15,319.00	34,681.00
<u>Total Capital Improvements</u>	<u>\$ 85,000.00</u>	<u>\$ 85,000.00</u>	<u>\$ 25,319.00</u>	<u>\$ 59,681.00</u>
Debt Service:				
Payment of Bond Anticipation Notes	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$
Interest on Notes	9,000.00	9,000.00	9,000.00	
USDA Loan	90,000.00	90,000.00	90,000.00	
<u>Total Debt Service</u>	<u>\$ 109,000.00</u>	<u>\$ 109,000.00</u>	<u>\$ 109,000.00</u>	<u>\$</u>
Statutory Expenditures:				
Contributions To:				
Public Employees' Retirement System	\$ 5,000.00	\$ 5,000.00	\$ 4,059.90	\$ 940.10
Social Security System (O.A.S.I.)	28,000.00	28,000.00	27,222.04	777.96
<u>Total Statutory Expenditures</u>	<u>\$ 33,000.00</u>	<u>\$ 33,000.00</u>	<u>\$ 31,281.94</u>	<u>\$ 1,718.06</u>
	<u>\$ 2,361,000.00</u>	<u>\$ 2,361,000.00</u>	<u>\$ 2,024,212.47</u>	<u>\$ 336,787.53</u>
<u>REF.</u>	<u>E-2</u>		<u>E-1</u>	<u>E:E-1</u>
Cash Disbursements	E-4		\$ 1,439,167.60	
Accrued Interest	E-8		77,349.00	
Encumbrances Payable	E-11		507,695.87	
			<u>\$ 2,024,212.47</u>	

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

PUBLIC ASSISTANCE TRUST FUND

"F"

BOROUGH OF FLEMINGTON

PUBLIC ASSISTANCE TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2017</u>	BALANCE DECEMBER <u>31, 2016</u>
<u>ASSETS</u>		
Due Trust Other Fund	\$ <u>4,174.09</u>	\$ <u>4,174.09</u>
<u>LIABILITIES AND RESERVES</u>		
Reserve for Public Assistance: Public Assistance Trust Fund I	\$ <u>4,174.09</u>	\$ <u>4,174.09</u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

"G"

BOROUGH OF FLEMINGTON

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER 31, 2017	BALANCE DECEMBER 31, 2016
General Fixed Assets:		
Land	\$ 3,561,130.00	\$ 3,561,130.00
Buildings	3,449,494.96	3,449,494.96
Machinery and Equipment	<u>3,956,620.41</u>	<u>3,750,538.45</u>
<u>TOTAL GENERAL FIXED ASSETS</u>	\$ <u>10,967,245.37</u>	\$ <u>10,761,163.41</u>
Investment in General Fixed Assets	\$ <u>10,967,245.37</u>	\$ <u>10,761,163.41</u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF FLEMINGTON

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017 AND 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Flemington is an instrumentality of the State of New Jersey, established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough.

Except as noted below, the financial statements of the Borough of Flemington include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Flemington, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of Flemington do not include the operations of the municipal library or the regional school districts, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Borough of Flemington conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices 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. Under this method of accounting, the financial transactions and accounts of the Borough of Flemington are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services, the Borough accounts for its financial transactions through the following individual funds and account group:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Current Fund - resources and expenditures for governmental operations of a general nature, including federal and state grant funds

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created

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

Water Utility Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally owned Water Utility

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

Public Assistance Fund - receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Operating grants are realized as revenues when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenues when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances, at December 31, are reported as a cash liability in the financial statements and constitute part of the Borough's regulatory Appropriation Reserve balance.

Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis, interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

Interfunds - 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. GAAP does not require the establishment of an offsetting reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets – N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as nonexpendable personal and real property having a physical existence, a useful life of more than one year and an acquisition cost of \$500.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund. No depreciation has been provided on General Fixed Assets or reported in the financial statements.

The Borough has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Adjustments for assets acquired/sold subsequent to this date have been recorded. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Buildings and land are stated at the assessed value contained in the Borough's most recent property revaluation.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital has not been accounted for separately.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Capital - Water Utility and Sewer Utility - Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Water Utility Fund and the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents charges to operations for the cost of acquisition of property, equipment and improvements. The utility does not record depreciation on fixed assets.

Accounting and Financial Reporting for Pensions - The Governmental Accounting Standards Board (GASB) approved Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers. This Statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities.

Statement 68 requires a state or local government employer (or non-employer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued)

However, N.J.A.C. 5:30 6.1(c)(2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be held in accordance with GAAP. The Borough presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Borough considers petty cash, change funds, cash in banks and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

The Borough of Flemington has the following cash and cash equivalents at December 31, 2017:

Fund Type	Bank Balance	Reconciling Items		Reconciled Balance
		Additions	Deletions	
Current Fund	\$2,726,875.32	\$339,677.70	\$185,186.59	\$2,881,366.43
Grant Fund	264,658.49		4,200.00	260,458.49
Other Trust Fund	1,213,891.44	\$242.18	71,232.51	1,142,901.11
General Capital Fund	310,477.10		35,505.67	274,971.43
Water Utility Operating Fund	206,250.88		14,793.20	191,457.68
Water Utility Capital Fund	13,348.08		225,679.26	(212,331.18)
Sewer Utility Operating Fund	352,681.19	3,202.09	13,175.94	342,707.34
Sewer Utility Capital Fund	79,305.56			79,305.56
TOTAL DECEMBER 31, 2017	\$5,167,488.06	\$343,121.97	\$549,773.17	\$4,960,836.86

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2017, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$500,000.00 was covered by Federal Depository Insurance and \$4,667,488.06 was covered under the provisions of NJGUDPA.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

The purchase of investments by the Borough is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization;
3. 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;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located;
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

7. 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); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (c. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough of Flemington had no investments outstanding as of December 31, 2017.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the Borough is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risk for its investments nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: LONG-TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds, based by the full faith and credit of the Borough.

NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2017</u>	<u>YEAR 2016</u>	<u>YEAR 2015</u>
Issued:			
General:			
Bonds and Notes	\$ 5,608,878.00	\$ 5,439,628.00	\$ 8,336,837.00
Water Utility:			
Bonds, Notes and Loans	7,403,428.92	6,878,783.30	7,127,173.08
Sewer Utility:			
Loans and Notes	<u>2,015,074.00</u>	<u>2,046,725.00</u>	<u>2,143,765.18</u>
	\$ <u>15,027,380.92</u>	\$ <u>14,365,136.30</u>	\$ <u>17,607,775.26</u>
Less: Funds Temporarily Held to Pay			
Bond and Notes - General Capital	<u>90,801.92</u>	<u>90,801.92</u>	<u>2,563,774.92</u>
<u>Net Debt Issued</u>	\$ <u>14,936,579.00</u>	\$ <u>14,274,334.38</u>	\$ <u>15,044,000.34</u>
Authorized But Not Issued:			
General - Bonds and Notes	\$ 627,089.50	\$ 750,339.50	\$ 652,062.50
Sewer Utility - Bonds and Notes	1,382,118.00	1,382,118.00	1,382,118.00
Water Utility - Bonds and Notes	<u>7,359,194.19</u>	<u>3,424,194.19</u>	<u>2,644,194.19</u>
<u>Total Authorized But Not Issued</u>	\$ <u>9,368,401.69</u>	\$ <u>5,556,651.69</u>	\$ <u>4,678,374.69</u>
 NET BONDS AND NOTES ISSUED AND AUTHORIZED BUT NOT ISSUED	 \$ <u>24,304,980.69</u>	 \$ <u>19,830,986.07</u>	 \$ <u>19,722,375.03</u>

SUMMARY OF REGULATORY DEBT CONDITION (ANNUAL DEBT STATEMENT)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a regulatory net debt of 1.347%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Regional School District Debt	\$ 3,305,251.64	\$ 3,305,251.64	\$
Water Utility Debt	14,762,623.11	14,762,623.11	
Sewer Utility Debt	3,397,192.00	3,397,192.00	
General Debt	<u>6,235,967.50</u>	<u>90,801.92</u>	<u>6,145,165.58</u>
	\$ <u>27,701,034.25</u>	\$ <u>21,555,868.67</u>	\$ <u>6,145,165.58</u>

NET DEBT \$6,145,165.58 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.40A:2-2, AS AMENDED, \$456,113,031.00 EQUALS 1.347%.

NOTE 3: LONG-TERM DEBT (CONTINUED)

EQUALIZED VALUATION BASIS

2015 Equalized Valuation Basis of Real Property	\$ 469,874,591.00
2016 Equalized Valuation Basis of Real Property	452,509,417.00
2017 Equalized Valuation Basis of Real Property	<u>445,955,085.00</u>
	<u>\$ 456,113,031.00</u>

Equalized Valuation basis is the average of the equalized valuation of Real Estate, including improvements, and the assessed valuation of Class II Railroad Property of the Borough for the last three (3) preceding years.

BORROWING POWER UNDER N.J.S.40A:2-6 AS AMENDED

Equalized Valuation Basis* - December 31, 2017	\$ <u>456,113,031.00</u>
3-1/2% of Equalized Valuation Basis	\$ 15,963,956.09
Net Debt	<u>6,145,165.58</u>
Remaining Borrowing Power	\$ <u>9,818,790.51</u>

SCHOOL DEBT DEDUCTION

School debt is deductible up to the extent of 3% of the Average Equalized Assessed Valuation of real property for the Regional and Local School District.

CALCULATION OF "SELF-LIQUIDATING PURPOSE" WATER UTILITY
PER N.J.S.A. 40A:2-45

Cash Receipts from Fees, Rents of Other Charges for Year and Anticipated Surplus	\$1,311,622.60
Deduction:	
Operating and Maintenance Cost	\$786,500.00
Debt Service Per Water Utility Account	<u>453,200.00</u>
	<u>1,239,700.00</u>
Excess in Revenue - Self Liquidating	<u>\$71,922.60</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

CALCULATION OF "SELF-LIQUIDATING PURPOSE" SEWER UTILITY
PER N.J.S.A. 40A:2-45

Cash Receipts from Fees, Rents of Other Charges for Year and Anticipated Surplus		\$2,573,726.46
Deduction:		
Operating and Maintenance Cost	\$2,167,000.00	
Debt Service Per Sewer Utility Account	<u>107,327.92</u>	<u>2,274,327.92</u>
Excess in Revenue - Self Liquidating		<u>\$299,398.54</u>

Long-Term Debt

General Capital Fund

General Serial Bonds:

\$1,615,000.00 of 2014 Refunding Bonds due in
annual installments of \$90,000.00 to \$330,000.00 through
January 2024 at variable interest rates of 1.25 to 3.00%. \$ 665,000.00

\$2,500,000.00 of 2015 General Improvement Bonds
due in annual installments of \$75,000.00 to \$150,000.00
through December 2035 at variable interest rates of 3.00 to 4.00%. 2,340,000.00
\$ 3,005,000.00

Water Utility Capital Fund

Water Utility Bonds:

\$445,000.00 of 2014 Refunding Bonds due in
annual installments of \$45,000.00 to \$55,000.00 through
January 2023 at variable interest rates of 1.25 to 3.00%. \$ 295,000.00

NOTE 3: LONG-TERM DEBT (CONTINUED)

Long-Term Debt (Continued)

Water Utility Capital Fund

New Jersey Environmental Infrastructure Trust Loans:

\$1,230,500.00 of 2009 Fund Loan due in semi-annual installments with annual principal payments of \$61,560.24 to \$63,604.88 through August 2028 for Principal only. \$ 694,396.65

\$1,245,000.00 of 2009 Trust Fund due in semi-annual installments with annual principal payments of \$45,000.00 to \$100,000.00 through August 2028 at interest rates of 5.00% to 5.50% 860,000.00

\$160,000.00 of 2010 Fund Loan due in semi-annual installments with annual principal payments of \$8,135.58 through August 2029 for Principal only. 97,627.22

\$155,000.00 of 2010 Trust Fund due in semi-annual installments with annual principal payments of \$5,000.00 to \$10,000.00 through August 2029 at interest rates of 3.00% to 5.00% 120,000.00

\$689,255.00 of 2013 Fund Loan due in semi-annual installments with annual principal payments of \$24,838.01 to \$37,257.01 through August 2032 for Principal only. 537,596.96

\$230,000.00 of 2013 Trust Fund due in semi-annual installments with annual principal payments of \$5,000.00 to \$15,000.00 through August 2032 at interest rates of 3.00% to 5.00% 205,000.00

\$ 2,514,620.83

United States Department of Agriculture Loans:

\$2,007,000.00 of a 2011 loan due in semi-annual installments with annual principal payments of \$19,715.00 to \$99,410.00 through 2051 at an interest rate of 4.125% \$ 1,875,255.00

\$351,000.00 of a 2012 loan due in semi-annual installments with annual principal payments of \$5,643.08 to \$12,762.11 through 2052 at an interest rate of 2.125% 321,553.09

\$ 2,196,808.09

NOTE 3: LONG-TERM DEBT (CONTINUED)

Long-Term Debt (Continued)

Sewer Utility Capital Fund

United States Department of Agriculture Loans:

\$1,742,000.00 of a 2011 loan due in semi-annual installments with annual principal payments of \$17,652.00 to \$83,535.00 through 2051 at an interest rate of 4.125%

\$ 1,624,418.00

Bonds and Notes Authorized But Not Issued

General Capital Fund	<u><u>\$627,089.50</u></u>
Water Utility Capital Fund	<u><u>\$7,359,194.19</u></u>
Sewer Utility Capital Fund	<u><u>\$1,382,118.00</u></u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2017**

Calendar Year	<u>General Capital</u>		<u>Water Utility Capital</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2018	\$ 200,000.00	\$ 90,081.26	\$ 50,000.00	\$ 8,100.00	\$ 348,181.26
2019	200,000.00	84,081.26	50,000.00	6,600.00	340,681.26
2020	210,000.00	78,156.26	50,000.00	5,100.00	343,256.26
2021	210,000.00	71,856.26	50,000.00	3,600.00	335,456.26
2022	210,000.00	65,556.26	50,000.00	2,100.00	327,656.26
2023	215,000.00	59,331.26	45,000.00	675.00	320,006.26
2024	220,000.00	54,131.26			274,131.26
2025	130,000.00	49,856.26			179,856.26
2026	130,000.00	46,931.26			176,931.26
2027	135,000.00	43,031.26			178,031.26
2028	135,000.00	38,981.26			173,981.26
2029	140,000.00	34,931.26			174,931.26
2030	140,000.00	30,731.26			170,731.26
2031	140,000.00	26,531.26			166,531.26
2032	145,000.00	22,331.26			167,331.26
2033	145,000.00	17,800.00			162,800.00
2034	150,000.00	12,000.00			162,000.00
2035	150,000.00	6,000.00			156,000.00
Total	\$ <u>3,005,000.00</u>	\$ <u>832,318.90</u>	\$ <u>295,000.00</u>	\$ <u>26,175.00</u>	\$ <u>4,158,493.90</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL
AND INTEREST FOR NEW JERSEY ENVIRONMENTAL
INFRASTRUCTURE TRUST LOAN AS OF DECEMBER 31, 2017

CALENDAR YEAR	FUND PRINCIPAL	TRUST PRINCIPAL	TRUST INTEREST	TOTAL
2018	\$ 108,747.39	\$ 75,000.00	\$ 56,737.50	\$ 240,484.89
2019	109,958.90	85,000.00	53,037.50	247,996.40
2020	107,891.76	85,000.00	48,825.00	241,716.76
2021	108,754.96	95,000.00	44,350.00	248,104.96
2022	109,451.58	100,000.00	39,600.00	249,051.58
2023	106,952.83	100,000.00	34,475.00	241,427.83
2024	107,482.86	105,000.00	29,200.00	241,682.86
2025	108,088.62	110,000.00	24,050.00	242,138.62
2026	108,542.95	115,000.00	18,950.00	242,492.95
2027	108,845.82	120,000.00	13,650.00	242,495.82
2028	108,997.47	125,000.00	8,050.00	242,047.47
2029	45,392.85	25,000.00	2,200.00	72,592.85
2030	37,257.01	15,000.00	1,350.00	53,607.01
2031	37,257.01	15,000.00	900.00	53,157.01
2032	15,998.82	15,000.00	450.00	31,448.82
	<u>\$ 1,329,620.83</u>	<u>\$ 1,185,000.00</u>	<u>\$ 375,825.00</u>	<u>\$ 2,890,445.83</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL
AND INTEREST FOR UNITED STATES DEPARTMENT OF
AGRICULTURE LOAN AS OF DECEMBER 31, 2017

Calendar Year	<u>Water Utility Capital</u>		<u>Sewer Utility Capital</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2018	\$ 31,646.14	\$ 86,231.43	\$ 22,552.00	\$ 66,777.06	207,206.63
2019	32,870.13	85,007.60	23,492.00	65,837.19	207,206.92
2020	34,142.99	83,734.08	24,472.00	64,858.15	207,207.22
2021	35,468.76	82,408.83	25,492.00	63,838.26	207,207.85
2022	36,847.53	81,029.67	26,553.00	62,775.89	207,206.09
2023	38,283.34	79,594.37	27,660.00	61,669.28	207,206.99
2024	39,777.27	78,100.53	28,814.00	60,516.53	207,208.33
2025	41,332.37	76,545.75	30,014.00	59,315.70	207,207.82
2026	42,949.73	74,927.48	31,265.00	58,064.85	207,207.06
2027	44,634.41	73,243.08	32,568.00	56,761.87	207,207.36
2028	46,388.48	71,489.72	33,925.00	55,404.59	207,207.79
2029	48,213.02	69,664.53	35,339.00	53,990.75	207,207.30
2030	50,113.08	67,764.57	36,812.00	52,517.98	207,207.63
2031	52,090.75	65,786.66	38,346.00	50,983.84	207,207.25
2032	54,150.12	63,727.49	39,944.00	49,385.75	207,207.36
2033	56,293.25	61,583.71	41,609.00	47,721.07	207,207.03
2034	58,525.24	59,351.75	43,343.00	45,986.99	207,206.98
2035	60,849.15	57,027.90	45,149.00	44,180.66	207,206.71
2036	63,269.08	54,608.29	47,030.00	42,299.06	207,206.43
2037	65,789.11	52,088.86	48,990.00	40,339.07	207,207.04
2038	68,412.32	49,465.45	51,033.00	38,297.38	207,208.15
2039	71,143.82	46,733.69	53,159.00	36,170.56	207,207.07
2040	73,988.67	43,889.03	55,375.00	33,955.13	207,207.83
2041	76,951.00	40,926.68	57,683.00	31,647.36	207,208.04
2042	80,035.88	37,841.69	60,087.00	29,243.39	207,207.96
2043	83,248.42	34,628.91	62,591.00	26,739.24	207,207.57
2044	86,594.70	31,282.96	65,199.00	24,130.75	207,207.41
2045	90,078.85	27,798.18	67,916.00	21,413.57	207,206.60
2046	93,707.95	24,168.77	70,746.00	18,583.14	207,205.86
2047	97,489.12	20,388.59	73,695.00	15,634.77	207,207.48
2048	101,425.47	16,451.24	76,766.00	12,563.50	207,206.21
2049	105,527.09	12,350.16	79,966.00	9,364.23	207,207.48
2050	109,799.11	8,078.35	83,298.00	6,031.63	207,207.09
2051	112,009.64	3,628.63	83,535.00	2,560.15	201,733.42
2052	12,762.10	309.90			13,072.00
Total	\$ 2,196,808.09	\$ 1,821,858.53	\$ 1,624,418.00	\$ 1,409,559.34	\$ 7,052,643.96

NOTE 4: SHORT-TERM DEBT

In accordance with NJSA 40A:2-8.1, a local unit may, in anticipation of the issuance of bonds, borrow money and issue notes if the bond ordinance or subsequent resolution so provides. Any such note shall be designated as a "bond anticipation note" and shall be subject to the following provisions:

(1) every note shall contain a recital that it is issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year;

(2) all such notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes; and

(3) no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which those notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations.

Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follows:

	<u>Interest Rate</u>	<u>Due Date</u>	<u>Amount</u>
General Capital	2.250%	1/16/18	\$ <u>2,603,878.00</u>
Water Utility Capital	2.250%	1/16/18	\$ <u>2,397,000.00</u>
Sewer Utility Capital	2.250%	1/16/18	\$ <u>390,656.00</u>

In accordance with NJSA 40A:4 sections 64 through 73, in any fiscal year, in anticipation of the collection of taxes for such year, whether levied in such year, or in anticipation of other revenue for such year, the Borough may, by resolution, borrow money and issue its negotiable notes, each of which shall be designated by the fiscal year to which it pertains. The proceeds may be used to pay outstanding previous notes of same purpose, or for purposes provided for in the budget or for which taxes are levied or to be levied for in such year. The amount outstanding shall not exceed an amount certified as the gross borrowing power, and no such notes shall be authorized in excess of an amount certified as the net borrowing power. Tax anticipation notes may be renewed from time to time, but any note shall mature within 120 days after the beginning of the succeeding fiscal year, and bear an interest rate that does not exceed 6%. The Borough did not have any Tax Anticipation Notes in 2017.

NOTE 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2017 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2018 were as follows:

Current Fund	\$	85,000.00
Water Operating Fund	\$	291,000.00
Sewer Operating Fund	\$	839,750.00

NOTE 6: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also taxes for the County and local school district. The collections and remittance of county and school taxes are accounted for in the Current Fund. Borough property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER <u>31, 2017</u>	BALANCE DECEMBER <u>31, 2016</u>
Prepaid Taxes	<u>\$568,167.81</u>	<u>\$278,354.18</u>

NOTE 7: PENSION PLANS

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Fireman's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at www.nj.gov/treasury/pensions/annrprts.shtml.

NOTE 7: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Police and Fireman's Retirement System (PFRS) - The Police and Fireman's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A, to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit. In which case, benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

NOTE 7: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions (Continued)

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately invested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP. Employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully invested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. Effect July 2014 PERS provides for employee contributions of 6.92% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43: 16A and requires contributions by active members and contributing employers. Plan member and employer contributions *may* be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. During 2014, members contributed at a uniform rate of 10.00% of base salary.

All contributions were equal to the required contributions for each of the three years, respectively.

Certain Borough employees are also covered by the Federal Insurance Contribution Act. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to \$330,370.00 for 2015, \$375,012.35 for 2016 and \$370,837.95 for 2017.

NOTE 7: PENSION PLANS

Accounting and Financial Reporting for Pensions – GASB #68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2017. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2017.

Public Employees Retirement System (PERS)

At June 30, 2017, the State reported a net pension liability of \$2,514,106.00 for the Borough of Flemington's proportionate share of the total net pension liability. The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Borough's proportion was 0.0108001656 percent, which was a decrease of 0.0002300658 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the State recognized an actuarially determined pension expense of \$134,771.00 for the Borough of Flemington's proportionate share of the total pension expense. The pension expense recognized in the Borough's financial statement based on the April 1, 2017 billing was \$97,991.00.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience	-	\$59,199.00
Changes of assumptions	\$504,649.00	506,506.00
Net difference between projected and actual earnings on pension plan investments		17,119.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>248,631.00</u>	<u>98,482.00</u>
	<u>\$753,280.00</u>	<u>\$681,306.00</u>

Other local amounts reported by the State as the Borough's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2018	\$10,093.00
2019	46,755.00
2020	9,161.00
2021	(79,870.00)
2022	<u>(58,113.00)</u>
	<u>(\$71,974.00)</u>

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Inflation	2.25 Percent	3.08 Percent
Salary Increases (based on age)		
Though 2026	1.65-4.15 Percent	1.65-4.15 Percent
Thereafter	2.65-5.15 Percent	2.65-5.15 Percent
Investment Rate of Return	7.00 Percent	7.65 percent

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 rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA.

In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

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

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017 and 7.65 at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2017</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash	5.50%	1.00%
US Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. developed market equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts venture capital	8.25%	13.08%
	<u>100.00%</u>	

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.00% and 3.98% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.65%, and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2017 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension 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:

	June 30, 2017		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>4.00%</u>	<u>5.00%</u>	<u>6.00%</u>
Borough's proportionate share of the pension liability	\$3,118,919.00	\$2,514,106.00	\$2,010,222.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS)

At June 30, 2017, the State reported a net pension liability of \$5,714,948.00 for the Borough of Flemington's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Borough's proportion was 0.0370185500 percent, which was an increase of 0.0037734249 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the State recognized an actuarially determined pension expense of \$785,642.00. The pension expense recognized in the Borough's financial statement based on the April 1, 2017 billing was \$271,061.00

At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Inflow of Resources	Deferred Outflow of Resources
Differences between expected and actual experience	\$33,542.00	\$37,075.00
Changes of assumptions	935,941.00	704,717.00
Net difference between projected and actual earnings on pension plan investments		109,055.00
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	44,068.00	870,999.00
	<u>\$1,013,551.00</u>	<u>\$1,721,846.00</u>

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Amount</u>
2018	\$323,573.00
2019	419,389.00
2020	152,770.00
2021	(141,455.00)
2022	<u>(45,982.00)</u>
	<u><u>\$708,295.00</u></u>

Actuarial Assumptions

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

	<u>2016</u>	<u>2017</u>
Inflation	3.08 Percent	2.25 Percent
Salary Increases (based on age) Through 2026	2.10-8.98 Percent Based on Age	2.10-8.98 Percent Based on Age
Thereafter	3.10-9.98 Percent Based on Age	3.10-9.98 Percent Based on Age
Investment Rate of Return	7.65 Percent	7.00 Percent

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Actuarial Assumptions

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

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

Long-term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2017 and 7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS s target asset allocation as of June 30, 2017 are summarized in the following table:

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Discount Rate

	June 30, 2017	
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash	5.50%	1.00%
US Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. developed market equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts venture capital	8.25%	13.08%
	<u>100.00%</u>	

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 6.14% and 5.55% as of June 30, 2017 and June 30, 2016 respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00 and 7.65% and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and June 30, 2016 respectively based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2017 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension 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:

	June 30, 2017		
	1% Decrease <u>5.14%</u>	At Current Discount Rate <u>6.14%</u>	1% Increase <u>7.14%</u>
Borough's proportionate share of the PFRS pension liability	\$7,529,915.00	\$5,714,948.00	\$4,223,747.00

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Special Funding Situation

In accordance with 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.c. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.c. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed by the State on behalf of the Borough under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the Borough does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Borough related to this legislation.

At December 31, 2017 and 2016, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$640,122.00 and \$533,299.00 respectively.

At December 31, 2017, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$5,714,948.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	<u>640,122.00</u>
	<u><u>\$6,355,070.00</u></u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 8: COMPENSATED ABSENCES

Under the existing policy of the Borough, employees are allowed to accumulate unused vacation and sick pay over the life of their working careers which may be taken as time off or paid at a later date. No more than five days of vacation may be accumulated in the aggregate. Unused sick pay is forfeited if the employee leaves for other than retirement. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented but has been estimated to be \$405,158.45. The Borough annually appropriates the amounts that are required to be paid in that year's budget.

NOTE 9: LITIGATION

The Borough Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Borough's insurance carrier or would have a material financial impact on the Borough.

NOTE 10: TAX APPEALS

There are tax appeals filed with the County and State Tax Court of New Jersey requesting a reduction of assessments for the year 2017. Any reduction in assessed valuation will result in a refund of prior years' taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51.

NOTE 11: CONTINGENT LIABILITIES

The Borough participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in detail in Part II of the 2017 audit report. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2017, the Borough does not believe that any material liabilities will result from such audits.

NOTE 12: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The Borough maintains commercial insurance coverage through the Statewide Insurance Fund covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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

<u>Fiscal Year</u>		<u>Interest Earned</u>		<u>Employee Contributions</u>		<u>Amount Reimbursed</u>		<u>Ending Balance</u>
2017	\$	428.93	\$	4,414.81	\$		\$	125,360.82
2016		98.79		4,266.55				120,517.08
2015		171.09		4,331.12				116,151.74

NOTE 13: DEFERRED COMPENSATION PLAN

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all Borough employees, permits them to defer a portion of their salaries until future years. The Borough does not make any contribution to the Plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

During March 2000 and in accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Borough's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

NOTE 13: DEFERRED COMPENSATION PLAN (CONTINUED)

The Plan is administered by Nationwide Retirement Solutions.

The accompanying financial statements do not include the Borough's Deferred Compensation Plan activities. The Borough's Deferred Compensation Plan financial statements are contained in a separate review report.

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets at December 31, 2017:

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
Current Fund	\$ 81,353.21	\$ 1,449,902.47
Grant Fund	7,491.69	
Assessment Trust Fund		3,750.20
Animal Control Trust Fund	6,593.79	
Trust Other Fund		88,370.89
General Capital Fund	503,671.18	375,195.80
Water Utility Operating Fund	513,550.21	83,748.32
Water Utility Capital Fund	11,473.45	506,888.64
Sewer Utility Operating Fund	1,815,911.90	800,085.55
Sewer Utility Capital Fund	363,722.35	
Public Assistance Trust Fund	4,174.09	
	<u>\$ 3,307,941.87</u>	<u>\$ 3,307,941.87</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and the payment between funds were made.

NOTE 15: LENGTH OF SERVICE AWARDS PROGRAM

During 2001, the Borough of Flemington adopted an ordinance establishing a Length of Service Awards Program for the members of the volunteer Fire Department pursuant to N.J.S.A. 40A:14-183 *et seq.*

Under this program, each volunteer of the volunteer Fire Department will have an annual amount of \$1,150.00 deposited into a tax deferred income account that will earn interest for the volunteer. The estimated annual cost of this program is \$24,000.00.

The accompanying financial statements do not include the Borough's Length of Service Awards Program's activities. The Borough's Length of Service Awards Program's financial statements are contained in a separate review report, as required by state regulation.

NOTE 16: GASB 45 – OTHER POST RETIREMENT EMPLOYEE BENEFITS

The Borough provides Post Retirement Benefits to certain employees per the terms of their various labor agreements. Commencing with the year ending December 31, 2017, the above noted post employment benefits require the Borough to implement the note disclosure provision of GASB Statement 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension." This statement which was adopted during 2004 by the Government Accounting Standard Board (GASB) requires the Borough to disclose in the notes of the financial statements the future costs of the other post employment benefits (OPEB) on a present value basis instead of the present pay as you go method. OPEB obligations are non-pension benefits that the Borough has contractually agreed to provide employees once they have retired.

The future value of benefits paid is not required to be reported in the financial statements as presented and has not been determined, but is probably material. Under current New Jersey budget and financial reporting requirements, the Borough will not have to provide any amounts in excess of their current cash costs or recognized any long-term obligations on their balance sheets.

NOTE 17: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through June 29, 2018 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that there are no subsequent events needed to be disclosed.

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BOROUGH OF FLEMINGTON
SUPPLEMENTARY SCHEDULES – ALL FUNDS
YEAR ENDED DECEMBER 31, 2017

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF CASH-TREASURER

REF.		CURRENT FUND	GRANT FUND
A	Balance, December 31, 2016	\$ 1,191,311.31	\$ 223,234.76
	Increased by Receipts:		
A-5	Collector	\$ 14,543,740.32	
A-8	State of New Jersey-Chapter 20, P.L. 1971	13,250.00	
A-9	Revenue Accounts Receivable	791,647.11	
A-2	Miscellaneous Revenue Not Anticipated	31,988.97	
A-3	Refunds 2017 Appropriations	123,922.75	
A-11	Petty Cash Funds	50.00	
A-10:A-24	Interfunds Received	1,224,002.63	70,473.98
A-19	Grants Receivable		76,095.20
A-12	Grants Unappropriated		6,260.49
A-23	Reserve for Miscellaneous Deposits	6,472.00	
		<u>16,735,073.78</u>	<u>152,829.67</u>
		\$ 17,926,385.09	\$ 376,064.43
	Decreased by Disbursements:		
A-3	2017 Appropriations	\$ 5,135,874.12	
A-13	2016 Appropriation Reserves	61,655.11	
A-14	County Taxes	1,544,180.78	
A-15	Regional School Tax	6,087,968.00	
A-16	Regional High School Tax	1,958,587.99	
A-21	Special Improvement District Tax	453,703.98	
A-18	Tax Overpayments	30,185.80	
A-10:A-24	Interfunds Payable	75,627.23	7,965.67
A-11	Petty Cash Fund	50.00	
A-25	Reserve for Grants Appropriated		107,640.27
A-23	Reserve for Miscellaneous Deposits	221,558.27	
A-2	Refund of Current Year Revenue	4,310.00	
A-1	Refund of Prior Year Revenues	315.00	
		<u>15,574,016.28</u>	<u>115,605.94</u>
A	Balance, December 31, 2017	\$ 2,352,368.81	\$ 260,458.49

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF CASH-COLLECTOR

	<u>REF.</u>		
Balance, December 31, 2016	A	\$	175,521.18
Received:			
Revenue Accounts Receivable	A-9	\$	94,541.08
Senior Citizen Disallowed - 2016	A-8		1,750.00
Taxes Receivable	A-7		13,958,746.93
Miscellaneous Revenue	A-2		3,609.28
2018 Taxes Prepaid	A-17		568,167.81
Tax Overpayments	A-18		35,130.32
Reserve for Outside Liens	A-23		215,446.34
Tax Sale Premiums	A-10		<u>19,600.00</u>
			14,896,991.76
		\$	<u>15,072,512.94</u>
Decreased by Disbursements:			
Payments to Treasurer	A-4		<u>14,543,740.32</u>
Balance, December 31, 2017	A	\$	<u><u>528,772.62</u></u>

"A-6"

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

	BALANCE DECEMBER <u>31, 2017</u>	BALANCE DECEMBER <u>31, 2016</u>
<u>OFFICE</u>		
Police	\$ 25.00	\$ 25.00
Municipal Court	100.00	100.00
Tax Collector	50.00	50.00
Borough Clerk	50.00	50.00
	<hr/>	<hr/>
	\$ 225.00	\$ 225.00
	<hr/>	<hr/>
<u>REF.</u>	A	A

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2016	2017 LEVY	COLLECTED IN 2016	IN 2017	OVERPAYMENTS APPLIED	TRANSFER TO TAX TITLE LIENS	REMITTED AND CANCELED	BALANCE DECEMBER 31, 2017
2016	\$ 306,026.00	\$	\$	\$ 301,233.38	\$	\$ 4,792.62	\$	\$
	\$ 306,026.00			\$ 301,233.38		\$ 4,792.62		\$
2017		14,285,140.25	278,354.18	13,673,263.55	24,720.96	7,156.43	23,220.53	278,424.60
	\$ 306,026.00	14,285,140.25	278,354.18	13,974,496.93	24,720.96	11,949.05	23,220.53	278,424.60
REF.	A		A-2:A-17	A-2	A-2:A-18	A-26		A

Collector
State of New Jersey

\$ 13,958,746.93
15,750.00
\$ 13,974,496.93

ANALYSIS OF 2017 PROPERTY TAX LEVY

TAX YIELD

General Purpose Tax	\$ 14,244,309.55
Added Taxes (54-4-63.1 et. seq)	40,830.70
	\$ 14,285,140.25

TAX LEVY

Regional High School Tax (Abstract)	A-16	\$ 1,958,050.00
Regional School Tax (Abstract)	A-15	6,087,968.00
Special Improvement District Tax	A-21	333,815.27
County Taxes:		
County Tax (Abstract)	A-14	1,406,681.13
County Open Space Tax (Abstract)	A-14	136,964.06
Due County for Added Taxes (54-4-63.1 et. seq)	A-14	2,231.36

Total County Taxes

1,545,876.55

Local Tax for Municipal Purposes (Abstract)
Local Library Tax (Abstract)
Add: Additional Tax Levied

\$ 4,166,125.84
150,836.32
42,468.27
4,359,430.43
\$ 14,285,140.25

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
PER CHAPTER 20, P.L. 1971

	<u>REF.</u>		
Balance, December 31, 2016 (Due To)	A	\$	(500.00)
Increased by:			
Deductions Per Tax Duplicate:			
Senior Citizens		\$	3,000.00
Veterans			12,500.00
Allowed by Tax Collector:			
Senior Citizens and Veterans			<u>500.00</u>
			<u>16,000.00</u>
		\$	<u>15,500.00</u>
Decreased by:			
Received From State of New Jersey	A-4	\$	13,250.00
Sr. Citizens Deductions Disallowed-2016			1,750.00
Sr. Citizens Deductions Disallowed by Tax Collector			<u>250.00</u>
			<u>15,250.00</u>
Balance, December 31, 2017	A	\$	<u><u>250.00</u></u>

SUMMARY OF 2017 EXEMPTIONS

Senior Citizens and Veterans Exemptions			
Per Tax Billings		\$	15,500.00
Senior Citizens and Veterans Exemptions			
Allowed by Tax Collector			<u>500.00</u>
Disallowed by Collector:			
2017 Taxes			<u>250.00</u>
	A-7	\$	<u><u>15,750.00</u></u>

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

REF.		BALANCE DECEMBER 31, 2016	ACCRUED IN 2017	COLLECTED BY		BALANCE DECEMBER 31, 2017
				COLLECTOR	TREASURER	
A-2	Clerk:	\$				
A-2	Alcoholic Beverage Licenses		12,180.00 \$	\$	12,180.00 \$	
A-2	Licenses-Other		19,699.00		19,699.00	
A-2	Fees and Permits		25,188.59		25,188.59	
A-2	Planning Board:					
A-2	Fees and Permits		6,550.00		6,550.00	
A-2	Construction Code Official:					
A-2	Fees and Permits		92,366.00		92,366.00	
A-2	Fire:					
A-2	Fees and Permits		40,072.00		40,072.00	
A-2	Landlord Registration:					
A-2	Fees and Permits		29,480.00		29,480.00	
A-2	Police:					
A-2	Fees and Permits		3,019.90		3,019.90	
A-2	Miscellaneous:					
A-2	Fees and Permits		4,460.00		4,460.00	
A-2	Municipal Court:					
A-2	Fines and Costs	7,521.94	138,019.46		135,551.22	9,990.18
A-2	Interest and Costs on Taxes		94,541.08			
A-2	Uniform Fire Safety		19,406.40	94,541.08	19,406.40	
A-2	PILOT		35,700.00		35,700.00	
A-2	Energy Receipts Tax		341,632.00		341,632.00	
A-2	Consolidated Municipal Property Tax Relief Act		26,342.00		26,342.00	
		<u>\$ 7,521.94 \$</u>	<u>888,656.43 \$</u>	<u>94,541.08 \$</u>	<u>791,647.11 \$</u>	<u>9,990.18</u>
REF.		A		A-5	A-4	A

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL	GRANT FUND	ASSESSMENT TRUST FUND	TRUST OTHER FUND	GENERAL CAPITAL FUND	WATER UTILITY OPERATING FUND	SEWER UTILITY OPERATING FUND
Balance, December 31, 2016:								
Due From	A	\$ 39,455.37 \$		\$ 3,750.20 \$	35,705.17 \$	\$ 225,993.75	\$ 4,897.73	\$ 9,137.75
Due To	A	240,029.23						
Receipts - Treasurer	A-4	1,224,002.63	7,965.67		11,425.84	278,700.75	1,763.84	924,146.53
Receipts - Collector	A-5	19,600.00			19,600.00			
		<u>1,243,602.63 \$</u>	<u>7,965.67 \$</u>	<u>\$</u>	<u>31,025.84 \$</u>	<u>278,700.75 \$</u>	<u>1,763.84 \$</u>	<u>924,146.53</u>
Disbursements	A-4	75,627.23	473.98		72,923.68	1,023.32		1,206.25
Balance, December 31, 2017:								
Due From	A	\$ 81,353.21 \$		\$ 3,750.20 \$	77,603.01 \$	\$ 503,671.18	\$ 6,661.57	\$ 932,078.03
Due To	A	<u>1,449,902.47</u>	<u>7,491.69</u>					

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF PETTY CASH

DEPARTMENT

RECEIVED

RETURNED

Borough Clerk

\$ 50.00 \$ 50.00

REF.

A-4

A-4

BOROUGH OF FLEMINGTON

GRANT FUND

SCHEDULE OF RESERVE
FOR GRANTS UNAPPROPRIATED

GRANT	CASH		BALANCE	
	<u>RECEIPTS</u>		<u>DECEMBER</u> <u>31, 2017</u>	
Recycling Tonnage	\$	<u>6,260.49</u>	\$	<u>6,260.49</u>
	\$	<u>6,260.49</u>	\$	<u>6,260.49</u>
		A-4		A

REF.

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF 2016 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2016	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES</u>				
Mayor and Council	\$ 148.75	\$ 148.75	\$	\$ 148.75
Municipal Clerk	42.27	42.27		42.27
Assessment of Taxes	136.00	136.00		136.00
Collection of Taxes	65.47	65.47		65.47
Planning Board	714.97	714.97		714.97
Municipal Court	6,450.59	6,450.59		6,450.59
Municipal Prosecutor	1,732.20	1,732.20		1,732.20
Emergency Management Services	44.00	44.00		44.00
Fire Safety & Housing Enforcement	871.05	871.05		871.05
Building Inspector	448.94	448.94		448.94
Electrical Inspector	90.00	90.00		90.00
Plumbing Inspector	17.34	17.34		17.34
Fire Inspector	198.03	198.03		198.03
Recycling	0.16	0.16		0.16
<u>OTHER EXPENSES</u>				
Administrative and Executive	3.54	362.54	(1,350.00)	1,712.54
Mayor and Council	4.78	4.78	(25.00)	29.78
Municipal Clerk	8.51	8.51	(13.36)	21.87
Financial Administration	9.79	309.79	300.00	9.79
Assessment of Taxes	20,388.35	20,985.66	2,570.67	18,414.99
Collection of Taxes	127.74	623.57	565.83	57.74
Legal Services and Costs	17,752.06	18,526.70		18,526.70
Engineering Services and Costs	7,630.08	7,630.08	1,500.00	6,130.08
Planning Board	13,699.96	14,589.22	6,621.84	7,967.38
Group Insurance Plan for Employees	8,539.21	8,539.21	6,898.77	1,640.44
Fire	107.02	439.95	(204.80)	644.75
Fire Safety and Housing Enforcement	3,710.13	3,835.13	3,706.84	128.29
Police	17,449.36	20,944.32	14,402.16	6,542.16
Emergency Management Services	176.34	176.34		176.34
Environmental Commission	750.00	750.00	325.00	425.00
Streets and Roads	75.47	3,279.20	3,059.68	219.52
Sanitation	2,037.38	2,037.38		2,037.38
Recycling	25.00	25.00		25.00
Public Buildings and Grounds	7.55	19.60	(400.24)	419.84
Board of Health	1,850.00	1,850.00		1,850.00
Dog Regulation - Contractual	1,200.00	1,200.00		1,200.00
P.E.O.S.H.A. - Fire Department	324.00	324.00		324.00
Municipal Court	22.50	22.50	(52.00)	74.50
Rental Property Expense	3,878.75	3,878.75	3,848.79	29.96
Building Inspector	1,456.68	1,456.68	100.00	1,356.68
Property Maintenance Inspector	382.76	382.76	367.17	15.59
Telephone	54.89	162.32	(7.89)	170.21
Water	58.53	58.53		58.53
Natural Gas	8,494.14	8,494.14		8,494.14
Gasoline	707.10	707.10		707.10
Street Lighting	2,081.47	5,029.96		5,029.96
Municipal Services Act- Condo Reimbursement Law	3,000.00	3,000.00		3,000.00
Defined Contribution Retirement Program	1,049.03	1,049.03		1,049.03
Length of Service Award Program	24,000.00	24,000.00	19,550.00	4,450.00
Purchase of Police SUV	7,257.25	7,257.25		7,257.25
Preliminary Road Engineering	306.68	306.68	300.65	6.03
Snow Removal Cost - State of Emergency			(409.00)	409.00
	<u>\$ 159,585.82</u>	<u>\$ 173,226.45</u>	<u>\$ 61,655.11</u>	<u>\$ 111,571.34</u>

REF.

A

A-1

Balance, December 31, 2016

A-13

\$ 159,585.82

Cash Disbursements

A-4

61,655.11

Encumbrances Payable

A-20

13,640.63

\$ 173,226.45

61,655.11

"A-14"

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2016	A	\$	535.59
2017 Tax Levy:			
County Taxes	A-1:A-7	\$	1,406,681.13
County Open Space Taxes	A-1:A-7		136,964.06
County Share of Added Taxes	A-1:A-7		<u>2,231.36</u>
			1,545,876.55
		\$	<u>1,546,412.14</u>
Decreased by:			
Cash Disbursements	A-4		<u>1,544,180.78</u>
Balance, December 31, 2017	A	\$	<u><u>2,231.36</u></u>

"A-15"

SCHEDULE OF REGIONAL SCHOOL TAX PAYABLE

Increased by:			
2017 Levy	A-1:A-7	\$	<u>6,087,968.00</u>
Decreased by:			
Cash Disbursements	A-4	\$	<u><u>6,087,968.00</u></u>

"A-16"

SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE

Increased by:			
2017 Levy	A-1:A-7	\$	<u>1,958,050.00</u>
Decreased by:			
Cash Disbursements	A-4		<u>1,958,587.99</u>
Balance, December 31, 2017 (Prepaid)	A	\$	<u><u>(537.99)</u></u>

"A-17"

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2016 (2017 Taxes)	A	\$	278,354.18
Increased by:			
Collection of 2018 Taxes	A-5		568,167.81
		\$	<u>846,521.99</u>
Decreased by:			
Application to 2017 Taxes Receivable	A-7		<u>278,354.18</u>
Balance, December 31, 2017 (2018 Taxes)	A	\$	<u><u>568,167.81</u></u>

"A-18"

SCHEDULE OF TAX OVERPAYMENTS

Balance, December 31, 2016	A	\$	55,208.30
Increased by:			
Cash Receipts	A-5		35,130.32
		\$	<u>90,338.62</u>
Decreased by:			
Cash Disbursements	A-4	\$	30,185.80
Canceled	A-1		126.86
Applied to Taxes Receivable	A-7		<u>24,720.96</u>
			<u>55,033.62</u>
Balance, December 31, 2017	A	\$	<u><u>35,305.00</u></u>

BOROUGH OF FLEMINGTON

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>GRANT</u>	BALANCE DECEMBER 31, 2016	2017 REVENUE ANTICIPATED	CASH RECEIPTS
Body Armor Replacement Fund	\$	\$ 1,705.18	\$ 1,705.18
Alcohol Education Rehabilitation Fund		3,152.66	3,152.66
Clean Communities Program		8,911.36	8,911.36
Safe and Secure Communities	26,713.00	26,713.00	53,426.00
Hunterdon County Open Space Grant		8,900.00	8,900.00
	<u>\$ 26,713.00</u>	<u>\$ 49,382.20</u>	<u>\$ 76,095.20</u>
<u>REF.</u>	A	A-2	A-4

"A-20"

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2016	A	\$	13,990.63
Increased by:			
Charges to 2017 Appropriations	A-3		58,954.73
		\$	<u>72,945.36</u>
Decreased by:			
Canceled	A-1	\$	350.00
Transferred to Appropriation Reserves	A-13		<u>13,640.63</u>
			<u>13,990.63</u>
Balance, December 31, 2017	A	\$	<u><u>58,954.73</u></u>

"A-21"

SCHEDULE OF SPECIAL IMPROVEMENT DISTRICT TAX PAYABLE

Balance, December 31, 2016	A	\$	91,703.98
Increased by:			
2017 Levy	A-1:A-7		333,815.27
		\$	<u>425,519.25</u>
Decreased by:			
Cash Disbursements	A-4		<u>453,703.98</u>
Balance, December 31, 2017 (Prepaid)	A	\$	<u><u>(28,184.73)</u></u>

"A-22"

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF ASSETS

	<u>REF.</u>	
Balance, December 31, 2016	A	\$ <u>70,000.00</u>
Balance, December 31, 2017	A	\$ <u><u>70,000.00</u></u>

BOROUGH OF FLEMINGTON

CURRENT FUND

SCHEDULE OF MISCELLANEOUS DEPOSITS

GRANT	BALANCE DECEMBER 31, 2016	CASH RECEIPTS		CASH DISBURSEMENTS	BALANCE DECEMBER 31, 2017
		TREASURER	COLLECTOR		
Codification of Ordinances	\$ 1,535.15 \$	\$	\$	\$	1,535.15
State Training Fees	3,056.00	6,472.00		7,233.00	2,295.00
Outside Liens	99.61		215,446.34	214,325.27	1,220.68
	<u>\$ 4,690.76 \$</u>	<u>6,472.00 \$</u>	<u>215,446.34 \$</u>	<u>221,558.27 \$</u>	<u>5,050.83</u>
REF.	A	A-4	A-5	A-4	A

BOROUGH OF FLEMINGTON

GRANT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>
Cash Receipts	A-4	\$ <u>70,473.98</u>	\$ <u>70,473.98</u>
Cash Disbursements	A-4	\$ 7,965.67	\$ 7,965.67
Local Share	A-25	<u>70,000.00</u>	<u>70,000.00</u>
		\$ <u>77,965.67</u>	\$ <u>77,965.67</u>
Balance, December 31, 2017:			
Due From	A	\$ <u><u>7,491.69</u></u>	\$ <u><u>7,491.69</u></u>

BOROUGH OF FLEMINGTON

GRANT FUND

SCHEDULE OF RESERVE
FOR GRANTS APPROPRIATED

<u>GRANT</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>2017 BUDGET APPROPRIATION</u>	<u>EXPENDED</u>	<u>ENCUMBERED</u>	<u>BALANCE DECEMBER 31, 2017</u>
	\$	\$	\$		\$
Safe and Secure Communities Program	19,548.67	96,713.00	70,000.00		26,713.00
Drunk Driving Enforcement Fund	18,083.39	3,152.66	7,712.62		11,836.05
Alcohol Education Rehabilitation Fund	44,715.23				21,236.05
Recycling Tonnage Grant	9,993.29	8,911.36	10,450.00		34,265.23
Clean Communities Program	73,540.54	8,900.00	9,916.75		8,987.90
Hunterdon County Open Space Grant	9,200.00				82,440.54
Recreation for Individuals with Disabilities Grant	3,770.98	1,705.18	2,660.90	843.70	9,200.00
Body Armor Replacement Fund	2,405.72				1,971.56
SLAHEOP Grant	5,380.00				2,405.72
Hunterdon County Cultural	7,797.50				5,380.00
Green Communities - Local Share	1,458.46				7,797.50
NJ DEP Stormwater Grant	54,053.98		6,900.00		1,458.46
New Jersey Historic Trust Grant					47,153.98
	<u>\$ 249,947.76</u>	<u>\$ 119,382.20</u>	<u>\$ 107,640.27</u>	<u>\$ 843.70</u>	<u>\$ 260,845.99</u>
<u>REF.</u>	<u>A</u>		<u>A-4</u>	<u>A</u>	<u>A</u>
Transferred From Budget		\$ 49,382.20			
Local Share		<u>70,000.00</u>			
	\$	<u>\$ 119,382.20</u>			

"A-26"

BOROUGH OF FLEMINGTON
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2016	A		\$ 8,254.54
Increased by:			
Transfers from Taxes Receivable	A-7	\$ 11,949.05	
Interest and Costs on Taxes		<u>634.40</u>	
			<u>12,583.45</u>
Balance, December 31, 2017	A		\$ <u>20,837.99</u>

"A-27"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES

Balance, December 31, 2016	A	\$ <u>380,000.00</u>
Balance, December 31, 2017	A	\$ <u>380,000.00</u>

BOROUGH OF FLEMINGTON

TRUST FUND

SCHEDULE OF CASH-TREASURER

	REF.	ASSESSMENT TRUST	ANIMAL CONTROL	OTHER
Balance, December 31, 2016	B	\$ -0-	\$ -0-	\$ 1,113,035.76
Increased by Receipts:				
Dog License Fees	B-2	\$	\$	
Unemployment Insurance	B-3		2,344.20	4,843.74
Various Reserves and Deposits	B-4			4,252,712.92
Interfunds	B-5:B-6		607.40	75,296.56
			2,951.60	4,332,853.22
		\$	2,951.60	\$ 5,445,888.98
Decreased by Disbursements:				
Expenditures Under R.S. 4:19-15.11	B-2	\$	\$	
Various Reserves and Deposits	B-4		607.40	4,271,325.95
Interfunds	B-5:B-6		2,344.20	31,661.92
			2,951.60	4,302,987.87
Balance, December 31, 2017	B	\$ -0-	\$ -0-	\$ 1,142,901.11

"B-2"

BOROUGH OF FLEMINGTON

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2016	B	\$	4,856.99
Increased by:			
Animal License Fees Collected	B-1		2,344.20
		\$	<u>7,201.19</u>
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Cash Disbursements	B-1		<u>607.40</u>
Balance, December 31, 2017	B	\$	<u><u>6,593.79</u></u>

<u>LICENSE FEES COLLECTED</u>		
<u>YEAR</u>		<u>AMOUNT</u>
2015	\$	2,979.60
2016		<u>3,633.80</u>
	\$	<u><u>6,613.40</u></u>

"B-3"

SCHEDULE OF RESERVE FOR UNEMPLOYMENT INSURANCE FUND

Balance, December 31, 2016	B	\$	120,517.08
Increased by:			
Cash Receipts	B-1		<u>4,843.74</u>
Balance, December 31, 2017	B	\$	<u><u>125,360.82</u></u>

BOROUGH OF FLEMINGTON

TRUST FUND

SCHEDULE OF VARIOUS RESERVES AND DEPOSITS

	BALANCE DECEMBER 31, 2016	CASH RECEIPTS	CASH DISBURSEMENTS	ENCUMBRANCES PAYABLE	BALANCE DECEMBER 31, 2017
Municipal Court - P.O.A.A.	\$ 174.17	\$ 54.00	\$	\$	\$ 228.17
Tax Sale Premiums	286,100.00	19,600.00	72,200.00		233,500.00
Planning/Zoning Boards - Escrow Deposits	188,829.23	404,940.85	335,356.23	3,255.00	255,158.85
Recycling	1,089.05		1,000.00		89.05
Public Defender	22,985.06	9,865.00	6,822.20		26,027.86
Fire Safety Penalties	5,095.99	17,537.00	7,835.76	4,432.25	10,364.98
Tree Fund	9,825.37				9,825.37
Historic Commission	13,331.70	195.00	2,421.44		11,105.26
Police Equipment Donations	21,232.48		19,084.91		2,147.57
Police Outside Overtime	1,387.00	99,560.00	99,947.00		1,000.00
Fire Department Penalties		3,463.00	213.00		3,250.00
Police Donations - K9 Unit		844.27			844.27
Flemington BID	29,017.67		29,017.67		
COAH	152,099.88	13,022.40	12,284.90		152,837.38
Clarence H. Bodine Jr. Donation	171,288.30	14.28			171,302.58
Good Neighbor Ordinance	500.00				500.00
Developers Deposits (Road Openings)	1,050.00	1,500.00	1,350.00		1,200.00
Sick/Vacation Reserve	2,186.46				2,186.46
Green Team Donations	82.94				82.94
Payroll Agency	41,507.13	3,682,117.12	3,683,792.84		39,831.41
	<u>\$ 947,782.43</u>	<u>\$ 4,252,712.92</u>	<u>\$ 4,271,325.95</u>	<u>\$ 7,687.25</u>	<u>\$ 921,482.15</u>
REF.	B	B-1	B-1	B	B
Balance, December 31, 2016	B \$ 942,972.52				
Encumbrances Payable	B <u>4,809.91</u>				
	<u>\$ 947,782.43</u>				

An analysis of the various reserves and deposits is on file in the Office of the Borough Treasurer.

BOROUGH OF FLEMINGTON

TRUST FUND

SCHEDULE OF INTERFUNDS - TRUST OTHER FUND

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>ANIMAL CONTROL TRUST FUND</u>	<u>PUBLIC ASSISTANCE TRUST FUND</u>
Balance, December 31, 2016:					
Due To	B	\$ 44,736.25	\$ 35,705.17	\$ 4,856.99	\$ 4,174.09
Receipts	B-1	75,296.56	72,952.36	2,344.20	
Disbursements	B-1	31,661.92	31,054.52	607.40	
Balance, December 31, 2017:					
Due To	B	\$ 88,370.89	\$ 77,603.01	\$ 6,593.79	\$ 4,174.09

"B-6"

BOROUGH OF FLEMINGTON

TRUST FUND

SCHEDULE OF INTERFUNDS - ANIMAL CONTROL TRUST FUND

	<u>REF.</u>	<u>TOTAL</u>	<u>TRUST OTHER FUND</u>
Balance, December 31, 2016:			
Due From	B	\$ <u>4,856.99</u>	\$ <u>4,856.99</u>
Receipts	B-1	607.40	607.40
Disbursements	B-1	<u>2,344.20</u>	<u>2,344.20</u>
Balance, December 31, 2017:			
Due From	B	\$ <u><u>6,593.79</u></u>	\$ <u><u>6,593.79</u></u>

BOROUGH OF FLEMINGTON

TRUST FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>ANNUAL INSTALLMENTS</u>	<u>DUE DATE</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE PLEDGE TO DUE GENERAL CAPITAL FUND</u>
2003-10	General Road Resurfacing and Rehabilitation	10	5/13/03	\$ 3,750.20	\$ 3,750.20	\$ 3,750.20
				\$ 3,750.20	\$ 3,750.20	\$ 3,750.20
				B	B	
				REF.		

"B-8"

BOROUGH OF FLEMINGTON

TRUST FUND

SCHEDULE OF INTERFUNDS-ASSESSMENT TRUST

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>
Balance, December 31, 2016:			
Due To	B	\$ <u>3,750.20</u>	\$ <u>3,750.20</u>
Balance, December 31, 2017:			
Due To	B	\$ <u><u>3,750.20</u></u>	\$ <u><u>3,750.20</u></u>

BOROUGH OF FLEMINGTON

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2016	C	\$	334,854.45
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-9	\$	75,000.00
Premium on Sale of Notes	C-1		35,101.00
Grants Receivable	C-11		274,500.75
Improvement Authorizations Refunded	C-7		4,600.00
Bond Anticipation Notes	C-8		2,603,878.00
Interfunds	C-4		<u>1,097,404.46</u>
			4,090,484.21
		\$	<u>4,425,338.66</u>
Decreased by Disbursements:			
Bond Anticipation Notes	C-8	\$	2,000,628.00
Contracts Payable	C-6		1,149,853.14
Interfunds	C-4		<u>999,886.09</u>
			4,150,367.23
Balance, December 31, 2017	C:C-3	\$	<u><u>274,971.43</u></u>

"C-3"

BOROUGH OF FLEMINGTON

GENERAL CAPITAL FUND

ANALYSIS OF CASH

	BALANCE DECEMBER <u>31, 2017</u>
Fund Balance	\$ 72,324.81
Capital Improvement Fund	427,832.81
Grants Receivable	(1,056,990.50)
Interfunds Receivable	(503,671.18)
Interfunds Payable	375,195.80
Reserve For:	
Contracts Payable	100,216.78
Miscellaneous Deposits	91,022.31
Improvement Authorizations Funded as Set Forth on "C-7"	1,020,906.14
Improvement Authorizations Expended as Set Forth on "C-5"	(473,037.15)
Unexpended Proceeds of Bond Anticipation Notes Issued as Set Forth on "C-5"	<u>221,171.61</u>
	\$ <u><u>274,971.43</u></u>
<u>REF.</u>	C-2

BOROUGH OF FLEMINGTON

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>WATER CAPITAL FUND</u>	<u>SEWER CAPITAL FUND</u>
Balance, December 31, 2016:					
Due From	C	\$ <u>225,993.75</u>	\$ <u>225,993.75</u>	\$ _____	\$ _____
Increased by:					
Receipts	C-2	<u>1,097,404.46</u>	<u>1,023.32</u>	<u>732,658.79</u>	<u>363,722.35</u>
Decreased by:					
Disbursements	C-2	<u>999,886.09</u>	<u>278,700.75</u>	<u>721,185.34</u>	_____
Balance, December 31, 2017:					
Due From	C	\$ 503,671.18	\$ 503,671.18	\$ _____	\$ _____
Due To	C	<u>375,195.80</u>	<u>_____</u>	<u>11,473.45</u>	<u>363,722.35</u>

BOROUGH OF FLEMINGTONGENERAL CAPITAL FUNDSCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ANALYSIS OF BALANCE, DECEMBER 31, 2017				ANALYSIS OF BALANCE, DECEMBER 31, 2017			
		BALANCE DECEMBER 31, 2016	RAISED IN BUDGET	BALANCE DECEMBER 31, 2017	BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS		
2002-21	Purchase of Various Equipment and a Dump Truck	\$ 47,500.00	\$	\$ 47,500.00		\$ 47,500.00	\$		
2003-09	General Road Resurfacing and Rehabilitation - Broad Street Section I	7,112.00		7,112.00		7,112.00			
2003-32	Purchase of an Ambulance	55,000.00		55,000.00		47,936.78	7,063.22		
2005-10	Acquisition of Various Office and Computer Equipment	47,500.00		47,500.00		47,500.00			
2005-11	Various Public Works Improvements and Equipment	47,500.00		47,500.00		47,500.00			
2005-23	Various Improvements to Borough Buildings and Properties	460,833.00	8,700.00	452,133.00		47,500.00			
2006-03	Acquisition of Various Fire Department Equipment	19,000.00		19,000.00	452,133.00				
2006-17	Improvements to Main Street Sidewalks	118,750.00		118,750.00		19,000.00			
2008-18	Pennsylvania Avenue Road Improvement	19,915.00		19,915.00	118,750.00				
2010-11	Realignment and Reconstruction of Park Avenue - Section III					15,485.69	4,429.31		
2010-11	Refurbishment of a Fire Truck	38,000.00		38,000.00		38,000.00			
2011-04	Acquisition of Police Equipment	95,000.00		95,000.00		95,000.00			
2012-09	Storm Drain Improvement Project	119,000.00		119,000.00	119,000.00				
2012-17	Fire, Police and Road Equipment	41,562.50		41,562.50		41,562.50			
2013-13	Acquisition of Fire, Emergency Management, Police and Shade Tree Imp.	153,545.00	8,300.00	145,245.00					
2013-21	Various Road Repairs	855,000.00	22,000.00	833,000.00	145,245.00				
2014-25	Improvement to Capner and Allen Street	332,500.00		332,500.00	833,000.00				
2015-05	Acquisition of DPW Equipment	75,000.00		75,000.00	332,500.00				
2015-15	Acquisition of Fire/Police Equipment and Shade Tree Improvement	186,000.00		186,000.00	75,000.00				
2016-03	Main Street Streetscape	71,250.00		71,250.00	186,000.00				
2017-04	East Main St. Improvement Project				71,250.00				
2017-16	Acquisition of Various Equipment	271,000.00		271,000.00	271,000.00				
		209,000.00		209,000.00		66,440.18	142,559.82		
		\$ 2,789,967.50	\$ 39,000.00	\$ 3,230,967.50	\$ 2,803,878.00	\$ 473,037.15	\$ 154,052.35		
		C	C-8	C	C-8	C-3			
REF.									
C-7	Improvement Authorizations-Unfunded						\$ 375,223.96		
C-3	Less: Unexpended Proceeds of Bond						221,171.61		
	Anticipation Notes -Various						\$ 154,052.35		

BOROUGH OF FLEMINGTON

GENERAL CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 20,102.25
Increased by:		
Charges to Improvement Authorizations	C-7	1,229,967.67
		\$ <u>1,250,069.92</u>
Decreased by:		
Cash Disbursements	C-2	<u>1,149,853.14</u>
Balance, December 31, 2017	C	\$ <u><u>100,216.78</u></u>

BOROUGH OF FLEMINGTON

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE AMOUNT		BALANCE DECEMBER 31, 2016		2017 AUTHORIZATIONS	PAID OR CHARGED	REFUNDED	BALANCE DECEMBER 31, 2017							
					FUNDED	UNFUNDED				FUNDED	UNFUNDED						
General Improvements:																	
1996-13	Improvements to Public Works Facilities	05/13/96	\$	150,000.00	\$	85,283.72	\$	\$		\$	85,283.72	\$					
2002-09	Various Property Improvements for the E.D.C.	04/22/02		50,000.00									7,063.22				
2003-32	Purchase of an Ambulance	10/27/03		130,000.00													
2005-23	Various Improvements to Borough Buildings and Properties	09/26/05		1,500,000.00		79,749.32											
2008-19	Pennsylvania Avenue Road Improvements	10/14/08		600,000.00		39,712.14											
2011-04	Acquisition of Police Equipment	03/14/11		100,000.00		220.22											
2012-09	Storm Drain Improvement Project	05/29/12		125,000.00		16,765.58											
2012-17	Fire, Police and Road Equipment	10/12/12		43,750.00		4.30											
2013-13	Acq. of Fire, Emergency Management, Police and Shade Tree Imp.	07/29/13		162,045.00		3,340.19											
2014-25	Improvement to Capner and Allen Street	12/08/14		520,000.00		97,407.16											
2015-05	Acquisition of DPW Equipment	06/08/15		85,000.00		3,776.57											
2015-15	Acquisition of Fire/Police Equipment and Shade Tree Improvement	09/14/15		196,000.00		55,818.74											
2016-03	Main Street Streetscape	02/22/16		1,075,000.00		948,358.61											
2017-04	East Main St. Improvement Project	02/27/17		512,000.00													
2017-16	Acquisition of Various Equipment	10/23/17		220,000.00													
			\$	1,153,103.79	\$	736,393.98	\$	732,000.00	\$	1,229,967.67	\$	4,600.00	\$	1,020,906.14	\$	375,223.96	
						C		C		C-6		C-2		C-C-3		C-C-5	
Capital Improvement Fund																	
Deferred Charges to Future Taxation - Unfunded																	
Grants Receivable																	
			</														

Capital Improvement Fund
Deferred Charges to Future Taxation - Unfunded
Grants Receivable

C-9
C-5
C-11

SCHEDULE OF BOND ANTICIPATION NOTES

[illegible]

"C-9"

BOROUGH OF FLEMINGTON

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2016	C	\$	377,506.81
Increased by:			
2017 Budget Appropriation	C-2	\$	<u>75,000.00</u>
		\$	452,506.81
Decreased by:			
Appropriation to Finance			
Improvement Authorizations	C-7		<u>24,674.00</u>
Balance, December 31, 2017	C	\$	<u><u>427,832.81</u></u>

BOROUGH OF FLEMINGTON

GENERAL CAPITAL FUND

SCHEDULE OF MISCELLANEOUS DEPOSITS

	BALANCE DECEMBER <u>31, 2016</u>	BALANCE DECEMBER <u>31, 2017</u>
State Aid:		
Park Avenue	\$ 7,830.45	\$ 7,830.45
Preliminary Expenses:		
Renovation to Borough Hall	220.39	220.39
Reserve to Pay Debt	52,257.47	52,257.47
FEMA - Drainage Improvements	<u>30,714.00</u>	<u>30,714.00</u>
	<u>\$ 91,022.31</u>	<u>\$ 91,022.31</u>
<u>REF.</u>	C	C

"C-11"

BOROUGH OF FLEMINGTON

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 1,104,165.25
Increased by:		
Improvement Authorizations	C-7	<u>227,326.00</u>
		\$ 1,331,491.25
Decreased by:		
Receipts	C-2	<u>274,500.75</u>
Balance, December 31, 2017	C	<u>\$ 1,056,990.50</u>

"C-12"

SCHEDULE OF DEFERRED CHARGES
TO FUTURE TAXATION - FUNDED

Balance, December 31, 2016	C	\$ 3,400,000.00
Decreased by:		
Serial Bonds Paid by Budget	C-13	<u>395,000.00</u>
Balance, December 31, 2017	C	<u>\$ 3,005,000.00</u>

BOROUGH OF FLEMINGTON

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS		INTEREST RATE	BALANCE DECEMBER 31, 2016	DECREASED	BALANCE DECEMBER 31, 2017
			OUTSTANDING DECEMBER 31, 2017	DATE				
Refunding Bonds	5/30/14	\$ 1,615,000.00	\$ 100,000.00	1/15/18-19	3.00%	\$	\$	
				1/15/20-22	3.00%			
				1/15/23-24	3.00%			975,000.00
General Obligation	12/15/2015	2,500,000.00	100,000.00	12/15/2018-19	3.000%			
				12/15/2020-22	3.000%			
				12/15/2023	2.000%			
				12/15/2024-25	2.250%			
				12/15/2026	3.000%			
				12/15/2027-28	3.000%			
				12/15/2029-31	3.000%			
				12/15/2032	3.125%			
				12/15/2033	4.000%			
				12/15/2034-35	4.00%			
						2,425,000.00	85,000.00	2,340,000.00
						\$ 3,400,000.00	\$ 395,000.00	\$ 3,005,000.00

REF.

C

C

Bonds Paid by Budget

C-12

\$ 395,000.00

BOROUGH OF FLEMINGTON

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2017</u>
2002-21	Purchase of Various Equipment and a Dump Truck	\$ 47,500.00
2003-09	General Road Resurfacing and Rehabilitation - Broad Street Section I	7,112.00
2003-32	Purchase of an Ambulance	55,000.00
2005-10	Acquisition of Various Office and Computer Equipment	47,500.00
2005-11	Various Public Works Improvements and Equipment	47,500.00
2006-03	Acquisition of Various Fire Department Equipment	19,000.00
2008-19	Pennsylvania Avenue - Road Improvements	19,915.00
2010-11	Refurbishment of a Fire Truck	38,000.00
2011-04	Acquisition of Police Equipment	95,000.00
2012-17	Fire, Police and Road Equipment	41,562.50
2017-16	Acquisition of Various Equipment	<u>209,000.00</u>
		\$ <u><u>627,089.50</u></u>

BOROUGH OF FLEMINGTON

WATER UTILITY FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2016	D	\$ 146,355.68	\$ 167,794.01
Increased by Receipts:			
Collector	D-6	\$ 1,043,790.71	
Bond Anticipation Notes	D-27		2,397,000.00
Refund of Improvement Authorization	D-15		686.50
Interfunds	D-12:D-22	246,834.39	181,680.64
Loans Receivable	D-23	715.00	68,931.00
Appropriation Refunds	D-4		
Miscellaneous	D-3	76,326.08	
		<u>1,367,666.18</u>	<u>2,648,298.14</u>
		\$ 1,514,021.86	\$ 2,816,092.15
Decreased by Disbursements:			
2017 Appropriations	D-4	\$ 888,901.62	
2016 Appropriation Reserves	D-10	1,418.68	
Bond Anticipation Notes	D-27		1,617,000.00
Contracts Payable	D-14		1,331,018.88
Water Rent Overpayments	D-13	220.40	
Accrued Interest	D-9	189,335.55	
Interfunds	D-12:D-22	306,347.87	80,404.45
		<u>1,386,224.12</u>	<u>3,028,423.33</u>
Balance (Deficit), December 31, 2017	D	\$ 127,797.74	\$ (212,331.18)

"D-6"

BOROUGH OF FLEMINGTON
WATER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR

	<u>REF.</u>	<u>OPERATING</u>
Balance, December 31, 2016	D	\$ 23,325.34
Increased by Receipts:		
Consumer Accounts Receivable	D-7	\$ 1,068,571.69
Interest on Delinquent Accounts	D-3	7,024.83
Overpayments	D-13	<u>8,528.79</u>
		\$ <u>1,084,125.31</u>
		1,107,450.65
Decreased by Disbursements:		
Payment to Treasurer:		
Water Operating Fund	D-5	<u>1,043,790.71</u>
Balance, December 31, 2017	D	\$ <u><u>63,659.94</u></u>

"D-7"

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance, December 31, 2016	D	\$ 277,541.32
Increased by:		
Water Rents Levied - Net		<u>890,801.36</u>
		\$ <u>1,168,342.68</u>
Decreased by:		
Collection	D-3:D-6	<u>1,068,571.69</u>
Balance, December 31, 2017	D	\$ <u><u>99,770.99</u></u>

BOROUGH OF FLEMINGTON
WATER UTILITY OPERATING FUND
SCHEDULE OF INVENTORY

	<u>REF.</u>		
Balance, December 31, 2016	D	\$	31,759.83
Increased by:			
Adjustment to Valuation			<u>30,084.60</u>
Balance, December 31, 2017	D	\$	<u><u>61,844.43</u></u>

"D-9"

BOROUGH OF FLEMINGTON
WATER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST

	<u>REF.</u>		
Balance, December 31, 2016	D	\$	83,242.15
Increased by:			
Charges to Budget Appropriations	D-4	\$	<u>197,845.62</u>
		\$	<u>281,087.77</u>
Decreased by:			
Cash Disbursements	D-5		<u>189,335.55</u>
Balance, December 31, 2017	D	\$	<u><u>91,752.22</u></u>

"D-10"

BOROUGH OF FLEMINGTON

WATER UTILITY OPERATING FUND

SCHEDULE OF 2016 APPROPRIATION RESERVES

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Other Expenses	\$ 22,705.39	\$ 74,877.52	\$ 1,418.68	\$ 73,458.84
Social Security	<u>3,964.87</u>	<u>3,964.87</u>		<u>3,964.87</u>
	<u>\$ 26,670.26</u>	<u>\$ 78,842.39</u>	<u>\$ 1,418.68</u>	<u>\$ 77,423.71</u>
<u>REF.</u>	D			D-1
Balance, December 31, 2016	D-10	\$ 26,670.26	\$	
Encumbrances Payable	D-11	52,172.13		
Cash Disbursements	D-5		<u>1,418.68</u>	
		<u>\$ 78,842.39</u>	<u>\$ 1,418.68</u>	

"D-11"

BOROUGH OF FLEMINGTON

WATER UTILITY OPERATING FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2016	D	\$	87,029.15
Increased by:			
Charges to 2017 Appropriations	D-4		50,783.56
		\$	<u>137,812.71</u>
Decreased by:			
Canceled	D-1	\$	34,857.02
Transferred to Appropriation Reserves	D-10		<u>52,172.13</u>
			<u>87,029.15</u>
Balance, December 31, 2017	D	\$	<u><u>50,783.56</u></u>

BOROUGH OF FLEMINGTON

WATER UTILITY OPERATING FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>WATER CAPITAL FUND</u>	<u>SEWER OPERATING FUND</u>
Balance, December 31, 2016:					
Due From	D	\$ 399,036.73	\$ 4,897.73	\$ 394,139.00	\$
Due To	D	28,748.32			28,748.32
Increased by:					
Receipts	D-5	246,834.39		91,834.39	155,000.00
Decreased by:					
Cash Disbursements	D-5	306,347.87	1,763.84	204,584.03	100,000.00
Balance, December 31, 2017:					
Due From	D	\$ 513,550.21	\$ 6,661.57	\$ 506,888.64	\$
Due To	D	83,748.32			83,748.32

"D-13"

BOROUGH OF FLEMINGTON

WATER UTILITY OPERATING FUND

SCHEDULE OF OVERPAYMENTS

	<u>REF.</u>	
Balance, December 31, 2016	D	\$ 7,281.60
Increased by:		
Collector Receipts	D-6	8,528.79
		\$ <u>15,810.39</u>
Decreased by:		
Cash Disbursements	D-5	<u>220.40</u>
Balance, December 31, 2017	D	\$ <u><u>15,589.99</u></u>

"D-14"

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

Balance, December 31, 2016	D	\$ 380,720.00
Increased by:		
Charges to Improvement Authorizations	D-15	1,192,450.30
		\$ <u>1,573,170.30</u>
Decreased by:		
Cash Disbursements	D-5	<u>1,331,018.88</u>
Balance, December 31, 2017	D	\$ <u><u>242,151.42</u></u>

BOROUGH OF FLEMINGTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2016		2017 AUTHORIZATION	PAID OR CHARGED	BALANCE DECEMBER 31, 2017	
				FUNDED	UNFUNDED			FUNDED	UNFUNDED
General Improvements:									
1999-13	Replacement of Water Mains and Fire Hydrants on Park Ave.	06/14/99	\$ 200,000.00	\$	12,173.68	\$	\$	\$	12,173.68
2001-21	Water System Improvements	09/10/01	2,111,000.00	4,416.63			4,416.63		
2008-08/2009-13	Improvements to Wells 1, 4, 5, 7	04/28/08	2,520,000.00	246,189.64	74,549.00			247,189.64	73,549.00
2008-18	Various Water Infrastructure Repairs	10/14/08	150,000.00	1,225.00				1,225.00	
2011-01	Various Improvements - Well # 6	03/14/11	1,758,850.00	416,469.74				268,813.84	
2012-10/2012-20	Improvements to Water System Firm Capacity	12/18/12	2,300,000.00	12,579.89	1,380,745.00			1,322.64	1,380,745.00
2015-12	Water Improvements Walters Lane	07/27/15	1,052,699.00		146,208.07				110,895.80
2015-03	Acquisition of Water Dept. Equipment	06/08/15	40,000.00		15,525.42				15,306.53
2015-09	Installation of a New Water Well	06/08/15	765,000.00		590,259.50				139,305.89
2015-11	Water Main Extension Project	07/27/15	200,000.00		91,521.40				3,693.02
2016-10	Purchase & Installation of New Meters	06/13/16	780,000.00		392,847.09				
2017-11	New Water Storage Tanks & Other Water System Imp.	09/26/17	4,500,000.00			4,500,000.00			4,479,926.22
2017-14	Drilling of Test Water Wells	09/26/17	215,000.00			215,000.00			173,800.00
			\$	680,880.90	\$ 2,703,829.16	\$ 4,715,000.00	\$ 1,191,763.80	\$ 518,551.12	\$ 6,389,395.14
				D	D			D	D
		REF.							
	Deferred Charges to Future Taxation - Unfunded	D-28			\$ 4,715,000.00				
		D-21			\$ 4,715,000.00				
	Contracts Payable	D-14			\$ 1,192,450.30				
	Less: Refunds	D-5			686.50				
					\$ 1,191,763.80				

BOROUGH OF FLEMINGTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORDINANCE</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>PAYD BY BUDGET</u>	<u>TRANSFER TO RESERVE AMORTIZATION</u>	<u>BALANCE DECEMBER 31, 2017</u>
General Improvements:						
1999-13	Replacement of Water Mains and Fire Hydrants on Park Avenue	03/09/99	\$ 192,600.00	\$	\$	192,600.00
2001-21	Water System Improvements	09/10/01	211,416.00		211,416.00	
2008-08	Improvements to Wells 1, 4, 5, 7	04/28/08	1,007,700.74	173,384.43		1,181,085.17
2010-01	Various Water Department Equipment	02/08/10	4,000.00		4,000.00	
2011-01	Various Improvements - Well # 6	03/14/11	1,431,155.96	6,140.95		1,437,296.91
2013-10	Various Water Infrastructure Improvements and Equipment	05/29/13	180,000.00		180,000.00	
2015-03	Acquisition of Water Department Equipment	06/08/15	2,000.00			2,000.00
2015-12	Supplemental Ord 2014-13	07/27/15	400,000.00	1,500.00		401,500.00
			<u>\$ 3,428,872.70</u>	<u>\$ 181,025.38</u>	<u>\$ 395,416.00</u>	<u>\$ 3,214,462.08</u>
		<u>REE.</u>	<u>D</u>		<u>D-17</u>	<u>D</u>
	U.S.D.A. Loans Payable	D-24	\$	6,140.95		
	Bond Anticipation Notes	D-27		2,500.00		
	N.J.E.I.T. Loan Payable	D-26		<u>172,384.43</u>		
			\$	<u>181,025.38</u>		

"D-17"

BOROUGH OF FLEMINGTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>REF.</u>		
Balance, December 31, 2016	D	\$	3,819,748.53
Increased by:			
Payment of Bonds	D-25	\$	50,000.00
Payment of U.S.D.A. Loans	D-24		24,329.00
Transfer to Reserve from Deferred Amortization	D-16		<u>395,416.00</u>
			<u>469,745.00</u>
Balance, December 31, 2017	D	\$	<u><u>4,289,493.53</u></u>

"D-18"

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2016	D	\$	<u>16,357.38</u>
Balance, December 31, 2017	D	\$	<u><u>16,357.38</u></u>

BOROUGH OF FLEMINGTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR IMPROVEMENTS TO WATER TOWER

	<u>REF.</u>	
Balance, December 31, 2016	D	\$ <u>20,000.00</u>
Balance, December 31, 2017	D	\$ <u><u>20,000.00</u></u>

BOROUGH OF FLEMINGTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>	<u>TRANSFER FROM</u> <u>FIXED CAPITAL</u> <u>AUTHORIZED AND</u> <u>UNCOMPLETE</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>
Acquisition and Construction of a Water Distribution System	\$ 428,554.46	\$	\$ 428,554.46
River Intake Projects - Corcoran Street	7,000.00		7,000.00
Construction of Water Lines - East Main Street Garden Apartments	2,379.02		2,379.02
Reservoir to Bonnell Street	10,269.81		10,269.81
Water Meters	35,286.85		35,286.85
Fire Hydrants	7,874.42		7,874.42
Water Lines	69,338.09		69,338.09
General Equipment and Materials	35,024.70		35,024.70
Replacement of Buildings and Equipment	4,437.45		4,437.45
Engineering Costs	4,000.00		4,000.00
Improvement to Water System	625,863.86		625,863.86
Up-to-Date Map of All Water Lines	1,948.50		1,948.50
Chain Link Fences	385.00		385.00
Repair of Dam - Raritan River	5,268.18		5,268.18
Water Pumps	6,572.76		6,572.76
Construction of Water Lines - Court Street and Memorial Field	88,164.61		88,164.61
Purchase of Ductile Pipe	4,062.59		4,062.59
Purchase of Water Meters	8,956.68		8,956.68
Improvement and Installation of Water Main on Broad Street	28,491.71		28,491.71
Extension of Water Main on Emery Avenue	3,162.78		3,162.78
Purchase of a Pick-Up Truck	38,015.00		38,015.00
Replacement of the Existing Water Main From Church Street to the Circle at Route 12	75,000.00		75,000.00
Drilling of Well and Construction of Pump Facilities	21,805.19		21,805.19
Installation of New Fire Hydrants	37,938.06		37,938.06
Replacement of Water Mains and Fire Hydrants - Allen Street	86,250.00		86,250.00
Replacement of Water Mains and Fire Hydrants - Mine Street	105,000.00		105,000.00
Installation of Air Stripper	165,000.00		165,000.00
Installation of Air Stripper	85,000.00		85,000.00
Replacement of Water Main and Fire Hydrants- Mine Street and Grant Avenue	230,000.00		230,000.00
Replacement of Water Main and Fire Hydrant - Park Avenue	200,000.00		200,000.00
Replacement of Water Pumps	40,000.00		40,000.00
Construction and Engineering Fees for Rt. 12 Well Air Stripper	20,000.00		20,000.00
Replacement of Water Mains and Fire Hydrants on Mine Street	150,000.00		150,000.00
Route 31 Water Main Upgrades	45,000.00		45,000.00
Bonnell Street Water Improvements	160,000.00		160,000.00
Improvements to Municipal Water Tower	60,000.00		60,000.00
General Water Improvements and Rehab. - Broad Street Section I	238,000.00		238,000.00
General Water Improvements and Rehabilitation	50,000.00		50,000.00
Generators in Certain Pump Stations	70,000.00		70,000.00
Improvements for Various Water Mains	50,000.00		50,000.00
Water Improvement for Bonnell Street	250,000.00		250,000.00
Acquisition of a Mason Dump Truck	40,000.00		40,000.00
Memorial Field Air Stripper - Ord. 04-11	325,000.00		325,000.00
Mason Dump Truck - Ord. 06-04	40,000.00		40,000.00
Improvements to Water Mains - Ord. 06-11	100,000.00		100,000.00
Water Infrastructure Repairs/Improvements - Ord. 08-18	150,000.00		150,000.00
Refunding Bonds Ord 2014-09	445,000.00		445,000.00
Water System Improvements Ord. 2001-21		2,111,000.00	2,111,000.00
Various Water Equipment Ord. 2010-01		80,000.00	80,000.00
Various Water Infrastructure Improvements & Equip. Ord. 2013-10		180,000.00	180,000.00
	\$ 4,654,049.72	\$ 2,371,000.00	\$ 7,025,049.72
REF.	D	D-21	D

BOROUGH OF FLEMINGTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>GENERAL CAPITAL FUND</u>	<u>WATER OPERATING FUND</u>
Balance, December 31, 2016:				
Due To	D	\$ <u>394,139.00</u>	\$ <u> </u>	\$ <u>394,139.00</u>
Increased by:				
Cash Receipts	D-5	<u>181,680.64</u>	<u> </u>	<u>181,680.64</u>
Decreased by:				
Disbursements	D-5	<u>80,404.45</u>	<u>11,473.45</u>	<u>68,931.00</u>
Balance, December 31, 2017:				
Due From	D	\$ 11,473.45	\$ 11,473.45	\$
Due To	D	<u><u>506,888.64</u></u>	<u><u> </u></u>	<u><u>506,888.64</u></u>

BOROUGH OF FLEMINGTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF GRANTS/ LOANS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2016	D	\$	604,587.17
Decreased by:			
Cash Receipts	D-5		<u>68,931.00</u>
Balance, December 31, 2017	D	\$	<u><u>535,656.17</u></u>

BOROUGH OF FLEMINGTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF USDA LOANS PAYABLE

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF LOANS OUTSTANDING DECEMBER 31, 2017		INTEREST RATE	BALANCE DECEMBER 31, 2016	DECREASED	BALANCE DECEMBER 31, 2017
			DATE	AMOUNT				
Rural Development - Water	07/13/11	\$ 2,007,000.00	2018	\$ 25,374.00	4.125%	\$	\$	
			2019	26,464.00	4.125%			
			2020	27,600.00	4.125%			
			2021	28,786.00	4.125%			
			2022	30,022.00	4.125%			
			2023	31,312.00	4.125%			
			2024	32,657.00	4.125%			
			2025	34,060.00	4.125%			
			2026	35,522.00	4.125%			
			2027	37,048.00	4.125%			
			2028	38,640.00	4.125%			
			2029	40,299.00	4.125%			
			2030	42,030.00	4.125%			
			2031	43,835.00	4.125%			
			2032	45,718.00	4.125%			
			2033	47,681.00	4.125%			
			2034	49,729.00	4.125%			
			2035	51,865.00	4.125%			
			2036	54,093.00	4.125%			
			2037	56,417.00	4.125%			
			2038	58,840.00	4.125%			
			2039	61,367.00	4.125%			
			2040	64,003.00	4.125%			
			2041	66,752.00	4.125%			
			2042	69,619.00	4.125%			
			2043	72,609.00	4.125%			
			2044	75,728.00	4.125%			
			2045	78,980.00	4.125%			
			2046	82,372.00	4.125%			
			2047	85,911.00	4.125%			
			2048	89,600.00	4.125%			
			2049	93,449.00	4.125%			
			2050	97,463.00	4.125%			
			2051	99,410.00	4.125%			
						1,899,584.00	24,329.00	1,875,255.00

[illegible]

[illegible]

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2017</u>
			<u>DATE</u>	<u>LOANS OUTSTANDING DECEMBER 31, 2017</u>				
Trust Loan (W1009001-003/004)	2009	\$ 1,245,000.00	2018	\$ 60,000.00	5.00%	\$	\$	
			2019	65,000.00	5.25%			
			2020	65,000.00	5.50%			
			2021	70,000.00	5.50%			
			2022	75,000.00	5.50%			
			2023	75,000.00	5.50%			
			2024	80,000.00	5.00%			
			2025	85,000.00	5.00%			
			2026	90,000.00	5.00%			
			2027	95,000.00	5.00%			
Fund Loan (W1009001-003/004)	2009	1,230,500.00	2018	63,354.80		915,000.00	55,000.00	860,000.00
			2019	64,566.31				
			2020	62,499.17				
			2021	63,362.37				
			2022	64,058.99				
			2023	61,560.24				
			2024	62,090.27				
			2025	62,696.03				
			2026	63,150.36				
			2027	63,453.23				
Trust Loan (W1009001-003/004)	2010	155,000.00	2028	63,604.88		756,388.49	61,991.84	694,396.65
			2018	10,000.00	5.00%			
			2019	10,000.00	4.00%			
			2020	10,000.00	5.00%			
			2021	10,000.00	3.00%			
			2022	10,000.00	4.00%			
			2023	10,000.00	4.00%			
			2024	10,000.00	4.00%			
			2025	10,000.00	4.00%			
			2026	10,000.00	3.50%			
Fund Loan (W1009001-003/004)	2010	160,000.00	2027	10,000.00	4.00%			
			2028	10,000.00	4.00%			
			2029	10,000.00	4.00%	125,000.00	5,000.00	120,000.00
			2018-2028	8,135.58				
			2029	8,135.84		105,762.80	8,135.58	97,627.22

BOROUGH OF FLEMINGTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST FUND LOANS PAYABLE

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF LOANS OUTSTANDING</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2017</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Trust Loan (W1009001-006/007)	2013	\$ 230,000.00	2018	\$ 5,000.00	4.00%	\$	\$	
			2019	10,000.00	4.00%			
			2020	10,000.00	4.00%			
			2021	15,000.00	4.00%			
			2022	15,000.00	4.00%			
			2023	15,000.00	5.00%			
			2024	15,000.00	5.00%			
			2025	15,000.00	3.00%			
			2026	15,000.00	3.00%			
			2027	15,000.00	3.00%			
			2028	15,000.00	3.00%			
			2029	15,000.00	3.00%			
			2030	15,000.00	3.00%			
			2031	15,000.00	3.00%			
			2032	15,000.00	3.00%	210,000.00	5,000.00	205,000.00
Fund Loan (W1009001-006/007)	2013 Defeased 2015	689,255.00	2018-2031	37,257.01		574,853.97	37,257.01	537,596.96
		(15,049.00)	2032	15,998.82				
		\$ 674,206.00				\$ 2,687,005.26	\$ 172,384.43	\$ 2,514,620.83
					<u>REF.</u>	D	D-16	D

BOROUGH OF FLEMINGTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>AUTHORIZATIONS</u>	<u>NOTES PAID IN BUDGET</u>	<u>NOTES ISSUED</u>	<u>BALANCE DECEMBER 31, 2017</u>
1995-36 & 1997-4	Installation of Air Stripper	\$ 951.19 \$	\$			\$ 951.19
1997-17	Replacement of Water Mains and Fire Hydrants on Park Ave.	10,850.00				10,850.00
1999-13	Replacement of Water Mains and Fire Hydrants on Park Ave.	27,400.00				27,400.00
1999-23	Replacement of Water Mains and Fire Hydrants on Mine St.	122,000.00				122,000.00
2004-11	Memorial Field Air Stripper	240,500.00				240,500.00
2004-13	Improvements for Various Water Mains	45,000.00				45,000.00
2006-11	Improvements for Various Water Mains and Wells	70,000.00				70,000.00
2008-08	Improvements to Wells 1,4,5,7	74,549.00		1,000.00	58,500.00	15,049.00
2010-01	Various Water Department Equipment	76,000.00				76,000.00
2012-10/20	Improvements to Water System Firm Capacity Phase I	1,380,745.00			1,000,000.00	380,745.00
2014-13	Water Improvements - Waites Lane	560,000.00		1,500.00	558,500.00	
2015-03	Acquisition of Water Dept. Equipment	38,000.00				38,000.00
2015-09	Installation of a New Water Well	765,000.00				765,000.00
2015-11	Water Main Extension Project	200,000.00				200,000.00
2015-12	Supplemental Ord 2014-13	652,699.00				652,699.00
2016-10	Purchase & Installation of New Water Meters	780,000.00			780,000.00	
2017-11	New Water Storage Tanks & Other Water System Improvements		4,500,000.00			4,500,000.00
2017-14	Drilling of Test Water Wells		215,000.00			215,000.00
		<u>\$ 5,043,694.19 \$</u>	<u>4,715,000.00 \$</u>	<u>2,500.00 \$</u>	<u>2,397,000.00 \$</u>	<u>7,359,194.19</u>

REF.

D-15

D-27

D-27

BOROUGH OF FLEMINGTON

SEWER UTILITY FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2016	E	\$ <u>2,055,056.81</u>	\$ <u>57,387.52</u>
Increased by Receipts:			
Collector	E-5	\$ 1,539,710.12	\$
Miscellaneous	E-2	2,064.57	
Interfunds	E-7:E-17	250,000.00	800,085.55
Budget Appropriation			
Capital Improvement Fund	E-14		10,000.00
Bond Anticipation Notes	E-22		390,656.00
		\$ <u>1,791,774.69</u>	\$ <u>1,200,741.55</u>
		\$ <u>3,846,831.50</u>	\$ <u>1,258,129.07</u>
Decreased by Disbursements:			
2017 Appropriations	E-3	\$ 1,439,167.60	\$
2016 Appropriation Reserves	E-10	254,501.09	
Contracts Payable	E-12		424,445.16
Interfunds	E-7:E-17	2,028,025.83	363,722.35
Bond Anticipation Notes	E-22		390,656.00
Refund of Overpayments	E-9	95.89	
Accrued Interest	E-8	75,466.57	
		\$ <u>3,797,256.98</u>	\$ <u>1,178,823.51</u>
Balance, December 31, 2017	E	\$ <u><u>49,574.52</u></u>	\$ <u><u>79,305.56</u></u>

"E-5"

BOROUGH OF FLEMINGTON

SEWER UTILITY OPERATING FUND

SCHEDULE OF CASH - COLLECTOR

	<u>REF.</u>	<u>OPERATING</u>
Balance, December 31, 2016	E	\$ 32,090.63
Increased by Receipts:		
Consumer Accounts Receivable	E-6	\$ 1,787,662.71
Overpayments	E-9	90.42
Interest on Delinquent Accounts	E-2	11,092.20
Miscellaneous	E-2	<u>1,906.98</u>
		1,800,752.31
		\$ <u>1,832,842.94</u>
Decreased by Disbursements:		
Payment to Treasurer:		
Sewer Operating Fund	E-4	<u>1,539,710.12</u>
Balance, December 31, 2017	E	\$ <u><u>293,132.82</u></u>

"E-6"

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance, December 31, 2016	E	\$ 280,029.87
Increased by:		
Sewer Rents Levied-Net		<u>1,702,332.50</u>
		\$ <u>1,982,362.37</u>
Decreased by:		
Collection	E-2:E-5	<u>1,787,662.71</u>
Balance, December 31, 2017	E	\$ <u><u>194,699.66</u></u>

BOROUGH OF FLEMINGTON

SEWER UTILITY OPERATING FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>WATER OPERATING FUND</u>	<u>SEWER CAPITAL FUND</u>
Balance, December 31, 2016:					
Due From	E	\$ 37,886.07	\$ 9,137.75	\$ 28,748.32	\$
Increased by:					
Cash Receipts	E-4	250,000.00	250,000.00		
Decreased by:					
Cash Disbursements	E-4	2,028,025.83	1,172,940.28	55,000.00	800,085.55
Balance, December 31, 2017:					
Due From	E	\$ 1,815,911.90	\$ 932,078.03	\$ 83,748.32	\$ 800,085.55

"E-8"

BOROUGH OF FLEMINGTON
SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST

	<u>REF.</u>		
Balance, December 31, 2016	E	\$	34,301.66
Increased by:			
Budget Appropriation	E-3		<u>77,349.00</u>
		\$	<u>111,650.66</u>
Decreased by:			
Cash Disbursements	E-4	\$	75,466.57
Cancelled	E-1		<u>1,672.08</u>
			<u>77,138.65</u>
Balance, December 31, 2017	E	\$	<u><u>34,512.01</u></u>

"E-9"

SCHEDULE OF SEWER OVERPAYMENTS

Balance, December 31, 2016	E	\$	125.08
Increased by:			
Collector Receipts	E-5		<u>90.42</u>
		\$	<u>215.50</u>
Decreased by:			
Refunded	E-4	\$	95.89
Canceled	E-1		<u>118.71</u>
			<u>214.60</u>
Balance, December 31, 2017	E	\$	<u><u>0.90</u></u>

BOROUGH OF FLEMINGTON
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Operating:				
Other Expenses:	\$	\$	\$	\$
Administration	43,727.80	80,729.10	48,054.20	32,674.90
RTMUA - Share of Costs	927,562.39	927,562.39	193,014.64	734,547.75
Purchases of Equipment	50,000.00	50,000.00	13,432.25	36,567.75
Social Security System (O.A.S.I.)	983.67	983.67		983.67
	<u>\$ 1,022,273.86</u>	<u>\$ 1,059,275.16</u>	<u>\$ 254,501.09</u>	<u>\$ 804,774.07</u>
<u>REF.</u>	E			E-1
Balance, December 31, 2016	E-10	\$ 1,022,273.86	\$	
Cash Disbursements	E-4		254,501.09	
Encumbrances Payable	E-11	37,001.30		
		<u>\$ 1,059,275.16</u>	<u>\$ 254,501.09</u>	

"E-11"

BOROUGH OF FLEMINGTON

SEWER UTILITY OPERATING FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2016	E	\$	40,113.60
Increased by:			
Charges to 2017 Appropriations	E-3		507,695.87
		\$	<u>547,809.47</u>
Decreased by:			
Canceled	E-1	\$	3,112.30
Transferred to Appropriation Reserves	E-10		<u>37,001.30</u>
			<u>40,113.60</u>
Balance, December 31, 2017	E	\$	<u><u>507,695.87</u></u>

"E-12"

SEWER UTILITY CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

Increased by:			
Charges to Improvement Authorizations	E-15	\$	<u>424,445.16</u>
Decreased by:			
Cash Disbursements	E-4	\$	<u><u>424,445.16</u></u>

"E-13"

BOROUGH OF FLEMINGTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR DEBT SERVICE

	<u>REF.</u>	
Balance, December 31, 2016	E	\$ <u>11,627.70</u>
Balance, December 31, 2017	E	\$ <u><u>11,627.70</u></u>

"E-14"

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2016	E	\$ 167,492.00
Increased by:		
Budget Appropriation	E-4	<u>10,000.00</u>
Balance, December 31, 2017	E	\$ <u><u>177,492.00</u></u>

BOROUGH OF FLEMINGTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2016	TRANSFER TO FIXED CAPITAL	BALANCE DECEMBER 31, 2017
		DATE	AMOUNT			
	General Improvements:					
1996-16	Improvements to Sanitary Sewer System	06/10/96	\$ 1,584,586.00	\$ 1,584,586.00	\$	1,584,586.00
2002-10	Installation of Sanitary Sewer and Laterals Along Bonnell Street and Park Avenue	05/13/02	184,236.00	184,236.00		184,236.00
2004-17	Sewer Improvements-Bonnell Street	05/10/04	300,000.00	300,000.00		300,000.00
2007-12	Various Sewer Improvements	06/11/07	2,338,000.00	2,338,000.00	2,338,000.00	
2013-09	Various Sewer Infrastructure Improvements and Equipment	05/29/13	35,000.00	35,000.00		35,000.00
2014-12	Sewer Improvements-Walters Lane	06/25/14	270,000.00	270,000.00		270,000.00
2015-04	Acquisition of Sewer Dept. Equipment	06/08/15	30,000.00	30,000.00		30,000.00
2015-10	Amending Ord. 2014-12	07/27/15	1,282,301.00	1,282,301.00		1,282,301.00
			\$	6,024,123.00	\$ 2,338,000.00	\$ 3,686,123.00
			REF.	E	E-18	E

BOROUGH OF FLEMINGTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>GENERAL CAPITAL FUND</u>	<u>SEWER OPERATING FUND</u>
Increased by:				
Cash Receipts	E-4	\$ <u>800,085.55</u>	\$ _____	\$ <u>800,085.55</u>
Decreased by:				
Disbursements	E-4	\$ <u>363,722.35</u>	\$ <u>363,722.35</u>	\$ _____
Balance, December 31, 2017:				
Due From	E	\$ 363,722.35	\$ 363,722.35	\$
Due To	E	<u>800,085.55</u>	<u> </u>	<u>800,085.55</u>

BOROUGH OF FLEMINGTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>	<u>TRANSFER FROM</u> <u>FIXED CAPITAL</u> <u>AUTHORIZED</u> <u>UNCOMPLETED</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>
Rehabilitation of Sewer System Piping	\$ 868,479.35	\$	\$ 868,479.35
Purchase of a Dump Truck	50,000.00		50,000.00
Purchase of Pickup Truck	25,000.00		25,000.00
Purchase of a Four Wheel Drive Pickup Truck	30,000.00		30,000.00
Various Sewer Improvements - Ord. 2003-20	75,000.00		75,000.00
Various Sewer Improvements - Ord. 2004-09	50,000.00		50,000.00
Broad St. Sections I and II - Sewer Rehabilitation - Ord. 2003-29	246,000.00		246,000.00
Various Sewer Improvements - Ord. 2006-02	50,000.00		50,000.00
Various Sewer Improvements - Ord. 2012-18	120,000.00		120,000.00
Various Sewer Improvements to Williams, Spring & Maple St. - Ord. 2013-20	180,002.00		180,002.00
Various Sewer Improvements - Ord. 2007-12		2,338,000.00	2,338,000.00
	<u>\$ 1,694,481.35</u>	<u>2,338,000.00</u>	<u>\$ 4,032,481.35</u>
<u>REF.</u>	E	E-16	E

BOROUGH OF FLEMINGTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2016	E	\$ <u>400,000.00</u>
Balance, December 31, 2017	E	\$ <u><u>400,000.00</u></u>

BOROUGH OF FLEMINGTONSEWER UTILITY CAPITAL FUNDSCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORDINANCE</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>PAID BY BUDGET</u>	<u>TRANSFER TO RESERVE FOR AMORTIZATION</u>	<u>BALANCE DECEMBER 31, 2017</u>
General Improvements:						
1996-16 2002-10	Improvements to Sanitary Sewer System Installation of Sanitary Sewer and Laterals along Bonnell Street and Park Avenue	06/10/96	\$ 1,584,586.00	\$	\$	1,584,586.00
2004-17	Sewer Improvements - Bonnell Street	05/13/02	20,263.00	10,000.00		30,263.00
2007-12	Various Sewer Improvements	05/10/04	100,000.00			100,000.00
2013-09	Various Sewer Infrastructure Improvements and Equipment	06/25/07	691,931.00		691,931.00	
2015-04	Acquisition of Sewer Dept. Equipment	05/29/13	35,000.00			35,000.00
2015-10	Amending Ord. 2014-12	06/08/15	2,000.00			2,000.00
		07/27/15	400,000.00			400,000.00
			<u>\$ 2,833,780.00</u>	<u>\$ 10,000.00</u>	<u>\$ 691,931.00</u>	<u>\$ 2,151,849.00</u>
			E	E-22	E-21	E

REF.

BOROUGH OF FLEMINGTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>REF.</u>		
Balance, December 31, 2016	E	\$	1,455,981.35
Increased by:			
Transfer from Reserve for			
Deferred Amortization	E-20	\$	691,931.00
U.S.D.A. Loans Paid	E-23		<u>21,651.00</u>
			<u>713,582.00</u>
Balance, December 31, 2017	E	\$	<u><u>2,169,563.35</u></u>

BOROUGH OF FLEMINGTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>		<u>BALANCE DECEMBER 31, 2016</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2017</u>
2004-17	Bonnell Street Sewer Improvements	4/4/2013	03/30/16 03/29/17	03/29/17 01/16/18	2.00% 2.25%	\$	130,656.00 \$	125,656.00	130,656.00 \$	125,656.00
2014-12	Walter's Lane Sewer Improvements	04/01/15	03/30/16 03/29/17	03/29/17 01/16/18	2.00% 2.25%		270,000.00	265,000.00	270,000.00	265,000.00
						\$	<u>400,656.00 \$</u>	<u>390,656.00 \$</u>	<u>400,656.00 \$</u>	<u>390,656.00</u>
						<u>REF.</u>	E	E-4; E-24		E
						Cash Disbursements				
						E-4		\$	390,656.00	
						Notes Paid by Budget			<u>10,000.00</u>	
								\$	<u>400,656.00</u>	

BOROUGH OF FLEMINGTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF USDA LOANS PAYABLE

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF LOANS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2016	DECREASED	BALANCE DECEMBER 31, 2017
			DATE	AMOUNT				
Rural Development - Sewer	7/13/11	\$ 1,742,000.00	2018	\$ 22,552.00	4.125%	\$	\$	
			2019	23,492.00	4.125%			
			2020	24,472.00	4.125%			
			2021	25,492.00	4.125%			
			2022	26,553.00	4.125%			
			2023	27,660.00	4.125%			
			2024	28,814.00	4.125%			
			2025	30,014.00	4.125%			
			2026	31,265.00	4.125%			
			2027	32,568.00	4.125%			
			2028	33,925.00	4.125%			
			2029	35,339.00	4.125%			
			2030	36,812.00	4.125%			
			2031	38,346.00	4.125%			
			2032	39,944.00	4.125%			
			2033	41,609.00	4.125%			
			2034	43,343.00	4.125%			
			2035	45,149.00	4.125%			
			2036	47,030.00	4.125%			
			2037	48,990.00	4.125%			
			2038	51,033.00	4.125%			
			2039	53,159.00	4.125%			
			2040	55,375.00	4.125%			
			2041	57,683.00	4.125%			
			2042	60,087.00	4.125%			
			2043	62,591.00	4.125%			
			2044	65,199.00	4.125%			
			2045	67,916.00	4.125%			
			2046	70,746.00	4.125%			
			2047	73,695.00	4.125%			
			2048	76,766.00	4.125%			
			2049	79,966.00	4.125%			
			2050	83,298.00	4.125%			
			2051	83,535.00	4.125%			
						1,646,069.00	21,651.00	1,624,418.00
						<u>\$ 1,646,069.00</u>	<u>\$ 21,651.00</u>	<u>\$ 1,624,418.00</u>

REF.

E

E-21

E

BOROUGH OF FLEMINGTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>NOTES PAID IN BUDGET</u>	<u>NOTES ISSUED</u>	<u>BALANCE DECEMBER 31, 2017</u>
2002-10	Installation of Sanitary Sewer and Laterals Along Bonnell Street and Park Avenue	\$ 165,675.00	\$		\$ 165,675.00
2002-20	Purchase of a Dump Truck Park Avenue	45,000.00			45,000.00
2003-29	Broad Street Sections I and II Sewer Rehabilitation	146,000.00			146,000.00
2004-17	Sewer Improvements for Bonnell Street	198,298.00	5,000.00	125,656.00	67,642.00
2006-02	Various Sewer Improvements	47,500.00			47,500.00
2015-04	Acquisition of Sewer Dept. Equipment	28,000.00			28,000.00
2015-10	Supplement to Ord 2014-12	1,152,301.00	5,000.00	265,000.00	882,301.00
		<u>\$ 1,782,774.00</u>	<u>10,000.00</u>	<u>390,656.00</u>	<u>1,382,118.00</u>
	<u>REF.</u>		<u>E-22</u>	<u>E-22</u>	

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PART II

BOROUGH OF FLEMINGTON

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2017

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - CURRENT FUND

	YEAR 2017		YEAR 2016	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 85,000.00	0.55%	\$ 62,682.00	0.40%
Miscellaneous-From Other Than Local				
Property Tax Levies	1,078,906.84	6.99%	1,231,431.67	7.83%
Collection of Delinquent Taxes and				
Tax Title Liens	301,233.38	1.95%	358,817.17	2.28%
Collection of Current Tax Levy	13,976,338.69	90.50%	14,074,718.10	89.49%
<u>TOTAL INCOME</u>	<u>\$ 15,441,478.91</u>	<u>100.00%</u>	<u>\$ 15,727,648.94</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 5,231,510.92	34.35%	\$ 5,174,460.46	33.65%
County Taxes	1,545,876.55	10.15%	1,604,717.50	10.44%
School Taxes	8,046,018.00	52.84%	8,215,340.00	53.43%
Other	404,750.83	2.66%	381,194.72	2.48%
<u>TOTAL EXPENDITURES</u>	<u>\$ 15,228,156.30</u>	<u>100.00%</u>	<u>\$ 15,375,712.68</u>	<u>100.00%</u>
Excess in Revenue	\$ 213,322.61		\$ 351,936.26	
Fund Balance, January 1	452,459.00		163,204.74	
	\$ 665,781.61		\$ 515,141.00	
Less: Utilization as Anticipated Revenue	85,000.00		62,682.00	
Fund Balance, December 31	<u>\$ 580,781.61</u>		<u>\$ 452,459.00</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE-WATER UTILITY FUND

	<u>YEAR 2017</u>		<u>YEAR 2016</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 159,700.00	11.22%	\$ 144,300.00	10.70%
Collection of Water Rents	1,068,571.69	75.05%	1,112,733.16	82.52%
Miscellaneous-From Other Than Water Rents	<u>195,631.64</u>	<u>13.74%</u>	<u>91,436.72</u>	<u>6.78%</u>
<u>TOTAL INCOME</u>	<u>\$ 1,423,903.33</u>	<u>100.00%</u>	<u>\$ 1,348,469.88</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 756,500.00	61.02%	\$ 701,500.00	61.19%
Deferred Charges and Statutory Expenditures	30,000.00	2.42%	25,000.00	2.18%
Debt Service	453,200.00	36.56%	419,781.09	36.62%
Other	<u></u>	<u></u>	<u>188.77</u>	<u>0.02%</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 1,239,700.00</u>	<u>100.00%</u>	<u>\$ 1,146,469.86</u>	<u>100.00%</u>
Excess in Revenue	\$ 184,203.33		\$ 202,000.02	
Fund Balance, January 1	<u>335,746.27</u>		<u>278,046.25</u>	
	\$ 519,949.60		\$ 480,046.27	
Less: Utilization as Anticipated Revenue	<u>159,700.00</u>		<u>144,300.00</u>	
Fund Balance, December 31	<u>\$ 360,249.60</u>		<u>\$ 335,746.27</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE-SEWER UTILITY FUND

	YEAR 2017		YEAR 2016	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 771,000.00	22.79%	\$ 692,000.00	22.31%
Collection of Sewer Rents	1,787,662.71	52.84%	1,653,006.79	53.29%
Miscellaneous - From Other Than Sewer Rents	824,740.91	24.38%	756,702.02	24.40%
<u>TOTAL INCOME</u>	<u>\$ 3,383,403.62</u>	<u>100.00%</u>	<u>\$ 3,101,708.81</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 2,134,000.00	90.39%	\$ 2,142,000.00	89.87%
Deferred Charges and Statutory Expenditures	33,000.00	1.40%	25,000.00	1.05%
Capital Improvements	85,000.00	3.60%	50,000.00	2.10%
Debt Service	109,000.00	4.62%	166,427.71	6.98%
<u>TOTAL EXPENDITURES</u>	<u>\$ 2,361,000.00</u>	<u>100.00%</u>	<u>\$ 2,383,427.71</u>	<u>100.00%</u>
Excess in Revenue	\$ 1,022,403.62		\$ 718,281.10	
Fund Balance, January 1	1,028,219.31		1,001,938.21	
	\$ 2,050,622.93		\$ 1,720,219.31	
Less: Utilization as Anticipated Revenue	771,000.00		692,000.00	
Fund Balance, December 31	<u>\$ 1,279,622.93</u>		<u>\$ 1,028,219.31</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	<u>\$3.086</u>	<u>\$3.140</u>	<u>\$3.054</u>
Appointment of Tax Rate:			
Municipal	\$0.924	\$0.907	\$0.873
Municipal Library	0.033	0.035	0.035
County	0.312	0.328	0.328
County Open Space	0.031	0.032	0.032
Regional School	1.351	1.382	1.329
Regional High School	<u>0.435</u>	<u>0.456</u>	<u>0.457</u>

Assessed Valuations:

2017	<u>\$ 450,771,400.00</u>		
2016		<u>\$ 446,898,300.00</u>	
2015			<u>\$ 445,112,200.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2017	\$14,285,140.25	\$13,976,338.69	97.83%
2016	14,400,528.84	14,074,718.10	97.73%
2015	13,972,093.31	13,605,192.31	97.37%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison expressed in percentage of the total delinquent taxes, in relation to the tax levies of the last three years:

<u>DECEMBER 31, YEAR</u>	<u>TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2017	\$ 20,837.99	\$ 278,424.60	\$ 299,262.59	2.09%
2016	8,254.54	306,026.00	314,280.54	2.18%
2015	6,797.58	358,817.17	365,614.75	2.62%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>YEAR</u>	<u>AMOUNT</u>
2017	\$380,000.00
2016	\$380,000.00
2015	\$380,000.00

COMPARISON OF WATER UTILITY LEVIES

<u>YEAR</u>	<u>LEVY</u>	<u>CASH COLLECTIONS *</u>
2017	\$ 890,801.36	\$ 1,068,571.69
2016	1,285,933.31	1,112,733.16
2015	1,013,713.41	1,078,607.06

* Includes Collection of Prior Year Levies

COMPARISON OF SEWER UTILITY LEVIES

<u>YEAR</u>	<u>LEVY</u>	<u>CASH COLLECTIONS *</u>
2017	\$ 1,702,332.50	\$ 1,787,662.71
2016	1,754,041.59	1,653,006.79
2015	1,647,624.09	1,733,927.92

* Includes Collection of Prior Year Levies

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE</u> <u>DECEMBER 31</u>	<u>UTILIZED</u> <u>IN BUDGET OF</u> <u>SUCCEEDING YEAR</u>
Current Fund	2017	\$ 580,781.61	\$ 85,000.00
	2016	452,459.00	85,000.00
	2015	163,204.74	62,682.00
	2014	30,957.23	-0-
	2013	270,957.23	240,000.00
Water Utility Operating Fund	2017	\$ 360,249.60	\$ 291,000.00
	2016	335,746.27	159,700.00
	2015	278,046.25	144,300.00
	2014	167,358.54	115,000.00
	2013	51,087.80	20,000.00
Sewer Utility Operating Fund	2017	\$ 1,279,622.93	\$ 839,750.00
	2016	1,028,219.31	771,000.00
	2015	1,001,938.21	692,000.00
	2014	847,336.22	715,000.00
	2013	870,212.27	601,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
J. Philip Greiner	Mayor	**	
Marc Hain	Councilman and President of Council	**	
Brooke Liebowitz	Councilwoman and Vice President of Council	**	
John Gorman	Councilman	**	
Brian Swingle	Councilman	**	
Susan Peterson	Councilwoman	**	
Kim Tilly	Councilwoman	**	
Sallie Graziano	Borough Clerk	**	
Rebecca Newman	Tax and Utility Collector and Registrar of Vital Statistics	\$150,000.00	Selective Risks Insurance Company
William Hance	Chief Financial Officer, Treasurer, Deputy Tax Collector	\$50,000.00	Selective Risks Insurance Company
Jeffrey Klein	Construction/Zoning Official	**	

OFFICIALS IN OFFICE AND SURETY BONDS (CONTINUED)

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
Richard Jones	Fire Sub-Code Official	**	
Jerry Rotella	Chief of Police	**	
Eric Perkins	Municipal Court Judge	**	
Susan Fleming	Court Administrator, Violations Clerk	**	
Jayne Parsons	Deputy Court Administrator, Deputy Violations Clerk	**	
Edward Kerwin	Tax Assessor	**	
Robert Martucci	Borough Engineer	**	
Barry Goodman	Borough Attorney	**	

** Faithful performance position bond with automatic coverage - \$1,000,000.00 through the Statewide Insurance Fund

All bonds were examined and properly executed.

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GENERAL COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR N.J.S.A. 40A:11-4

Every contract or agreement for the performance of any work or the 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 amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c.198 (C.40A:11-3), except by contract or agreement.

Effective July 1, 2015, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00. In accordance with N.J.S.A. 40A:11-3 and authorized by a resolution of the governing body, the bid threshold for all purchases made by the Borough's qualified purchasing agent is increased to \$40,000.00.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$40,000.00 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.

The minutes indicate that bids were requested by public advertising for the following items:

East Main Street Water and Sewer Improvements
Well 10 Improvement Project
East Main Street Road Improvements

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed. Our audit of expenditures did not reveal any individual payments, contracts or agreements in excess of \$40,000.00 "for the performance of any work or the furnishing or hiring of any material or supplies," other than those where bids had been previously sought by public advertisement or where resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

The minutes indicate that resolutions authorizing contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 were awarded during 2017 for the following professional services:

Borough Attorney
Borough Auditor
Borough Engineer
Borough Planner
Borough Bond Counsel

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

The statute provides the method for authorizing interest and the maximum rate to be charged for the non-payment of taxes or assessments on or before the date when they would become delinquent.

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

BE IT RESOLVED by the Mayor and Common Council of the Borough of Flemington County of Hunterdon, State of New Jersey, as follows:

1. Taxes shall be collected quarterly on February 1, May 1, August 1 and November 1, 2017.
2. Interest shall be charged and calculated at the rate of 8% per annum on the first \$1,500.00 of the delinquency, and 18% per annum on any amount in excess of \$1,500.00 to be calculated from the date the tax was payable until the date the actual payment is received.
3. If a delinquency is over \$10,000.00 at year end an additional 6% flat penalty will be included.
4. Redemption fee for Tax Sale Certificates to the Municipality as follows:

2% on Certificates \$200.00 to \$5,000.00

4% on Certificates \$5,000.01 to \$10,000.00

6% on Certificates on \$10,000.01
5. There shall be a 10 day grace period, after which unpaid taxes will then be charged interest from the due date.

It appears from an examination of the records that interest was collected in accordance with the forgoing resolution.

DELINQUENT TAXES AND TAX TITLE LIENS

A tax sale was held on October 12, 2017 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

DELINQUENT TAXES AND TAX TITLE LIENS (CONTINUED)

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2017	3
2016	1
2015	1

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

CONFIRMATION OF DELINQUENT TAXES AND OTHER CHARGES

A confirmation of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services consisting of verification notices as follows:

<u>TYPE</u>	<u>NUMBER</u>
Delinquent Tax Positive Confirmation	5
Delinquent Utility Rent Positive Confirmation	5
Information Tax Current Positive Confirmation	5
Information Utility Rent Positive Confirmation	5

OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year.

It is the Borough's policy to review and liquidate all interfund balances on a periodic basis.

OTHER COMMENTS (CONTINUED)

Segregation of Duties

During our audit, we noted that the Borough does not maintain an adequate segregation of duties due to the limited size of the entity. Various financial functions such as bank reconciliations and maintaining of receipt and disbursement books are performed by a single individual. This is not unusual in operations the size of the Borough, but the Borough should constantly be aware of this condition and realize the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. It is suggested that the Borough review and monitor incompatible functions on an ongoing basis in order to achieve a minimum level of control over the various financial operations of the municipality.

Purchasing

The Borough did not maintain a complete encumbrance accounting system in accordance with the Division of Local Government Services Technical Accounting Directive #85-1. We noted that several purchase orders are processed as confirming orders. This is where goods have been received or services have been rendered prior to the issuance of a purchase order. In effect, the controls that minimize the possibility of overexpenditures and unauthorized purchases are not in operation.

RECOMMENDATIONS

*That a complete encumbrance accounting system be maintained in accordance with Technical Accounting Directive #85-1 and that the practice of issuing confirming orders be discontinued.

*Prior Year Recommendation

RECOMMENDATIONS

NONE

