

*Report of Audit*  
*on the*  
*Financial Statements*  
*of the*  
***Township of Cranford***  
*in the*  
*County of Union*  
*New Jersey*  
*for the*  
*Year Ended*  
*December 31, 2017*



## TOWNSHIP OF CRANFORD

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TOWNSHIP OF CRANFORD

PART I

INDEPENDENT AUDITOR'S REPORT ON  
AUDIT OF FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULES AND DATA

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2017 AND 2016



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail [info@scnco.com](mailto:info@scnco.com)

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members  
of the Township Council  
Township of Cranford  
County of Union  
Cranford, New Jersey 07016

### ***Report on the Financial Statements***

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Township of Cranford, 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 Township'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 standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



## SUPLEE, CLOONEY & COMPANY

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 Township of Cranford'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 Township of Cranford'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 Township of Cranford 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 Township of Cranford as of December 31, 2017 and 2016, the results of its operations and changes in fund balance for the years then ended, the statement of revenues or statement of 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 Township of Cranford's regulatory financial statements. The supplementary information and data 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 data 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 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 28, 2018 on our consideration of the Township of Cranford'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 Township of Cranford's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 419

June 28, 2018



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Cranford, New Jersey 07016-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail [info@scenco.com](mailto:info@scenco.com)

**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 Township Committee  
Township of Cranford  
County of Union  
Cranford, New Jersey 07016

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 Township of Cranford, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated June 28, 2018. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Cranford 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 Township'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 Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Township's internal control.

## SUPLEE, CLOONEY & COMPANY

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 Township of Cranford's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted a matter of noncompliance which is discussed in Part III, General Comments and Recommendations Section of the 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 Township of Cranford'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 Township of Cranford's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 419

June 28, 2018

CURRENT FUND

TOWNSHIP OF CRANFORD

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>ASSETS</u>			
Cash	A-4	\$ 16,283,929.16	\$ 9,403,882.84
Cash - Change Fund	A-6	930.00	660.00
Due State of New Jersey - Chapter 20, P.L.1971	A-16	9,072.61	7,719.87
Grants Receivable	A-19	240,892.14	386,318.82
		<u>\$ 16,534,823.91</u>	<u>\$ 9,798,581.53</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	\$ 795,472.09	\$ 845,915.15
Tax Title Liens Receivable	A-8	43,317.37	5,309.25
Delinquent Sewer Taxes Receivable	A-31	97,007.42	86,840.24
Sewer Charge Liens Receivable	A-32	149.44	9.44
Property Acquired for Taxes - Assessed Valuation	A-26	3,765,400.00	3,765,400.00
Revenue Accounts Receivable	A-9	33,595.38	41,321.97
Interfunds Receivable	A-10		15,527.67
	A	<u>\$ 4,734,941.70</u>	<u>\$ 4,760,323.72</u>
Deferred Charges:			
Emergency Appropriations	A-12	\$	\$ 848,073.00
		<u>\$</u>	<u>\$ 848,073.00</u>
		<u>\$ 21,269,765.61</u>	<u>\$ 15,406,978.25</u>

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

TOWNSHIP OF CRANFORD

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	\$ 1,697,683.04	\$ 1,466,861.50
Prepaid Taxes	A-17	7,438,540.46	484,515.24
Encumbrances Payable	A-33	534,067.60	1,240,714.53
Accounts Payable	A-20	2,045.00	16,438.72
County Taxes Payable	A-14	89,574.35	96,004.36
Sewer Overpayments	A-30		6,806.39
Reserve For:			
Grants - Unappropriated	A-23	36,760.86	910.80
Grants - Appropriated	A-24	483,415.82	372,222.93
DCA Fees Due State of New Jersey	A-28	9,147.00	10,909.00
Marriage Licenses Due State of New Jersey	A-29	2,800.00	2,525.00
Sale of Municipal Assets	A-22	268,000.00	268,000.00
Outside Liens	A-27	935.10	935.10
Maintenance of Free Public Library	A-21	10,055.02	2,867.85
Library	A-34	997.78	997.78
		\$ 10,574,022.03	\$ 3,970,709.20
Reserve for Receivables and Other Assets	A	4,734,941.70	4,760,323.72
Fund Balance	A-1	5,960,801.88	6,675,945.33
		\$ 21,269,765.61	\$ 15,406,978.25

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

TOWNSHIP OF CRANFORD

CURRENT FUND

STATEMENTS OF OPERATIONS AND CHANGE  
IN FUND BALANCE - REGULATORY BASIS

	<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</u>			
Fund Balance Utilized	A-2	\$ 3,000,000.00	\$ 2,277,600.00
Miscellaneous Revenue Anticipated	A-2	10,055,032.94	10,670,605.50
Receipts from Delinquent Taxes	A-2	839,179.58	853,316.82
Receipts from Current Taxes	A-2	101,676,287.79	98,158,642.47
Non-Budget Revenue	A-2	318,676.96	600,118.95
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	1,454,535.55	1,547,529.97
Interfunds Returned		15,527.67	89,835.47
Animal Control Excess Fees	A-10		15,527.67
Accounts Payable Canceled	A-20	16,205.87	
		<u>\$ 117,375,446.36</u>	<u>\$ 114,213,176.85</u>
<u>Total Income</u>			
<u>EXPENDITURES</u>			
Budget Appropriations:			
Operations Within "CAPS":			
Operating	A-3	\$ 23,702,849.87	\$ 23,825,910.16
Deferred Charges and Statutory Expenditures	A-3	3,033,349.00	2,950,562.00
Operations Excluded From "CAPS":			
Operating	A-3	4,003,299.16	4,578,069.78
Capital Improvements	A-3	200,000.00	1,063,073.00
Municipal Debt Service	A-3	4,642,302.46	4,217,923.41
Deferred Charges	A-3	848,073.00	222,078.31
County Taxes	A-14	22,694,185.62	21,909,777.48
County Share of Added Taxes	A-14	89,574.35	96,004.36
Local District School Tax	A-15	55,466,136.00	53,099,942.00
Special District Tax	A-11	177,292.00	189,828.00
Refund of Prior Year's Revenue	A-4	233,528.35	309,747.78
Interfunds Advanced			15,527.67
		<u>\$ 115,090,589.81</u>	<u>\$ 112,478,443.95</u>
<u>Total Expenditures</u>			
Excess in Revenue		\$ 2,284,856.55	\$ 1,734,732.90
Adjustments to Income Before Fund Balance:			
Expenditures Included above which are Deferred			
Charges to Budget of Succeeding Year			848,073.00
Statutory Excess to Fund Balance		\$ 2,284,856.55	\$ 2,582,805.90
<u>Fund Balance</u>			
Balance, January 1	A	6,675,945.33	6,370,739.43
		<u>\$ 8,960,801.88</u>	<u>\$ 8,953,545.33</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	3,000,000.00	2,277,600.00
Fund Balance, December 31	A	<u>\$ 5,960,801.88</u>	<u>\$ 6,675,945.33</u>

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



TOWNSHIP OF CRANFORD

CURRENT FUND

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

		<u>ANTICIPATED</u>			<u>EXCESS</u>
	<u>REF.</u>	<u>BUDGET</u>	<u>SPECIAL</u> <u>NJS 40A:4-87</u>	<u>REALIZED</u>	<u>OR</u> <u>(DEFICIT)</u>
Fund Balance Anticipated	A-1	\$ 3,000,000.00	\$	\$ 3,000,000.00	\$
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-9	\$ 25,900.00	\$	\$ 25,902.00	\$ 2.00
Other	A-2	20,850.00		19,184.00	(1,666.00)
Fees and Permits:					
Construction Code Official	A-9	940,000.00		933,264.00	(6,736.00)
Other	A-2	145,850.00		146,897.13	1,047.13
Fines:					
Municipal Court	A-9	497,000.00		442,962.94	(54,037.06)
Interest and Cost on Taxes	A-9	240,000.00		211,312.74	(28,687.26)
Parking Meters and Permits	A-9	794,200.00		831,930.92	37,730.92
Interest on Investments and Deposits	A-9	33,800.00		59,680.07	25,880.07
Cable TV Franchise Tax	A-9	369,000.00		376,150.25	7,150.25
Energy Receipts Tax	A-9	2,900,712.00		2,900,712.00	
Borough Of Winfield Park Police Dispatch	A-9	21,900.00		22,019.68	119.68
Clean Communities Program	A-19		43,547.45	43,547.45	
Recycling Tonnage Grant	A-19	39,559.26		39,559.26	
Drunk Driving Enforcement Fund	A-19		7,980.89	7,980.89	
Federal Bulletproof Vest Program	A-19	5,920.20	2,234.10	8,154.30	
Drive Sober or Get Pulled Over	A-19		11,000.00	11,000.00	
Alcohol Education Rehabilitation Fund	A-19		1,930.20	1,930.20	
Body Armor Replacement Fund	A-19		5,158.06	5,158.06	
Union County Senior Focus	A-19		18,462.00	18,462.00	
Union County Kids Trust Grant	A-19		60,000.00	60,000.00	
U Text U Drive U Lose	A-19		5,500.00	5,500.00	
Greening Union County	A-19		9,000.00	9,000.00	
Click it or Ticket	A-19		5,500.00	5,500.00	
Municipal Alliance	A-19	18,614.00		18,614.00	
General Capital Fund Balance	A-9	250,000.00		250,000.00	
Utility Operating Surplus	A-9	35,000.00		35,000.00	
Uniform Fire Safety Act	A-9	76,700.00		82,064.38	5,364.38
NJ Housing Finance Agency - P.I.L.O.T.	A-9	140,268.00		143,279.00	3,011.00
Cranford Lincoln Associates - P.I.L.O.T.	A-2	44,764.00		44,112.60	(651.40)
Library Cost Allocation	A-9	30,000.00		30,000.00	
Developer Debt	A-9	117,066.00		120,504.00	3,438.00
Ambulance Fees	A-9	361,800.00		337,548.86	(24,251.14)
Hotel Tax	A-9	139,975.00		139,333.13	(641.87)
Sewer Flow Use Charge		2,450,000.00		2,484,959.30	34,959.30
Conservation Center Fees	A-9	146,890.00		145,915.00	(975.00)
Cell Tower Lease	A-9	36,790.00		37,894.78	1,104.78
	A-1	\$ 9,882,558.46	\$ 170,312.70	\$ 10,055,032.94	\$ 2,161.78
Receipts from Delinquent Taxes	A-1	\$ 845,900.00		\$ 839,179.58	\$ (6,720.42)
Amount to be Raised by Taxation for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-7	\$ 22,731,187.79	\$	\$ 23,277,728.35	\$ 546,540.56
Minimum Library Tax	A-2:A-7	1,411,371.47		1,411,371.47	
		24,142,559.26		24,689,099.82	546,540.56
<u>Budget Totals</u>		\$ 37,871,017.72	\$ 170,312.70	\$ 38,583,312.34	\$ 541,981.92
Non-Budget Revenue	A-1:A-2			318,676.96	318,676.96
		\$ 37,871,017.72	\$ 170,312.70	\$ 38,901,989.30	\$ 860,658.88
	<u>REF.</u>	A-3	A-3		

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

TOWNSHIP OF CRANFORD

CURRENT FUND

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

	<u>REF.</u>	
Allocation of Current Tax Collections:		
Revenue From Collections	A-1:A-7	\$ 101,676,287.79
Allocated to:		
School and County Taxes		78,249,895.97
Special District Taxes		<u>177,292.00</u>
		\$ 23,249,099.82
Add: Appropriation - "Reserve for Uncollected Taxes"	A-3	<u>1,440,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$ <u><u>24,689,099.82</u></u>
Licenses - Other:		
Clerk	A-9	\$ 4,459.00
Board of Health	A-9	<u>14,725.00</u>
	A-2	\$ <u><u>19,184.00</u></u>
Fees and Permits - Other:		
Board of Health	A-9	\$ 15,112.50
Engineer	A-9	2,908.00
Police	A-9	35,367.78
Recreation	A-9	9,145.00
Board of Adjustment	A-9	56,426.85
Planning Board	A-9	10,578.00
Fire Department	A-9	16,699.00
Tax/Tax Assessor	A-9	<u>660.00</u>
	A-2	\$ <u><u>146,897.13</u></u>
Cranford Lincoln Associates - P.I.L.O.T.	A-9	\$ 49,014.00
Less:Refunded to Union County	A-4	<u>4,901.40</u>
		\$ <u><u>44,112.60</u></u>
<u>Analysis of Non-Budget Revenues</u>		
Senior Citizen and Veterans Administration Fee		\$ 3,416.18
Storm Reimbursements		112,719.43
Union County Tonnage Rebate		29,086.20
Administrative Fee Police Outside Duty		74,529.50
Auctions		14,630.00
DMV Inspections		3,144.21
Duplicate Tax Bills		1,240.00
Miscellaneous		<u>79,911.44</u>
	A-2:A-4	\$ <u><u>318,676.96</u></u>

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

TOWNSHIP OF CRANFORD

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS"</u>					
GENERAL GOVERNMENT					
Administrative and Executive:					
Salaries and Wages	\$ 268,800.24	\$ 274,800.24	\$ 267,873.55	\$ 6,926.69	\$
Other Expenses	128,700.00	183,700.00	156,430.88	27,269.12	
Channel 35:					
Salaries and Wages	74,000.00	77,000.00	72,415.22	4,584.78	
Other Expenses	22,800.00	22,800.00	11,564.43	11,235.57	
Elections:					
Other Expenses	20,000.00	20,000.00	17,995.63	2,004.37	
Township Committee:					
Salaries and Wages	26,000.00	26,000.00	13,046.00	12,954.00	
Other Expenses	28,000.00	28,000.00	21,982.27	6,017.73	
Township Clerk:					
Salaries and Wages	232,472.00	236,472.00	233,650.92	2,821.08	
Other Expenses	84,000.00	84,000.00	65,346.92	18,653.08	
Financial Administration:					
Salaries and Wages	320,595.42	330,595.42	324,150.94	6,444.48	
Other Expenses	137,000.00	142,000.00	139,733.50	2,266.50	
Audit	41,350.00	41,350.00	41,350.00		
Assessment of Taxes:					
Salaries and Wages	151,330.00	157,330.00	154,327.53	3,002.47	
Other Expenses	29,050.00	29,050.00	29,007.84	42.16	
Collection of Taxes:					
Salaries and Wages	158,000.00	165,000.00	158,242.94	6,757.06	
Other Expenses	39,100.54	39,100.54	35,179.98	3,920.56	
Legal Services and Costs:					
Other Expenses	475,000.00	445,000.00	443,407.04	1,592.96	
Public Defender:					
Salaries and Wages	4,000.00	4,000.00	4,000.00		
Insurance:					
General Liability	434,982.00	434,982.00	433,156.00	1,826.00	
Workers' Compensation	348,498.00	348,498.00	348,498.00		
Employee Group Health	4,339,885.74	4,339,885.74	4,134,869.81	205,015.93	
Group Insurance - Health Benefit Waiver	85,878.26	85,878.26	78,451.11	7,427.15	

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

TOWNSHIP OF CRANFORD

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>GENERAL GOVERNMENT (CONTINUED)</u>					
Engineering Services and Costs:					
Salaries and Wages	\$ 20,000.00	\$ 50,000.00	\$ 47,626.75	\$ 2,373.25	\$
Other Expenses	100,000.00	100,000.00	93,120.88	6,879.12	
Public Buildings and Grounds:					
Other Expenses	472,514.38	472,514.38	417,240.92	55,273.46	
Municipal Land Use Law - Planning Board (N.J.S. 40:55D-1):					
Other Expenses	14,500.00	14,500.00	14,374.04	125.96	
Zoning Board of Adjustment:					
Other Expenses	15,000.00	25,000.00	22,792.65	2,207.35	
Zoning/Planning Board of Adjustment:					
Salaries and Wages	149,464.00	149,464.00	98,367.71	51,096.29	
Other Expenses	17,100.00	17,100.00	6,552.68	10,547.32	
<u>PUBLIC SAFETY</u>					
Police:					
Salaries and Wages	5,885,286.00	5,885,286.00	5,783,157.85	102,128.15	
Other Expenses	251,612.00	251,612.00	199,207.21	52,404.79	
Fire:					
Salaries and Wages	3,082,582.68	3,082,582.68	2,874,166.33	208,416.35	
Other Expenses	527,123.00	527,123.00	525,939.41	1,183.59	
Uniform Fire Safety Act:					
Other Expenses	92,530.47	92,530.47	92,092.25	438.22	
Emergency Management Services:					
Salaries and Wages	192,000.00	192,000.00	188,688.31	3,311.69	
Other Expenses	46,000.00	46,000.00	41,480.18	4,519.82	
Emergency Management:					
Other Expenses	10,000.00	10,000.00	9,393.25	606.75	

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

TOWNSHIP OF CRANFORD

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELED
<u>STREETS AND ROADS</u>					
Road Repairs and Maintenance:					
Salaries and Wages	1,737,352.85 \$	1,737,352.85 \$	1,577,904.40 \$	159,448.45 \$	
Other Expenses	396,800.00	396,800.00	364,802.18	31,997.82	
Communications:					
Salaries and Wages	93,350.00	93,350.00	91,624.36	1,725.64	
Other Expenses					
Conservation Center:					
Salaries and Wages	43,156.25	43,156.25	38,931.35	4,224.90	
Other Expenses	166,500.00	166,500.00	123,832.54	42,667.46	
Recycling:					
Other Expenses	155,600.04	155,600.04	155,600.04		
<u>HEALTH AND WELFARE (BOARD OF HEALTH - LOCAL HEALTH AGENCY)</u>					
Board of Health:					
Salaries and Wages	146,960.00	146,960.00	118,796.98	28,163.02	
Other Expenses	127,700.00	127,700.00	111,692.64	16,007.36	
Environmental Commission:					
Other Expenses	3,500.00	3,500.00	2,264.68	1,235.32	
Animal Control:					
Other Expenses	43,000.00	43,000.00	38,000.00	5,000.00	
<u>RECREATION AND EDUCATION</u>					
Recreation:					
Salaries and Wages	248,949.00	248,949.00	230,563.34	18,385.66	
Salaries and Wages - Youth Services	30,997.00	30,997.00	23,311.38	7,685.62	
Other Expenses	55,500.00	55,500.00	53,840.96	1,659.04	
Celebration of Public Events:					
Other Expenses	5,250.00	5,250.00	4,431.06	818.94	
Senior Citizens' Bus Transportation Program:					
Salaries and Wages	23,400.00	23,400.00	15,064.91	8,335.09	
Municipal Court:					
Salaries and Wages	235,244.00	238,244.00	232,361.34	5,882.66	
Other Expenses	18,795.00	18,795.00	15,282.30	3,512.70	

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

TOWNSHIP OF CRANFORD

CURRENT FUND

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

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>BALANCE CANCELED</u>
STATE UNIFORM CONSTRUCTION CODE (N.J.S.A. 52:270-120 ET. SEQ.)					
Construction Official:					
Salaries and Wages	\$ 565,853.00 \$	565,853.00 \$	544,731.30 \$	21,121.70 \$	
Other Expenses	61,200.00	61,200.00	42,193.56	19,006.44	
UNCLASSIFIED:					
Salary Adjustment	149,588.00	40,588.00		40,588.00	
UTILITIES:					
Motor Oils and Fuels:					
Other Expenses	206,500.00	206,500.00	187,761.38	18,738.62	
Street Lighting:					
Other Expenses	290,000.00	290,000.00	230,173.29	59,826.71	
Utilities - All	572,500.00	572,500.00	391,830.68	180,669.32	
TOTAL OPERATIONS WITHIN "CAPS"	23,702,849.87	23,702,849.87	22,193,875.60	1,508,974.27	
DEFERRED CHARGES AND STATUTORY EXPENDITURES- MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures:					
Contribution to:					
Public Employee's Retirement System	646,810.00	646,810.00	577,375.57	69,434.43	
Social Security System	590,000.00	590,000.00	515,838.62	74,161.38	
Police and Firemen's Retirement System	1,796,539.00	1,796,539.00	1,796,539.00		
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"	3,033,349.00	3,033,349.00	2,889,753.19	143,595.81	

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

TOWNSHIP OF CRANFORD

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELED
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u>	\$ 26,736,198.87	\$ 26,736,198.87	\$ 25,083,628.79	\$ 1,652,570.08	\$
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Rahway Valley Sewerage Authority:					
Operating Expenses	1,626,631.00	1,626,631.00	1,626,631.00		
Maintenance Free Public Library	1,411,372.00	1,411,372.00	1,370,338.57	41,033.43	
Communications - 911:					
Salaries and Wages	384,337.00	384,337.00	380,257.47	4,079.53	
Tax Appeals	310,000.00	310,000.00	310,000.00		
LOSAP	10,000.00	10,000.00	10,000.00		
Township of Winfield- Police Dispatching					
Salaries and Wages	21,900.00	21,900.00	21,900.00		
<u>PUBLIC AND PRIVATE PROGRAMS OFF-SET BY REVENUES</u>					
County of Union - Greening Union County:					
Other Expenses (40A:4-87+\$9,000.00)		9,000.00	9,000.00		
Clean Communities Program (40A:4-87+\$43,547.45)		43,547.45	43,547.45		
Municipal Alcohol Education/Rehabilitation Program (40A:4-87+\$1,930.20)		1,930.20	1,930.20		
UC Kids Rec Grant Memorial Field (40A:4-87 + \$60,000.00)		60,000.00	60,000.00		
Recycling Tonnage Grant	39,559.26	39,559.26	39,559.26		
Federal Bulletproof Partnership (40A:4-87 + \$2,234.10)	5,920.20	8,154.30	8,154.30		
Drive Sober or Get Pulled Over (40A:4-87+\$11,000.00)		11,000.00	11,000.00		
Drunk Driving Enforcement Fund (40A:4-87+\$7,980.89)		7,980.89	7,980.89		
Click It Or Ticket (40A:4-87+\$5,500.00)		5,500.00	5,500.00		
Municipal Alliance	18,614.00	18,614.00	18,614.00		
Municipal Alliance - Match	4,653.00	4,653.00	4,653.00		
State Body Armor Replacement Program (40A:4-87+\$5,158.06)		5,158.06	5,158.06		
Union County Senior Focus Grant (40A:4-87 + \$18,462.00)		18,462.00	18,462.00		
U Drive U Text U Pay(40A:4-87 + \$5,500)		5,500.00	5,500.00		
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	3,832,986.46	4,003,299.16	3,958,186.20	45,112.96	

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

TOWNSHIP OF CRANFORD

CURRENT FUND

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

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$	
<u>TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>	200,000.00	200,000.00	200,000.00		
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	1,970,000.00	1,970,000.00	1,970,000.00		
Payment of Bond Anticipation Notes and Capital Notes	1,319,172.33	1,319,172.33	1,202,603.00		116,569.33
Interest on Bonds	502,879.00	502,879.00	502,879.00		
Interest on Notes	470,814.24	470,814.24	451,029.58		19,784.66
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	13,991.22	13,991.22	13,991.22		
NJ Infrastructure Loan Program					
Loan Repayments for Principal and Interest	536,902.60	536,902.60	501,799.66		35,102.94
<u>TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>	4,813,759.39	4,813,759.39	4,642,302.46		171,456.93
<u>DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"</u>					
Special Emergency Authorizations N.J.S.A. 40A:4-55	848,073.00	848,073.00	848,073.00		
<u>TOTAL DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"</u>	848,073.00	848,073.00	848,073.00		

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



TOWNSHIP OF CRANFORD

CURRENT FUND

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ 9,694,818.85	\$ 9,865,131.55	\$ 9,648,561.66	\$ 45,112.96	\$ 171,456.93
SUB-TOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES	36,431,017.72 1,440,000.00	36,601,330.42 1,440,000.00	34,732,190.45 1,440,000.00	1,697,683.04	171,456.93
TOTAL GENERAL APPROPRIATIONS	\$ 37,871,017.72	\$ 38,041,330.42	\$ 36,172,190.45	\$ 1,697,683.04	\$ 171,456.93
REF.	A-2		A-1	A:A-1	
Budget Appropriations	\$	\$ 37,871,017.72			
Appropriation by 40A:4-87		170,312.70			
	\$	\$ 38,041,330.42			
Encumbrances Payable		\$	492,921.90		
Reserve for Uncollected Taxes			1,440,000.00		
Reserve for Grants-Appropriated			239,059.16		
Tax Appeals			310,000.00		
Deferred Charges			848,073.00		
Cash Disbursements			34,201,194.48		
		\$	37,531,248.54		
Less: Refunds			1,359,058.09		
		\$	36,172,190.45		

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

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TRUST FUND

"B"

TOWNSHIP OF CRANFORD

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>			
Animal Control Fund:			
Cash	B-1	\$ 42,990.64	\$ 57,433.67
		\$ 42,990.64	\$ 57,433.67
Other Funds:			
Cash	B-1	\$ 2,662,509.50	\$ 3,938,708.36
Community Development Block Grants Receivable	B-4	24,500.00	24,500.00
		\$ 2,687,009.50	\$ 3,963,208.36
		\$ 2,730,000.14	\$ 4,020,642.03
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Animal Control Fund:			
Reserve for Expenditures	B-3	\$ 42,990.64	\$ 41,877.40
Due State of New Jersey	B-2		28.60
Interfunds Payable	B-7		15,527.67
		\$ 42,990.64	\$ 57,433.67
Other Funds:			
Reserve for:			
Miscellaneous Reserves	B-10	\$ 1,785,304.26	\$ 2,262,736.75
Payroll Deductions Payable	B-8	116,669.78	119,376.44
Escrow Deposits	B-9	700,843.59	1,463,257.49
District Management Corporation	B-6	59,691.87	102,127.54
Community Development Block Grant	B-5	24,500.00	15,710.14
		\$ 2,687,009.50	\$ 3,963,208.36
		\$ 2,730,000.14	\$ 4,020,642.03

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

GENERAL CAPITAL FUND

TOWNSHIP OF CRANFORD

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	\$ 3,895,457.16	\$ 2,596,458.19
Deferred Charges to Future Taxation:			
Funded	C-5	13,588,553.36	16,009,809.08
Unfunded	C-6	52,473,609.46	50,643,389.81
Grants Receivable	C-7	718,016.24	1,599,368.80
Local Homeowners Receivable	C-13	181,164.01	1,045,503.00
Due From Cranford Board of Education	C-4	24,153.00	24,153.00
Due From State of NJ - Infrastructure Loan Receivable	C-18	538,568.00	538,568.00
		<u>\$ 71,419,521.23</u>	<u>\$ 72,457,249.88</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-10	\$ 9,380,000.00	\$ 11,350,000.00
Bond Anticipation Notes	C-9	45,430,120.00	26,659,839.00
Green Trust Loans Payable	C-12	120,506.39	131,916.05
NJ Infrastructure Loan Payable	C-16	4,088,046.97	4,527,893.03
Improvement Authorizations:			
Funded	C-8	1,087,268.13	1,768,507.21
Unfunded	C-8	8,475,771.67	25,269,960.67
Contracts Payable	C-14	2,324,750.99	2,444,659.89
Capital Improvement Fund	C-11	21,500.00	
Reserve for Debt Service	C-18	354,859.72	6,061.67
Fund Balance	C-1	136,697.36	298,412.36
		<u>\$ 71,419,521.23</u>	<u>\$ 72,457,249.88</u>

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

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 298,412.36
Increased by:		
Premium on Sale of Notes	C-2	<u>88,285.00</u>
		\$ <u>386,697.36</u>
Decreased by:		
Payment to Current Fund as Anticipated Revenue	C-2	<u>250,000.00</u>
Balance, December 31, 2017	C	\$ <u><u>136,697.36</u></u>

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

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SWIM POOL UTILITY FUND

"D"

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

			BALANCE DECEMBER 31, 2017	BALANCE DECEMBER 31, 2016
<u>ASSETS</u>	<u>REF.</u>			
Operating Fund:				
Cash	D-4	\$	55,190.34	\$ 194,325.54
Cash - Change Fund	D-7		150.00	150.00
			<u>55,340.34</u>	<u>194,475.54</u>
Deferred Charges:				
Operating Deficit	D-1		63,839.05	
<u>Total Operating Fund</u>		\$	<u>119,179.39</u>	\$ <u>194,475.54</u>
Capital Fund:				
Cash	D-4	\$	510,592.24	\$ 1,401,722.50
Grant Receivable	D-11		72,790.00	72,790.00
Fixed Capital	D-10		5,297,928.34	5,297,928.34
Fixed Capital Authorized and Uncompleted	D-9		<u>1,670,000.00</u>	<u>1,670,000.00</u>
<u>Total Capital Fund</u>		\$	<u>7,551,310.58</u>	\$ <u>8,442,440.84</u>
		\$	<u><u>7,670,489.97</u></u>	<u><u>8,636,916.38</u></u>

LIABILITIES, RESERVES AND FUND BALANCE

Operating Fund:				
Liabilities:				
Appropriation Reserves	D-3:D-12	\$	14,980.13	\$ 17,972.94
Encumbrances Payable	D-13		8,396.60	17,686.94
Accrued Interest on Notes	D-14		<u>10,230.37</u>	<u>10,230.37</u>
		\$	<u>33,607.10</u>	<u>45,890.25</u>
Fund Balance	D-1		<u>85,572.29</u>	<u>148,585.29</u>
<u>Total Operating Fund</u>		\$	<u>119,179.39</u>	\$ <u>194,475.54</u>
Capital Fund:				
Bond Anticipation Notes	D-6	\$	1,359,000.00	\$ 1,435,651.00
Improvement Authorizations:				
Funded	D-15		13,767.23	23,122.65
Unfunded	D-15		459,425.21	1,121,542.85
Capital Improvement Fund	D-16		6,840.00	6,840.00
Contracts Payable	D-8		103,349.80	323,007.00
Reserve for Deferred Amortization	D-18		635,000.00	558,349.00
Reserve for Amortization	D-17		<u>4,973,928.34</u>	<u>4,973,928.34</u>
<u>Total Capital Fund</u>		\$	<u>7,551,310.58</u>	\$ <u>8,442,440.84</u>
		\$	<u><u>7,670,489.97</u></u>	<u><u>8,636,916.38</u></u>

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

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY FUND

STATEMENTS OF OPERATIONS  
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	<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-1:D-2	\$ 28,013.00	\$ 46,118.00
Membership Fees	D-2	1,208,272.00	1,272,478.65
Miscellaneous	D-2	437,091.25	451,592.39
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-12	<u>12,936.70</u>	<u>61,311.49</u>
<u>TOTAL INCOME</u>		<u>\$ 1,686,312.95</u>	<u>\$ 1,831,500.53</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operating	D-3	\$ 1,580,801.00	\$ 1,574,378.00
Capital Improvements			25,000.00
Municipal Debt Service	D-3	92,851.00	70,314.39
Deferred Charges and Statutory Expenditures	D-3	<u>76,500.00</u>	<u>76,500.00</u>
<u>TOTAL EXPENDITURES</u>		<u>\$ 1,750,152.00</u>	<u>\$ 1,746,192.39</u>
Excess in Revenue		\$	\$ 85,308.14
Deficit in Revenue		(63,839.05)	
Operating Deficit to be Raised in Budget of Succeeding Year	D	<u>63,839.05</u>	
Statutory Excess to Surplus		\$	\$ 85,308.14
<u>Fund Balance</u>			
Balance, January 1	D	<u>148,585.29</u>	<u>164,395.15</u>
		\$ 148,585.29	\$ 249,703.29
Decreased by:			
Utilization by Swim Pool Operating Budget	D-1:D-2	\$ 28,013.00	\$ 46,118.00
Surplus - Anticipated Revenue Current Fund	D-4	<u>35,000.00</u>	<u>55,000.00</u>
Balance, December 31	D	<u>\$ 85,572.29</u>	<u>\$ 148,585.29</u>

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

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY OPERATING FUND

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

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS/ (DEFICIT)</u>
Fund Balance Anticipated	D-1	\$ 28,013.00	\$ 28,013.00	\$
Membership Fees	D-1:D-4	1,271,588.00	1,208,272.00	(63,316.00)
Miscellaneous	D-1:D-4	<u>451,740.00</u>	<u>437,091.25</u>	<u>(14,648.75)</u>
	D-3	\$ <u><u>1,751,341.00</u></u>	\$ <u><u>1,673,376.25</u></u>	\$ <u><u>(77,964.75)</u></u>

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

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY OPERATING FUND

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

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELED
Operating:					
Salaries and Wages	\$ 959,801.00 \$	967,801.00 \$	967,568.00 \$	233.00 \$	
Other Expenses	621,000.00	613,000.00	601,558.87	11,441.13	
<u>Total Operating</u>	<u>\$ 1,580,801.00 \$</u>	<u>1,580,801.00 \$</u>	<u>1,569,126.87 \$</u>	<u>11,674.13 \$</u>	
Debt Service:					
Payment of Notes	\$ 76,651.00 \$	76,651.00 \$	76,651.00 \$	\$	1,189.00
Interest on Notes	17,389.00	17,389.00	16,200.00		
	<u>\$ 94,040.00 \$</u>	<u>94,040.00 \$</u>	<u>92,851.00 \$</u>	<u>\$</u>	<u>1,189.00</u>
Statutory Expenditures:					
Contributions to:					
Social Security System	\$ 76,500.00 \$	76,500.00 \$	73,194.00 \$	3,306.00 \$	
<u>Total Statutory Expenditures</u>	<u>\$ 76,500.00 \$</u>	<u>76,500.00 \$</u>	<u>73,194.00 \$</u>	<u>3,306.00 \$</u>	
	<u>\$ 1,751,341.00 \$</u>	<u>1,751,341.00 \$</u>	<u>1,735,171.87 \$</u>	<u>14,980.13 \$</u>	<u>1,189.00</u>
REF.	D-2		D-1	D:D-1	
Cash Disbursements					
Encumbrances Payable		\$	1,727,727.00		
			8,396.60		
			<u>1,736,123.60</u>		
			951.73		
Less: Refunds		\$	<u>1,735,171.87</u>		

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

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GENERAL FIXED ASSETS ACCOUNT GROUP

TOWNSHIP OF CRANFORD  
GENERAL FIXED ASSET ACCOUNT GROUP  
BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2017</u>	BALANCE DECEMBER <u>31, 2016</u>
General Fixed Assets:		
Land	\$ 41,566,384.00	\$ 39,249,984.00
Buildings	24,291,200.00	24,291,200.00
Machinery and Equipment	<u>11,908,575.12</u>	<u>11,704,780.38</u>
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 77,766,159.12</u>	<u>\$ 75,245,964.38</u>
Investment in General Fixed Assets:	<u>\$ 77,766,159.12</u>	<u>\$ 75,245,964.38</u>
	<u>\$ 77,766,159.12</u>	<u>\$ 75,245,964.38</u>

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



NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF CRANFORD

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Except as noted below, the financial statements of the Township of Cranford include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Cranford, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township of Cranford do not include the operations of the municipal library or the local school district, 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 the presentation of basic financial statements into three fund types, the governmental, proprietary and fiduciary funds, as well as government-wide financial reporting that must 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 Township of Cranford 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 Township of Cranford 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 Township 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.

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

General Fixed Asset Account Group - utilized to account for property, land, buildings and equipment that has 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. Federal and state grants are realized as revenues when anticipated in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenues when received. 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<sup>st</sup>, are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance.

Appropriation reserves covering unexpended appropriation balances are automatically created at December 31<sup>st</sup> 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 revenue in a future budget. GAAP requires such proceeds to be recorded as 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, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township 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 \$5,000.00 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 Township has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an outside appraiser. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

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 - Swim Pool Utility - Accounting for utility fund "fixed capital" remains uncharged under the requirements of NJAC 5:30-5.6.

Property and equipment purchased by the Swim Pool 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 balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent 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. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

GASB Statement No. 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.

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. 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Township 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 Township 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.

The Township of Cranford had the following cash and cash equivalents at December 31, 2017:

<u>Fund Type</u>	<u>Bank Balance</u>	<u>Reconciling Items</u>		<u>Reconciled Balance</u>
		<u>Additions</u>	<u>Deletions</u>	
Current Fund	\$13,312,691.88	\$3,439,703.78	\$468,466.50	\$16,283,929.16
Animal Control Trust Fund	48,036.24		5,045.60	42,990.64
Other Trust Fund	2,791,456.80	\$1,754.17	135,270.96	2,657,940.01
General Capital Fund	4,486,636.94		591,179.78	3,895,457.16
Swim Pool Utility:				
Operating	49,201.79	25,113.80	19,125.25	55,190.34
Capital	<u>510,592.24</u>			<u>510,592.24</u>
	<u>\$21,198,615.89</u>	<u>\$3,466,571.75</u>	<u>\$1,219,088.09</u>	<u>\$23,446,099.55</u>

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

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 Township 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, 2015, 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, \$439,018.50 was covered by Federal Depository Insurance, \$20,759,597.39 was covered under the provisions of NJGUDPA.

B. Investments

The purchase of investments by the Township 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.



NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs 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.
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 Township of Cranford's investment activities during the year were in accordance with the above New Jersey Statute. As of December 31, 2017, the Township had no investment in any securities as described above. Based upon the limitation set forth by New Jersey Statute 40A:5-15.1, the Township is generally not exposed to credit risky custodial risks, concentration of credit risks, and internal note risks for its investments nor is it exposed to foreign currency for its deposits and investments.

NOTE 3: MUNICIPAL 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 Township are general obligation bonds, backed by the full faith and credit of the Township. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years of financed by the issuance of bonds.

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2017</u>	<u>YEAR 2016</u>	<u>YEAR 2015</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 59,018,673.36	\$ 42,669,648.08	\$ 39,302,674.01
Swim Pool Utility:			
Bonds and Notes	<u>1,359,000.00</u>	<u>1,435,651.00</u>	<u>145,151.00</u>
Net Debt Issued	<u>60,377,673.36</u>	<u>44,105,299.08</u>	<u>39,447,825.01</u>
Less: Reserve for Debt Service	354,859.72	6,061.67	6,061.67
Less: Cash on Hand to Pay Notes	938,600.14	405,826.55	259,909.60
Less: Refunding Bonds (N.J.S.A. 40A:2-52)	<u>                    </u>	<u>                    </u>	<u>104,200.00</u>
	<u>\$ 59,084,213.50</u>	<u>\$ 43,693,410.86</u>	<u>\$ 39,077,653.74</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	7,982,089.60	24,389,407.36	6,523,188.70
Swim Pool Utility:			
Bonds and Notes	<u>                    </u>	<u>                    </u>	<u>883,000.00</u>
Total Authorized But Not Issued	<u>7,982,089.60</u>	<u>24,389,407.36</u>	<u>7,406,188.70</u>
Net Bonds and Notes Issued and and Authorized But Not Issued	<u>\$ 67,066,303.10</u>	<u>\$ 68,082,818.22</u>	<u>\$ 46,483,842.44</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SUMMARY OF STATUTORY 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 statutory net debt of 1.575%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School District Debt	\$ 9,168,000.00	\$ 9,168,000.00	\$ -0-
Utility Debt	1,359,000.00		1,359,000.00
General Debt	<u>67,000,762.96</u>	<u>1,293,459.86</u>	<u>65,707,303.10</u>
	<u>\$ 77,527,762.96</u>	<u>\$ 10,461,459.86</u>	<u>\$ 67,066,303.10</u>

NET DEBT \$67,066,303.10 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, AS AMENDED, \$4,257,020,137.33 EQUALS 1.575%.

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

Equalized Valuation Basis* - December 31, 2017	\$4,257,020,137.33
3-1/2 of Equalized Valuation Basis	148,995,704.81
Net Debt	<u>67,066,303.10</u>
Remaining Borrowing Power	<u>\$81,929,401.71</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 Township of Cranford for the last three (3) preceding years.

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

Surplus Anticipated and Total Cash Receipts from Fees, Rents, or Other Charges for the Year	\$ 1,673,376.25
Deductions:	
Operating and Maintenance Cost	\$ 1,657,301.00
Debt Service	<u>92,851.00</u>
Total Deductions	<u>1,750,152.00</u>
Deficit in Revenue - Net Self Liquidating	<u>\$ (76,775.75)</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT

	OUTSTANDING BALANCE DECEMBER <u>31, 2017</u>
General Serial Bonds:	
\$10,000,000.00 in General Improvement Bonds dated December 15, 2005, due in remaining annual installment of \$1,300,000.00 ending August 15, 2018 with interest of 3.75%	\$1,300,000.00
\$5,497,000.00 in General Improvement Bonds dated August 15, 2006, due in remaining annual installments ranging between \$100,000.00 and \$437,000.00 beginning August 15, 2018 and ending August 15, 2037 with interest ranging between 4.30% and 4.35%	5,012,000.00
\$1,603,000.00 in General Improvement Bonds dated August 15, 2006, due in remaining annual installments ranging between \$35,000.00 and \$123,000.00 beginning August 15, 2018 and ending August 15, 2037 with interest ranging between 6.25% and 6.30%	1,413,000.00
\$3,885,000.00 in Refunding Bonds dated August 15, 2013, due in remaining annual installments of \$550,000.00 beginning August 15, 2018 and ending August 15, 2020 with interest of 4.50%	<u>1,655,000.00</u>
	<u>\$9,380,000.00</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT (CONTINUED)

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

CALENDAR YEAR	GENERAL CAPITAL		TOTAL
	PRINCIPAL	INTEREST	
2018	\$1,990,000.00	\$426,398.50	\$2,416,398.50
2019	690,000.00	348,961.00	1,038,961.00
2020	705,000.00	317,508.50	1,022,508.50
2021	170,000.00	285,411.00	455,411.00
2022	195,000.00	277,321.00	472,321.00
2023-2027	1,310,000.00	1,225,232.50	2,535,232.50
2028-2032	1,840,000.00	866,442.50	2,706,442.50
2033-2037	2,480,000.00	370,492.50	2,850,492.50
	<u>\$9,380,000.00</u>	<u>\$4,117,767.50</u>	<u>\$13,497,767.50</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST  
FOR GREEN LOAN TRUST PAYABLE DECEMBER 31, 2017

CALENDAR YEAR	PRINCIPAL	INTEREST	TOTAL
2018	\$11,638.99	\$2,352.23	\$13,991.22
2019	11,872.95	2,118.27	13,991.22
2020	12,111.58	1,879.63	13,991.21
2021	12,355.03	1,636.19	13,991.22
2022	12,603.36	1,387.86	13,991.22
2023-2027	59,923.49	3,035.99	62,959.48
	<u>\$120,505.40</u>	<u>\$12,410.17</u>	<u>\$132,915.57</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST  
FOR INFRASTRUCTURE LOAN PAYABLE DECEMBER 31, 2017

<u>CALENDAR</u> <u>YEAR</u>	<u>TOTAL</u>	<u>TRUST LOAN</u>		<u>FUND LOAN</u>
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
2018	\$539,312.13	\$222,028.00	\$88,408.70	\$228,875.43
2019	532,069.78	227,160.00	78,901.38	226,008.40
2020	532,765.79	237,336.00	69,138.76	226,291.03
2021	531,999.38	247,548.00	58,476.58	225,974.80
2022	530,876.70	257,797.00	47,539.36	225,540.34
2023-2027	1,574,635.16	793,742.00	79,754.24	701,138.92
2028-2032	276,737.99	79,645.00	8,130.94	188,962.05
	<u>\$4,518,396.93</u>	<u>\$2,065,256.00</u>	<u>\$430,349.96</u>	<u>\$2,022,790.97</u>

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2017, the Township has authorized but not issued bonds and notes as follows:

General Capital Fund	<u>\$7,982,089.60</u>
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SHORT TERM DEBT

BOND ANTICIPATION NOTES

	<u>Interest Rate</u>	<u>Maturity Dates</u>	<u>Amount</u>
General Capital Fund	1.05%	1/26/2018	\$9,700,000.00
General Capital Fund	1.50%	2/7/2018	17,615,000.00
General Capital Fund	2.00%	5/18/2018	9,934,120.00
General Capital Fund	0.70%	9/7/2018	40,000.00
General Capital Fund	1.10%	6/29/2018	8,141,000.00
Swim Pool Utility Capital Fund	1.10%	6/29/2018	1,359,000.00
			<u>\$46,789,120.00</u>

NOTE 4: 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	\$2,850,000.00
Swim Pool Utility Fund	\$75,839.05

NOTE 5: 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 Township 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. Township property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Township'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 31, <u>2017</u>	BALANCE DECEMBER 31, <u>2016</u>
Prepaid Taxes	<u>\$7,438,540.46</u>	<u>\$484,515.24</u>

## NOTE 6: 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/annrpts.shtml](http://www.nj.gov/treasury/pensions/annrpts.shtml).

*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.



NOTE 6: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions (Continued)

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.

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. Effective 2015 PERS provides for employee contributions of 7.06% 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 2015, members contributed at a uniform rate of 10.00% of base salary.

Certain Township employees are also covered by the Federal Insurance Contribution Act. The Township's share of pension costs, which is based upon the annual billings received from the State, amounted to \$2,443,349.00 for 2017, \$2,411,562.00 for 2016 and \$2,284,818.00 for 2015.

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

NOTE 6: PENSION PLANS (CONTINUED)

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 \$16,841,208.00 for the Township’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 Township’s proportion of the net pension liability was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Township’s proportion was 0.0723469256 percent, which was an increase of 0.0000237230 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 \$1,539,987.00 for the Township’s proportionate share of the total pension expense. The pension expense recognized in the Township’s financial statement based on the April 1, 2017 billing was \$642,509.00.

NOTE 6: 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		\$396,552.00
Changes of assumptions	\$3,380,484.00	3,392,923.00
Net difference between projected and actual earnings on pension plan investments		114,677.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>15,006.00</u>	<u>854,221.00</u>
	<u>\$3,395,490.00</u>	<u>\$4,758,373.00</u>

Other local amounts reported by the State as the Township'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:

Year Ended <u>June 30,</u>	<u>Amount</u>
2018	\$723,809.00
2019	908,688.00
2020	563,821.00
2021	(482,559.00)
2022	<u>(350,876.00)</u>
	<u>\$1,362,883.00</u>

NOTE 6: 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

Preretirement 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. Postretirement 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 6: 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 6: 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% Decrease <u>4.00%</u>	At Current Discount Rate <u>5.00%</u>	1% Increase <u>6.00%</u>
Township's proportionate share of the pension liability	\$20,892,661.00	\$16,841,208.00	\$13,465,845.00

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 6: 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 \$35,350,761.00 for the Township'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 Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Township's proportion was 0.2289843767 percent, which was an increase of 0.0086422258 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 3,244,535.00. The pension expense recognized in the Township's financial statement based on the April 1, 2017 billing was \$1,796,539.00.

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

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience	\$207,480.00	\$229,335.00
Changes of assumptions	5,789,421.00	4,359,143.00
Net difference between projected and actual earnings on pension plan investments		674,575.00
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	<u>1,549,531.00</u>	<u>2,039,649.00</u>
	<u>\$7,546,432.00</u>	<u>\$7,302,702.00</u>

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

Year Ended	
<u>June 30</u>	<u>Amount</u>
2018	\$409,322.00
2019	1,162,794.00
2020	61,083.00
2021	(1,321,529.00)
2022	<u>(555,400.00)</u>
	<u>(\$243,730.00)</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which 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

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.



NOTE 6: PENSION PLANS (CONTINUED)

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

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

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:

	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 6: 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>
Township's proportionate share of the PFRS pension liability	\$46,577,539.00	\$35,350,761.00	\$26,126,686.00

NOTE 6: 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 Township 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 Township 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 Township related to this legislation.

At June 30, 2017 and 2016, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$3,959,582.00 and \$3,534,599.00 respectively.

At June 30, 2017, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$35,350,761.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	<u>3,959,582.00</u>
	<u>\$39,310,343.00</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 7: COMPENSATED ABSENCES

Under the existing policy of the Township, employees are allowed to accumulate unused sick pay over the life of their working careers which may be taken as time off or paid at a later date at an agreed upon rate. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented and has not been determined, but is probably material. The Township annually appropriates the amounts that are required to be paid in that year's budget.

NOTE 8: LITIGATION

The Township is named in legal proceedings, the outcome of which, is either unknown or potential losses, if any, could be material to the financial statements.

NOTE 9: TAX APPEALS

There are several tax appeals filed with the 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 10: CONTINGENT LIABILITIES

The Township 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. The state and federal grants received and expended in 2017 were subject to the Single Audit Act Amendments of 1996, which mandates that grant revenues and expenditures be audited in conjunction with the Township's annual audit. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in detail in Part II, Schedule of Findings and Questioned Costs. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2017, the Township does not believe that any material liabilities will result from such audits.

NOTE 11: RISK MANAGEMENT

The Township is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township is a member of the Statewide Insurance Fund (the "Fund"), which was formed in accordance with P.L. 1983, C. 372 entitled "An Act Concerning Joint Insurance Funds for Local Government Units of Government." The Fund provides insurance coverage covering each of the above-mentioned risks of loss. The Township's contribution to the Fund is based on actuarial assumptions determined by the Fund's actuary. The Fund also purchases commercial insurance for claims in excess of coverage provided by the Fund.

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

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions and Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	-0-	\$ 16,239.86	\$ -0-	\$ 369,564.01
2016	-0-	882.20	-0-	353,324.15
2015	50,000.00	491.65	-0-	352,441.95

NOTE 12: DEFERRED COMPENSATION

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all Township employees, permits them to defer a portion of their salaries until future years. The Township does not make any contribution to the Plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships. 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 Township'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. All assets of the Plan are held by one of two independent administrators, ICMA and Lincoln National Life Insurance Company.

The accompanying financial statements do not include the Township's Deferred Compensation Plan activities.

NOTE 13: LENGTH OF SERVICE AWARDS PROGRAM

The Township of Cranford adopted an ordinance establishing a Length of Service Awards Program for the members of the Cranford Volunteer Fire Department and the Cranford Volunteer Rescue Squad pursuant to N.J.S.A. 40A:14-183 *et seq.*

All assets of the plan are held by an independent administrator, the Lincoln National Life Insurance Company.

Under this program, each volunteer that performs the minimum amount of service will have an annual amount of \$1,300.00 deposited into a tax deferred income account that will earn interest for the volunteer. The cost will be budgeted annually in the budget of the Township and is anticipated to be \$10,000.00 in 2018.

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

NOTE 14: GASB 45: OTHER POST-RETIREMENT BENEFITS

Plan Description. The Township contributes to the State Health Benefits Program (SHBP) a cost-sharing, multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 *et seq.* to provide health benefits to State employees, retirees, and their dependents. The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions>.

NOTE 14: GASB 45: OTHER POST-RETIREMENT BENEFITS (CONTINUED)

Funding Policy. Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Township on a monthly basis. Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. In accordance with Chapter 62, P.L. 1994, post-retirement medical benefits have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The Township's contributions to SHBP for the years ended December 31, 2017, 2016 and 2015 were \$1,891,207.71, \$1,730,182.13 and \$1,686,580.71 respectively, which equaled the required contributions for each year.

NOTE 15: SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the financial statement date through June 28, 2018 which is the date the financial statements were available to be issued. Based upon this evaluation, the Township has determined that the following items require disclosure in the financial statements:

General Improvement Bonds, Series 2018, were issued in the amount of \$9,700,000.00 on January 15, 2018. The Bonds will be paid back over ten years with variable interest ranging from 2.00% to 3.00%.

The Township entered into a redevelopment agreement in March of 2018 with Birchwood Developers Associates LLC to sell sold Block 291 Lot 15.01 and Block 292 Lot 2 for \$18,500,000.00. The Township had previously purchased this property in 2017. The property is the site of a redevelopment project. As of the date of the audit, the Township has only received \$370,000.00 as a deposit

General Improvement Refunding Bonds, Series 2018, were issued in the amount of \$4,870,000.00 on May 24, 2018. The Bonds will be paid back over fifteen years with variable interest ranging from 2.00% to 4.00%.

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TOWNSHIP OF CRANFORD

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2017

TOWNSHIP OF CRANFORDCURRENT FUNDSCHEDULE OF CASH-COLLECTOR-TREASURER

	<u>REF.</u>		
Balance, December 31, 2016	A	\$	9,403,882.84
Increased by Receipts:			
Taxes Receivable	A-7	\$	101,857,267.88
Revenue Accounts Receivable	A-9		7,340,568.88
Miscellaneous Revenue Not Anticipated	A-2		318,676.96
Interfunds	A-10		2,402,540.00
Outside Liens	A-27		901,313.24
DCA Fees Due State of New Jersey	A-28		48,329.00
Marriage Licenses Due State of New Jersey	A-29		3,075.00
Maintenance of Free Public Library	A-21		9,817.00
Senior Citizens Disallowed	A-16		1,522.60
Tax Overpayments	A-18		27,807.21
Prepaid Taxes	A-17		7,438,540.46
State of New Jersey-Chapter 20,P.L.1971	A-16		170,808.91
Grants - Unappropriated	A-23		35,850.06
Sewer Charges Receivable	A-31		2,478,152.91
Petty Cash	A-5		100.00
Appropriation Refunds	A-3		1,359,058.09
Grants Receivable	A-19		379,738.25
			<u>124,773,166.45</u>
		\$	134,177,049.29
Decreased by Disbursements:			
Appropriations	A-3	\$	34,201,194.48
Appropriation Reserves	A-13		618,364.48
Accounts Payable	A-20		232.85
County Taxes	A-14		22,790,189.98
Local District School Tax	A-15		55,466,136.00
Refund of Tax Overpayments	A-18		27,807.21
Change Fund	A-6		270.00
Interfunds	A-10		2,387,012.33
Petty Cash	A-5		100.00
DCA Fees Due State of New Jersey	A-28		50,091.00
Marriage Licenses Due State of New Jersey	A-29		2,800.00
Maintenance of Free Public Library	A-21		2,629.83
Refund of Prior Year Revenue	A-1		233,528.35
PILOT Refund to Union County	A-2		4,901.40
Outside Liens	A-27		901,313.24
DMC Levy Payable	A-11		177,292.00
Grants - Appropriated	A-24		719,256.98
Tax Appeals	A-25		310,000.00
			<u>117,893,120.13</u>
Balance, December 31, 2017	A	\$	<u>16,283,929.16</u>

"A-5"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF PETTY CASH

REF.

Increased by:		
Cash Receipts	A-4	\$ <u>100.00</u>
Decreased by:		
Cash Disbursements	A-4	\$ <u><u>100.00</u></u>

"A-6"

SCHEDULE OF CHANGE FUNDS

Balance, December 31, 2016	A	\$ 660.00
Increased by		
Cash Disbursement	A-4	<u>270.00</u>
Balance, December 31, 2017	A	\$ <u><u>930.00</u></u>

OFFICE

Collector	\$ 500.00
Board of Health	30.00
Construction code	100.00
Municipal Court	<u>300.00</u>
	\$ <u><u>930.00</u></u>

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2016	2017 LEVY	IN 2016	COLLECTED IN 2017	CANCELLED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2017
2016 and Prior	\$ 845,915.15	\$	\$	\$ 839,179.58	\$	\$ 6,735.57	\$
2017		102,915,763.79	484,515.24	101,191,772.55	415,772.30	28,231.61	795,472.09
	<u>\$ 845,915.15</u>	<u>\$ 102,915,763.79</u>	<u>\$ 484,515.24</u>	<u>\$ 102,030,952.13</u>	<u>\$ 415,772.30</u>	<u>\$ 34,967.18</u>	<u>\$ 795,472.09</u>
REF.	A		A-2:A-17	A-2		A-8	A
Collector							
State of New Jersey				\$ 101,857,267.88			
				<u>173,684.25</u>			
				<u>\$ 102,030,952.13</u>			

ANALYSIS OF 2017 PROPERTY TAX LEVY

<u>TAX YIELD</u>	
General Purpose Tax	\$ 102,313,447.12
Added Taxes (54:4-63.1 et seq.)	425,024.67
District Management Corporation	<u>177,292.00</u>
	<u>\$ 102,915,763.79</u>
<u>TAX LEVY</u>	
Local District School Tax (Abstract)	
County Taxes:	\$ 55,466,136.00
County Tax (Abstract)	
Due County for Added Taxes	\$ 22,694,185.62
(54:4-63.1 et seq.)	<u>89,574.35</u>
<u>Total County Taxes</u>	22,783,759.97
District Management Corporation	
Local Tax for Municipal Purposes (Abstract)	\$ 177,292.00
Minimum Library Tax	22,731,187.79
Add: Additional Tax Levied	1,411,371.47
	<u>346,016.56</u>
	<u>24,665,867.82</u>
	<u>\$ 102,915,763.79</u>

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

REF.

Balance, December 31, 2016	A		\$	5,309.25
Increased by:				
Transfers From Taxes Receivable	A-7	\$	34,967.18	
Interest and Costs			<u>3,040.94</u>	
				<u>38,008.12</u>
Balance, December 31, 2017	A		\$	<u><u>43,317.37</u></u>

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>ACCRUED IN 2017</u>	<u>COLLECTED BY COLLECTOR- TREASURER</u>	<u>BALANCE DECEMBER 31, 2017</u>
Alcoholic Beverage Licenses	A-2	\$	\$ 25,902.00	\$ 25,902.00	\$
Clerk:					
Licenses-Other	A-2		4,459.00	4,459.00	
Board of Health:					
Licenses-Other	A-2		14,725.00	14,725.00	
Fees and Permits	A-2		15,112.50	15,112.50	
Engineer:					
Fees and Permits	A-2		2,908.00	2,908.00	
Police Department:					
Fees and Permits	A-2		35,367.78	35,367.78	
Recreation Department:					
Fees and Permits	A-2		9,145.00	9,145.00	
Board of Adjustment					
Fees and Permits	A-2		56,426.85	56,426.85	
Planning Board :					
Fees and Permits	A-2		10,578.00	10,578.00	
Assessor	A-2		660.00	660.00	
Fire Department:					
Fees and Permits	A-2		16,699.00	16,699.00	
Municipal Court:					
Fines and Costs	A-2	41,321.97	435,236.35	442,962.94	33,595.38
Construction Code Fees	A-2		933,264.00	933,264.00	
Interest and Costs on Taxes	A-2		211,312.74	211,312.74	
Parking Meters	A-2		831,930.92	831,930.92	
Interest on Investments and Deposits	A-2		59,680.07	59,680.07	
Energy Receipts Tax	A-2		2,900,712.00	2,900,712.00	
Borough of Winfield Park Police Dispatch	A-2		22,019.68	22,019.68	
Cable T.V. Franchise Tax	A-2		376,150.25	376,150.25	
Hotel Tax	A-2		139,333.13	139,333.13	
Conservation Center Fees	A-2		145,915.00	145,915.00	
Ambulance Fees	A-2		337,548.86	337,548.86	
Uniform Fire Safety Act	A-2		82,064.38	82,064.38	
NJ Housing Finance Agency - P.I.L.O.T	A-2		143,279.00	143,279.00	
Cranford Lincoln Associates - P.I.L.O.T	A-2		49,014.00	49,014.00	
Utility Operating Surplus	A-2		35,000.00	35,000.00	
Developer Debt	A-2		120,504.00	120,504.00	
Library Cost Allocation	A-2		30,000.00	30,000.00	
Cell Tower Lease	A-2		37,894.78	37,894.78	
Capital Fund Balance	A-2		250,000.00	250,000.00	
		<u>\$ 41,321.97</u>	<u>\$ 7,332,842.29</u>	<u>\$ 7,340,568.88</u>	<u>\$ 33,595.38</u>
<u>REF.</u>		A		A-4	A

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>ANIMAL CONTROL TRUST FUND</u>	<u>TRUST OTHER FUND</u>	<u>GENERAL CAPITAL FUND</u>
Balance, December 31, 2016:					
Due From	A	\$ 15,527.67	\$ 15,527.67	\$	
Cash Receipts	A-4	2,402,540.00	15,527.67	500,995.00	1,886,017.33
Cash Disbursements	A-4	<u>2,387,012.33</u>	<u>\$</u>	<u>500,995.00</u>	<u>1,886,017.33</u>

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF SPECIAL DISTRICT TAXES

REF.

Increased by:

2017 Levy

A-1:A-7

\$ 177,292.00

Decreased by:

Cash Disbursements

A-4

\$ 177,292.00



TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

<u>PURPOSE</u>	BALANCE DECEMBER 31, 2016	RAISED IN 2017 BUDGET
Emergency Authorization (N.J.S.A. 40A:4-46)	\$ <u>848,073.00</u>	\$ <u>848,073.00</u>
	\$ <u><u>848,073.00</u></u>	\$ <u><u>848,073.00</u></u>
<u>REF.</u>	A	A:3

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF 2016 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2016	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES</u>				
Administrative and Executive	\$ 4,234.92	\$ 4,234.92	\$	\$ 4,234.92
Channel 35	1,961.78	1,961.78		1,961.78
Township Committee	13,167.08	13,167.08		13,167.08
Township Clerk	5,239.55	5,239.55		5,239.55
Financial Administration	3,512.06	3,512.06		3,512.06
Assessment of Taxes	2,584.63	2,584.63		2,584.63
Collection of Taxes	4,120.56	4,120.56		4,120.56
Public Defender		333.37	333.33	0.04
Zoning/Planning Board of Adjustment	17,668.05	17,668.05		17,668.05
Police	120,776.82	120,776.82		120,776.82
Fire	222.25	222.25		222.25
Emergency Management Services	27,099.73	27,099.73		27,099.73
Road Repair and Maintenance	84,926.53	84,926.53		84,926.53
Communications - 911	46,998.69	46,998.69		46,998.69
Conservation Center	8,069.41	8,069.41		8,069.41
Board of Health	17,571.83	17,571.83		17,571.83
Recreation	16,801.74	16,801.74		16,801.74
Youth Services	4,549.47	4,549.47		4,549.47
Senior Citizen Bus Transportation	1,167.19	1,167.19		1,167.19
Construction Code Official	561.43	561.43		561.43
Municipal Court	10,954.99	10,954.99		10,954.99
<u>OTHER EXPENSES</u>				
Administrative and Executive	44,472.55	70,281.75	53,662.27	16,619.48
Channel 35	573.96	1,750.02	1,176.06	573.96
Elections	1,507.16	1,507.16		1,507.16
Township Committee	2,388.24	7,228.39	1,181.90	6,046.49
Township Clerk	12,516.56	26,615.17	9,464.86	17,150.31
Financial Administration		2,041.06	291.06	1,750.00
Audit	40,900.00	40,900.00	38,050.00	2,850.00
Assessment of Taxes	28,872.96	29,460.56	587.60	28,872.96
Collection of Taxes	1,376.48	2,379.92	701.01	1,678.91
Legal Services and Costs	21,095.89	174,679.91	72,429.64	102,250.27
Engineering Services and Costs	10,226.25	21,190.00	21,190.00	
Public Buildings and Grounds	85,566.89	116,540.38	51,247.65	65,292.73
Municipal Land Use Law (N.J.S. 40:55d-1):				
Planning Board	2,872.08	2,897.87	25.79	2,872.08
Zoning Board of Adjustment	2,626.26	3,468.92	812.54	2,656.38
Zoning/Planning Board of Adjustment	3,572.44	17,918.94	16,759.00	1,159.94
Group Insurance-Health Benefit Waiver	27.04	27.04		27.04
Employee Group Health	289,195.63	297,736.87	28,606.05	269,130.82
General Liability Insurance	4,668.00	4,668.00		4,668.00
Workers' Compensation	4,167.00	4,167.00		4,167.00
Police	26,224.48	43,264.82	16,495.72	26,769.10
Fire	663.43	24,285.99	22,151.32	2,134.67
Uniform Fire Safety Act	25.82	8,815.83	8,790.01	25.82
Emergency Management Services		4,878.50	1,052.43	3,826.07
Emergency Management	16.24	6,445.00	5,800.53	644.47
Road Repair and Maintenance	57,041.38	110,540.95	53,247.14	57,293.81

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF 2016 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2016	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>OTHER EXPENSES (CONTINUED)</u>				
Communications	\$ 545.09	\$ 3,826.48	\$ 2,608.69	\$ 1,217.79
Conservation Center	74,548.96	147,834.72	69,880.99	77,953.73
Recycling	50,500.00	63,466.67	12,966.67	50,500.00
Board of Health	5,823.61	6,558.23	1,142.51	5,415.72
Environmental Commission	2,778.27	2,778.27	175.56	2,602.71
Celebration of Public Events: Anniversary or Holiday	9.47	1,770.80	111.33	1,659.47
Recreation	136.67	3,056.75	2,876.22	180.53
Dog Regulation	1,113.87	1,113.87	445.00	668.87
Senior Citizen Bus Transportation	9,363.16	9,363.16		9,363.16
Construction Code Official	27,449.16	45,189.60	9,344.99	35,844.61
Municipal Court	1,207.98	6,077.16	4,834.30	1,242.86
Motor Oils and Fuels	31,266.08	110,392.90	4,586.89	105,806.01
Street Lighting	42,421.59	42,421.59	23,812.66	18,608.93
Utilities-ALL	125,419.67	137,661.43	52,394.93	85,266.50
Contribution to:				
Public Employee's Retirement System	40,596.50	40,596.50		40,596.50
Social Security System	4,715.74	4,715.74		4,715.74
Maintenance of Free Public Library	15,448.10	31,176.90	31,172.83	4.07
Salary Adjustment	732.13	732.13		732.13
	<u>\$ 1,466,861.50</u>	<u>\$ 2,074,945.03</u>	<u>\$ 620,409.48</u>	<u>\$ 1,454,535.55</u>

REF.

A

A-1

Balance, December 31, 2016	A	\$ 1,466,861.50	
Encumbrances Payable	A-33	608,083.53	
		<u>\$ 2,074,945.03</u>	
Cash Disbursements	A-4		\$ 618,364.48
Accounts Payable	A-20		2,045.00
			<u>\$ 620,409.48</u>

"A-14"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

REF.

Balance, December 31, 2016	A	\$	96,004.36
Increased by:			
2017 Tax Levy:			
County Taxes	A-1:A-7	\$	22,694,185.62
County Share of Added Taxes	A-1:A-7		<u>89,574.35</u>
			<u>22,783,759.97</u>
		\$	<u>22,879,764.33</u>
Decreased by:			
Cash Disbursements	A-4		<u>22,790,189.98</u>
Balance, December 31, 2017	A	\$	<u><u>89,574.35</u></u>

"A-15"

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX

Increased by:			
2017 Levy	A-1:A-7	\$	<u>55,466,136.00</u>
Decreased by:			
Cash Disbursements	A-4	\$	<u><u>55,466,136.00</u></u>

TOWNSHIP OF CRANFORD

CURRENT FUND

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

	<u>REF.</u>		
Balance, December 31, 2016 (Due From)	A	\$	7,719.87
Increased by:			
Deductions per Tax Duplicate:			
Senior Citizens		\$	19,000.00
Veterans			152,250.00
Senior Citizens and Veterans Allowed by Collector			<u>2,750.00</u>
			174,000.00
		\$	<u>181,719.87</u>
Decreased by:			
Senior Citizens Disallowed by Collector			
Current Year		\$	315.75
Senior Citizens Disallowed by Collector	A-4		1,522.60
Received From State of New Jersey	A-4		<u>170,808.91</u>
			<u>172,647.26</u>
Balance, December 31, 2017 (Due From)	A	\$	<u><u>9,072.61</u></u>
<u>SUMMARY OF 2017 EXEMPTIONS</u>			
Senior Citizens and Veterans Exemptions			
Per Tax Billings		\$	171,250.00
Senior Citizens and Veterans Exemptions			
Allowed by Tax Collector			<u>2,750.00</u>
		\$	174,000.00
Senior Citizens and Veterans Exemptions			
Disallowed by Tax Collector			<u>315.75</u>
	A-7	\$	<u><u>173,684.25</u></u>

"A-17"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>	
Balance, December 31, 2016	A	\$ 484,515.24
Increased by:		
Collection of 2018 Taxes	A-4	7,438,540.46
		<u>\$ 7,923,055.70</u>
Decreased by:		
Application to 2017 Taxes Receivable	A-7	<u>484,515.24</u>
Balance, December 31, 2017	A	<u><u>\$ 7,438,540.46</u></u>

"A-18"

SCHEDULE OF TAX OVERPAYMENTS

Increased by:		
Overpayments in 2017	A-4	\$ <u>27,807.21</u>
Decreased by:		
Refund of Overpayments	A-4	<u><u>\$ 27,807.21</u></u>

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>PROGRAM</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>	<u>ACCRUED</u>	<u>DECREASED</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>
Clean Communities Program	\$	\$ 43,547.45	\$ 43,547.45	\$
Alcohol Education Rehabilitation Fund		1,930.20	1,930.20	
Federal Bulletproof Vest Program		8,154.30	6,799.65	1,354.65
Drive Sober or Get Pulled Over		11,000.00	5,500.00	5,500.00
Statewide Insurance Grant				
Body Armor Replacement Fund		5,158.06	4,677.95	480.11
Click It or Ticket		5,500.00	5,500.00	
Drunk Driving Enforcement Fund		7,980.89	7,980.89	
Recycling Tonnage Grant		39,559.26	39,559.26	
Municipal Alliance	24,676.57	18,614.00	18,614.00	24,676.57
River Cleaning Project	108,418.81			108,418.81
Sustainable New Jersey	5,000.00		5,000.00	
Union County Kids Recreation	85,223.44	60,000.00	85,223.44	60,000.00
Union County Memorial Field	150,000.00		150,000.00	
U Text U Drive U Lose		5,500.00	5,500.00	
Green Communities	13,000.00	9,000.00		22,000.00
Union County Senior Focus		18,462.00		18,462.00
	<u>\$ 386,318.82</u>	<u>\$ 234,406.16</u>	<u>\$ 379,832.84</u>	<u>\$ 240,892.14</u>

REF.

A

A-2

A

Cash Receipts	A-4		\$ 379,738.25
Canceled	A-24		<u>94.59</u>
			<u>\$ 379,832.84</u>

"A-20"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2016	A	\$	16,438.72
Increased by:			
Appropriation Reserves	A-13		<u>2,045.00</u>
		\$	<u>18,483.72</u>
Decreased by:			
Cash Disbursements	A-4	\$	232.85
Canceled	A-1		<u>16,205.87</u>
		\$	<u>16,438.72</u>
Balance, December 31, 2017	A	\$	<u><u>2,045.00</u></u>

"A-21"

SCHEDULE OF RESERVE FOR MAINTENANCE OF  
FREE PUBLIC LIBRARY

Balance, December 31, 2016	A	\$	2,867.85
Increased by:			
Cash Receipts	A-4		<u>9,817.00</u>
		\$	<u>12,684.85</u>
Decreased by:			
Cash Disbursements	A-4	\$	<u>2,629.83</u>
Balance, December 31, 2017	A	\$	<u><u>10,055.02</u></u>



TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

REF.

Balance, December 31, 2016 and  
December 31, 2017

A

\$ 268,000.00

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF RESERVE FOR GRANTS-UNAPPROPRIATED

	BALANCE DECEMBER <u>31, 2016</u>	CASH <u>RECEIPTS</u>	BALANCE DECEMBER <u>31, 2017</u>
Federal Bulletproof Vest Program	\$ 910.80	\$	\$ 910.80
Recycling Tonnage Grant	<u>                    </u>	<u>35,850.06</u>	<u>35,850.06</u>
	\$ <u>910.80</u>	\$ <u>35,850.06</u>	\$ <u>36,760.86</u>
<u>REF.</u>	A	A-4	A

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

<u>GRANT</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>2016 BUDGET APPROPRIATION</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2017</u>
Clean Communities Program	\$ 104,376.44	\$ 114,528.44	\$ 43,547.45	\$ 49,508.39	\$ 108,567.50
Alcohol Education Rehabilitation Fund	4,276.41	4,276.41	1,930.20	1,489.99	4,716.62
Federal Bulletproof Vest Program			8,154.30	1,758.90	6,395.40
Drive Sober or Get Pulled Over			11,000.00	5,500.00	5,500.00
Body Armor Replacement Fund	4,750.53	4,750.53	5,158.06		9,908.59
Sustainable NJ Grant	7,456.02	7,456.02			7,456.02
Statewide Insurance	10,000.00	10,000.00			10,000.00
Cranford Soccer Club Memorial Field	28,133.88	400,000.00		400,000.00	
Union County Kids Trust Grant Program		88,133.88	60,000.00	60,000.00	88,133.88
Union County Memorial Field		150,000.00		150,000.00	
U Text U Drive U Lose			5,500.00	5,500.00	
Click it or Ticket	2,650.00	2,650.00	5,500.00	8,150.00	
Drunk Driving Enforcement Fund	4,717.11	9,438.34	7,980.89	13,419.23	4,000.00
Recycling Tonnage Grant	36,717.76	36,717.76	39,559.26	15,797.57	60,479.45
Municipal Alliance	11,048.55	11,154.50	18,614.00	15,965.56	13,802.94
Municipal Alliance-Match	5,355.10	5,505.10	4,653.00	7,531.99	2,626.11
DOT South Union Ave		2,561.82		2,561.82	
River Cleaning Project	44,455.01	44,455.01			44,455.01
Union County Senior Focus			18,462.00	18,373.82	88.18
Green Communities	9,936.39	9,936.39	9,000.00		18,936.39
Union County River Cleaning	90,155.00	90,155.00			90,155.00
Middlesex County Fitness	2,500.00	2,500.00			2,500.00
The Allstate Foundation	0.01	0.01			0.01
PEG Technology	5,694.72	10,634.72		4,940.00	5,694.72
	<u>\$ 372,222.93</u>	<u>\$ 1,004,853.93</u>	<u>\$ 239,059.16</u>	<u>\$ 760,497.27</u>	<u>\$ 483,415.82</u>
	A		A-3		A
Balance, December 31, 2016	\$	372,222.93			
Encumbrances Payable		632,631.00			
	\$	<u>1,004,853.93</u>			
Cash Disbursements				719,256.98	
Canceled				94.59	
Encumbrances Payable				<u>41,145.70</u>	
				<u>\$ 760,497.27</u>	

REF.

A  
A-33

A-4  
A-19  
A-33

"A-25"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX APPEALS

REF.

Increased by:		
Transfer from Appropriations	A-3	\$ <u>310,000.00</u>
Decreased by:		
Cash Disbursements	A-4	\$ <u><u>310,000.00</u></u>

"A-26"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
AT ASSESSED VALUATION

Balance, December 31, 2016 and December 31, 2017	A	\$ <u><u>3,765,400.00</u></u>
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"A-27"

SCHEDULE OF RESERVE FOR OUTSIDE LIENS

Balance, December 31, 2016	A	\$ 935.10
Increased by:		
Cash Receipts	A-4	<u>901,313.24</u>
		\$ <u>902,248.34</u>
Decreased by:		
Cash Disbursements	A-4	<u>901,313.24</u>
Balance, December 31, 2017	A	\$ <u><u>935.10</u></u>

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF DCA FEES DUE STATE OF NEW JERSEY

	<u>REF.</u>	
Balance, December 31, 2016	A	\$ 10,909.00
Increased by:		
Cash Receipts	A-4	<u>48,329.00</u>
		\$ <u>59,238.00</u>
Decreased by:		
Cash Disbursements	A-4	<u>50,091.00</u>
Balance, December 31, 2017	A	\$ <u><u>9,147.00</u></u>

SCHEDULE OF MARRIAGE LICENSES DUE STATE OF NEW JERSEY

Balance, December 31, 2016	A	\$ 2,525.00
Increased by:		
Cash Receipts	A-4	<u>3,075.00</u>
		\$ <u>5,600.00</u>
Decreased by:		
Cash Disbursements	A-4	<u>2,800.00</u>
Balance, December 31, 2017	A	\$ <u><u>2,800.00</u></u>

"A-30"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF SEWER CHARGE OVERPAYMENTS

	<u>REF.</u>	
Balance, December 31, 2016	A	\$ <u>6,806.39</u>
Decreased by:		
Applied to Receivable	A-31	\$ <u><u>6,806.39</u></u>

"A-31"

SCHEDULE OF SEWER CHARGES RECEIVABLE

Balance, December 31, 2016	A	\$ 86,840.24
Increased by:		
Sewer Billing		<u>2,495,266.48</u>
		\$ <u>2,582,106.72</u>
Decreased by:		
Cash Receipts	A-4	\$ 2,478,152.91
Prepayments Applied	A-30	6,806.39
Sewer Lien	A-32	<u>140.00</u>
		<u>2,485,099.30</u>
Balance, December 31, 2017	A	\$ <u><u>97,007.42</u></u>

"A-32"

SCHEDULE OF SEWER CHARGE LIENS RECEIVABLE

Balance, December 31, 2016	A	\$ 9.44
Increased by:		
Transferred from Sewer Tax Receivable	A-31	<u>140.00</u>
Balance, December 31, 2017	A	\$ <u><u>149.44</u></u>

"A-33"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2016	A		\$ 1,240,714.53
Increased by:			
2017 Budget	A-3	\$ 492,921.90	
Federal and State Grants Appropriated	A-24	<u>41,145.70</u>	
			<u>534,067.60</u>
			\$ 1,774,782.13
Decreased by:			
Transferred to Appropriation Reserves	A-13	\$ 608,083.53	
Transferred to Federal and State Grants Appropriated	A-24	<u>632,631.00</u>	
			<u>1,240,714.53</u>
Balance, December 31, 2017	A		\$ <u>534,067.60</u>

"A-34"

SCHEDULE OF RESERVE FOR LIBRARY

Balance, December 31, 2016 and December 31, 2017	A	\$ <u>997.78</u>
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TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF CASH-TREASURER

REF.	ANIMAL CONTROL	OTHER
B	\$ 57,433.67	\$ 3,938,708.36
Balance, December 31, 2016		
Increased by Receipts:		
License Fees Collected	\$ 23,787.60	\$
Due State of New Jersey	1,629.60	
Interfunds		
Community Development Block Grants		500,995.00
Payroll Deductions		24,500.00
Miscellaneous Trust Deposits		13,369,916.86
Escrow Deposits		1,752,551.66
District Management Corporation		209,523.79
		177,612.83
	25,417.20	16,035,100.14
	\$ 82,850.87	\$ 19,973,808.50
Decreased by Disbursements:		
Community Development Block Grants	\$	\$ 15,710.14
Expenditures Under R.S. 4:19-15.11	22,674.36	
Due State of New Jersey	1,658.20	
District Management Corporation		220,048.50
Payroll Deductions		13,372,623.52
Interfunds		500,995.00
Miscellaneous Trust Deposits	15,527.67	2,229,984.15
Escrow Deposits		971,937.69
	39,860.23	17,311,299.00
Balance, December 31, 2017	\$ 42,990.64	\$ 2,662,509.50



TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF DUE STATE OF NEW JERSEY  
ANIMAL CONTROL FUND

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ 28.60
Increased by:		
Cash Receipts	B-1	<u>1,629.60</u>
		\$ <u>1,658.20</u>
Decreased by:		
Cash Disbursements	B-1	\$ <u><u>1,658.20</u></u>

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2016	B	\$	41,877.40
Increased by:			
Dog License Fees Collected	B-1	\$	19,857.60
Cat License Fees Collected	B-1		<u>3,930.00</u>
		\$	<u>23,787.60</u>
			65,665.00
Decreased by:			
Cash Disbursements	B-1		<u>22,674.36</u>
			<u>22,674.36</u>
Balance, December 31, 2017	B	\$	<u><u>42,990.64</u></u>

<u>LICENSE FEES COLLECTED</u>	
<u>YEAR</u>	<u>AMOUNT</u>
2016	\$ 22,904.90
2015	<u>21,671.00</u>
	<u><u>\$ 44,575.90</u></u>

"B-4"

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK  
GRANTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2016	B	\$	24,500.00
Increased by:			
Grants Received	B-5		24,500.00
		\$	<u>49,000.00</u>
Decreased by:			
Cash Receipts	B-1		24,500.00
			<u>24,500.00</u>
Balance, December 31, 2017	B	\$	<u><u>24,500.00</u></u>

"B-5"

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK  
GRANTS RESERVE

Balance, December 31, 2016	B	\$	15,710.14
Increased by:			
Grants Received	B-4		24,500.00
		\$	<u>40,210.14</u>
Decreased by:			
Cash Disbursements	B-1		15,710.14
			<u>15,710.14</u>
Balance, December 31, 2017	B	\$	<u><u>24,500.00</u></u>

"B-6"

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF RESERVE FOR DISTRICT MANAGEMENT CORPORATION

	<u>REF.</u>		
Balance, December 31, 2016	B	\$	102,127.54
Increased by:			
Levy	B-1	\$	177,292.00
Miscellaneous Receipts	B-1		<u>320.83</u>
			177,612.83
		\$	<u>279,740.37</u>
Decreased by:			
Cash Disbursements	B-1		<u>220,048.50</u>
Balance, December 31, 2017	B	\$	<u><u>59,691.87</u></u>

"B-7"

SCHEDULE OF DUE CURRENT FUND-ANIMAL CONTROL FUND

Balance, December 31, 2016 (Due To)	B	\$	<u>15,527.67</u>
Decreased by:			
Cash Disbursements	B-1	\$	<u><u>15,527.67</u></u>

"B-8"

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ 119,376.44
Increased by:		
Cash Receipts	B-1	<u>13,369,916.86</u>
		\$ 13,489,293.30
Decreased by:		
Cash Disbursements	B-1	<u>13,372,623.52</u>
Balance, December 31, 2017	B	\$ <u><u>116,669.78</u></u>

"B-9"

SCHEDULE OF ESCROW DEPOSITS

Balance, December 31, 2016	B	\$ 1,463,257.49
Increased by:		
Cash Receipts	B-1	<u>209,523.79</u>
		\$ 1,672,781.28
Decreased by:		
Cash Disbursements	B-1	<u>971,937.69</u>
Balance, December 31, 2017	B	\$ <u><u>700,843.59</u></u>

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS

	BALANCE DECEMBER 31, 2016	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE DECEMBER 31, 2017
Police Outside Overtime	\$ 21,613.05	\$ 590,097.50	\$ 601,207.25	\$ 10,503.30
Medical Reimbursement	9,012.83	3,884.64	3,984.87	8,912.60
Developer's Deposits	100,572.95	30,477.83	81,875.10	49,175.68
State Unemployment Insurance	353,324.15	17,611.12		370,935.27
Forfeiture Accounts	15,978.42	5,390.93	2,900.00	18,469.35
Public Defender	35,144.19	13,023.00	6,000.00	42,167.19
Sign Fund	436.30			436.30
Tax Sale Premiums	1,160,900.00	670,200.00	1,170,500.00	660,600.00
POAA	11,672.45	3,131.00	6,000.00	8,803.45
Cable TV Donations	1,796.65			1,796.65
Enrichment	209,486.44	227,376.57	192,549.22	244,313.79
Recycling	24,362.54	13,982.85	34,503.63	3,841.76
DMC Donations	2,071.00	1,250.00	1,350.00	1,971.00
Body Armor	5,586.82	18,960.80	22,780.36	1,767.26
Fire Penalties	263.51			263.51
LOSAP	29,924.99	500.00		30,424.99
Post Office Donations	36,906.14			36,906.14
Municipal Alliance	4,267.88	960.00	3,010.00	2,217.88
Miscellaneous		4,675.00	3,475.00	1,200.00
C.O.A.H.	73,407.00	36,030.42	14,271.50	95,165.92
Snow Removal	166,009.44	115,000.00	85,577.22	195,432.22
	<u>\$ 2,262,736.75</u>	<u>\$ 1,752,551.66</u>	<u>\$ 2,229,984.15</u>	<u>\$ 1,785,304.26</u>

REF.

B

B-1

B-1

B

"B-11"

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF INTERFUNDS - TRUST OTHER FUND

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>
Cash Receipts	B-1	\$ <u>500,995.00</u>	\$ <u>500,995.00</u>
Cash Disbursements	B-1	\$ <u><u>500,995.00</u></u>	\$ <u><u>500,995.00</u></u>

TOWNSHIP OF CRANFORD  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2016	C	\$	2,596,458.19
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-11	\$	200,000.00
Grants Receivable	C-7		1,126,352.56
Bond Anticipation Notes	C-9		45,430,120.00
Interfunds	C-15		1,886,017.33
Due from Homeowners	C-13		864,338.99
Deferred Charges to Future Taxation			482,177.35
Reserve for Debt Service	C-18		348,798.05
Premium on Sale of Notes	C-1		88,285.00
			<u>50,426,089.28</u>
		\$	53,022,547.47
Decreased by Disbursements:			
Contracts Payable	C-14	\$	21,533,836.98
Bond Anticipation Notes	C-9		25,457,236.00
Interfunds	C-15		1,886,017.33
Capital Fund Balance Utilized in Current Fund	C-1		250,000.00
			<u>49,127,090.31</u>
Balance, December 31, 2017	C:C-3	\$	<u><u>3,895,457.16</u></u>



"C-3"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

ANALYSIS OF CASH

BALANCE  
DECEMBER  
31, 2017

Fund Balance	\$ 136,697.36
Improvement Authorizations Funded Set Forth on "C-8"	1,087,268.13
Improvement Authorizations Expended As Set Forth on Exhibit "C-6"	(2,744,806.32)
Improvement Authorizations Unfunded - Unexpended Proceeds of Notes "C-6"	3,238,488.39
Grants Receivable	(718,016.24)
Local Homeowners Receivable	(181,164.01)
Due From State of New Jersey Infrastructure Loan Receivable	(538,568.00)
Capital Improvement Fund	21,500.00
Contracts Payable	2,324,750.99
Reserve for Debt Service	354,859.72
Cash on Hand to Pay Notes Various Ordinances "C-6"	938,600.14
Due From Cranford Board of Education	<u>(24,153.00)</u>
	<u>\$ 3,895,457.16</u>

REF.

C-2

"C-4"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM CRANFORD BOARD OF EDUCATION

	<u>REF.</u>	
Balance, December 31, 2016 and December 31, 2017	C	\$ <u>24,153.00</u>

"C-5"

SCHEDULE OF DEFERRED CHARGES  
TO FUTURE TAXATION - FUNDED

Balance, December 31, 2016	C	\$ 16,009,809.08
Decreased by:		
Budget Appropriation to Pay Bonds	C-10	\$ 1,970,000.00
Budget Appropriation to Pay Infrastructure Loans	C-16	439,846.06
Budget Appropriation to Pay Green Trust Loans	C-12	<u>11,409.66</u>
		<u>2,421,255.72</u>
Balance, December 31, 2017	C	\$ <u>13,588,553.36</u>

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ANALYSIS OF BALANCE, DECEMBER 31, 2017			
		BALANCE DECEMBER 31, 2017	BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
91-26	DMC and Hansen Park	\$ 59,805.62	\$ 59,805.00	\$	0.62
01-38/03-27/5-37	Construction of a Municipal Parking Garage				
06-28/07-35/11-31	Storm Drainage and Flood Management Improvements	1,209,865.59	434,120.00	734,833.59	40,912.00
02-04	Various Capital Improvements Including Purchase of Equipment	987,952.00	987,952.00		
03-03	Acquisition of Ambulance	210,185.00	210,185.00		
05-01	Various Improvements	0.31		0.31	
05-12/09-35	Multi-Purpose				
06-10	Sidewalks-Centennial Avenue	74,393.90	74,393.00		
06-11	Multi-Purpose	110,275.00	110,275.00		
06-24	Various Public Improvements	219,708.00	219,708.00		
07-07	Reconstruction of High Street Foot Bridge	295,128.00	295,128.00		
07-16	Various Public Improvements	433,472.00	433,472.00		
08-18	Construction of Crane Place	552,037.00	552,037.00		
09-36	Various Sewer Projects	350,735.00	350,735.00		
09-37	Acquisition of Real Property for Recreation and Municipality	37,090.00			37,090.00
10-30	Various Improvements	1,716,985.00	1,716,985.00		
10-43	Various Public Improvements	449,000.00	449,000.00		
11-30	Installation of Turf Field	923,950.00	923,950.00		
09-11	Reconstruction of Lower Level-Municipal Building	40,000.00	40,000.00		
12-15	Various Improvements	1,766,577.53	1,766,573.00		4.53
12-19	Multi-Purpose	236,917.40	236,917.40		
12-21	Various Storm Improvements	951,372.05	951,372.05		
12-37	Purchase of Computer Equipment	370,322.65			370,322.65
13-03	Various Improvements and Acquisitions	58,662.00	58,662.00		
13-15	Multi-Purpose	552,369.00	552,369.00		
13-16	Various Public Improvements	1,184,360.00	1,184,360.00		
14-06	Various Public Improvements	708,990.00	708,990.00		
14-14	Various Public Improvements	4,802,256.41	4,802,256.41		
15-24	Various Public Improvements	3,785,000.00	3,785,000.00		
15-27	Acquisition of Real Property	1,266,500.00	1,266,500.00		500.00
15-31	Multi-Purpose	1,271,000.00	1,200,000.00	56,841.07	14,158.93
16-12	Turf Field	3,268,000.00	3,268,000.00		
16-13	Storm Drainage & Flood Mgmt.	285,700.00			
16-18	Acq. Of Real Property	3,500,000.00	17,245,000.00	190,210.36	3,309,789.64
16-28	Multi-Purpose	17,245,000.00	322,575.00	1,762,920.09	1,464,504.91
17-05		3,550,000.00			
		<u>\$ 52,473,609.46</u>	<u>\$ 44,491,519.86</u>	<u>\$ 2,744,806.32</u>	<u>\$ 5,237,283.28</u>
		C		C-3	
REF.					
C-9	Bond Anticipation Notes	\$	45,430,120.00		
C-3	Cash on Hand to Pay Notes - Various Ordinances		938,600.14		
		\$	44,491,519.86		
C-8	Improvement Authorizations-Unfunded			\$	8,475,771.67
C-3	Less: Bond Anticipation Note Proceeds				3,238,488.39
	Unexpended Ordinances-Various			\$	5,237,283.28

TOWNSHIP OF CRANFORD  
GENERAL CAPITAL FUND  
SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 1,599,368.80
Increased by:		
Grants Awarded	C-8	<u>245,000.00</u>
		\$ 1,844,368.80
Decreased by:		
Cash Receipts	C-2	\$ <u>1,126,352.56</u>
Balance, December 31, 2017	C	\$ <u><u>718,016.24</u></u>



TOWNSHIP OF CRANFORD  
GENERAL 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>INCREASE</u>	<u>DECREASE</u>	<u>BALANCE DECEMBER 31, 2017</u>
						\$		\$	
05-12; 09-35	Various Improvements	1/06/05	1/28/16	01/27/17	2.00%	685,270.00		685,270.00	\$
06-10	Multi-Purpose	1/05/07	1/28/16	1/27/17	2.00%	80,919.00		80,919.00	
06-10	Multi-Purpose	1/05/07	1/27/17	1/26/18	1.05%		74,393.00		74,393.00
06-24	Multi-Purpose	1/05/07	1/28/16	1/27/17	2.00%	239,682.00		239,682.00	
06-24	Multi-Purpose	1/05/07	1/27/17	1/26/18	1.05%		219,708.00		219,708.00
02-04	Flood Management Improvements	9/12/07	1/28/16	1/27/17	2.00%	1,001,867.00		1,001,867.00	
02-04	Flood Management Improvements	9/12/07	1/27/17	1/26/18	1.05%		987,952.00		987,952.00
91-26	DMC Improvements	9/12/07	1/28/16	1/27/17	2.00%	65,528.00		65,528.00	
91-26	DMC Improvements	9/12/07	1/27/17	1/26/18	1.05%		59,805.00		59,805.00
03-03	Various Capital Improvements	8/01/08	1/28/16	1/27/17	2.00%	227,730.00		227,730.00	
03-03	Various Capital Improvements	8/01/08	1/27/17	1/26/18	1.05%		210,185.00		210,185.00
06-11	Centennial Avenue Sidewalks	1/05/07	1/28/16	1/27/17	2.00%	120,300.00		120,300.00	
06-11	Centennial Avenue Sidewalks	1/05/07	1/27/17	1/26/18	1.05%		110,275.00		110,275.00
07-07	Various Capital Improvements	9/12/07	1/28/16	1/27/17	2.00%	304,862.00		304,862.00	
07-07	Various Capital Improvements	9/12/07	1/27/17	1/26/18	1.05%		295,128.00		295,128.00
07-16	Reconst. of High Street Foot Bridge	8/01/08	1/28/16	1/27/17	2.00%	453,176.00		453,176.00	
07-16	Reconst. of High Street Foot Bridge	8/01/08	1/27/17	1/26/18	1.05%		433,472.00		433,472.00
08-18	Various Public Improvements	8/01/08	1/28/16	1/27/17	2.00%	568,746.00		568,746.00	
08-18	Various Public Improvements	8/01/08	1/27/17	1/26/18	1.05%		552,037.00		552,037.00
09-36	Reconst. of Crane Parkway	6/04/10	1/28/16	1/27/17	2.00%	375,788.00		375,788.00	
09-36	Reconst. of Crane Parkway	6/04/10	1/27/17	1/26/18	1.05%		350,735.00		350,735.00
10-30	Acquisition of Real Property for Recreation and Other Purposes	8/25/10	1/28/16	1/27/17	2.00%	1,740,188.00		1,740,188.00	
10-30	Acquisition of Real Property for Recreation and Other Purposes	8/25/10	1/27/17	1/26/18	1.05%		1,716,985.00		1,716,985.00
10-43	Various Improvements	2/04/11	1/28/16	1/27/17	2.00%	462,000.00		462,000.00	
10-43	Various Improvements	2/04/11	1/27/17	1/26/18	1.05%		449,000.00		449,000.00
11-30	Various Public Improvements	2/03/12	1/28/16	1/27/17	2.00%	985,795.00		985,795.00	
11-30	Various Public Improvements	2/03/12	1/27/17	1/26/18	1.05%		923,950.00		923,950.00
01-38	Parking Garage	6/26/12	5/20/16	5/19/17	0.80%	490,490.00		490,490.00	
01-38	Parking Garage	6/26/12	5/20/17	5/18/18	0.90%		434,120.00		434,120.00
12-15	Reconstruction of Lower Level	5/23/13	5/20/16	5/20/17	2.00%	1,835,534.00		1,835,534.00	
12-15	Reconstruction of Lower Level	5/23/13	5/20/17	5/18/18	2.00%		1,766,573.00		1,766,573.00
12-19	Various Improvements	5/23/13	5/20/16	5/20/17	2.00%	490,736.00		490,736.00	
12-19	Various Improvements	5/23/13	5/20/17	5/18/18	2.00%		463,472.00		463,472.00
12-21	Multi-Purpose	5/23/13	5/20/16	5/20/17	2.00%	1,165,337.00		1,165,337.00	
12-21	Multi-Purpose	5/23/13	5/20/17	5/18/18	2.00%		1,130,674.00		1,130,674.00
13-03	Purchase of Computer Equipment	5/23/14	5/20/16	5/20/17	2.00%	66,000.00		66,000.00	
13-03	Purchase of Computer Equipment	5/23/14	5/20/17	5/18/18	2.00%		58,662.00		58,662.00
13-15	Various Improvements	5/23/14	5/20/16	5/20/17	2.00%	599,500.00		599,500.00	
13-15	Various Improvements	5/23/14	5/20/17	5/18/18	2.00%		552,369.00		552,369.00

**SCHEDULE OF BOND ANTICIPATION NOTES**

ORDINANCE	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE		INCREASE	DECREASE	BALANCE DECEMBER 31, 2017
						DECEMBER 31, 2016				
13-16	Multi-Purpose	5/23/14	5/20/16	5/20/17	2.00%		\$ 1,238,000.00	\$	1,238,000.00	\$ 1,184,360.00
13-16	Multi-Purpose	5/23/14	5/20/17	5/18/18	2.00%					
14-06	Various Public Improvements	5/23/14	5/20/16	5/20/17	2.00%		738,000.00		738,000.00	708,990.00
14-06	Various Public Improvements	5/23/14	5/20/17	5/18/18	2.00%					
14-14	Various Public Improvements	5/22/15	5/20/16	5/20/17	2.00%		2,336,000.00		2,336,000.00	2,336,000.00
14-14	Various Public Improvements	5/22/15	5/20/17	5/18/18	2.00%					
14-14	Various Public Improvements	1/30/15	1/28/16	1/27/17	2.00%		1,348,364.00		1,348,364.00	1,348,364.00
14-14	Various Public Improvements	1/30/15	1/27/17	1/26/18	1.05%					
14-14	Various Public Improvements	11/30/15	6/30/16	6/30/17	0.85%		1,000,000.00		1,000,000.00	1,000,000.00
14-14	Various Public Improvements	11/30/15	6/30/17	6/29/18	1.10%					
14-14	Various Public Improvements	1/27/17	1/27/17	1/26/18	1.05%					
15-24	Various Public Improvements	1/29/16	1/29/16	1/27/17	2.00%		963,134.00		963,134.00	963,134.00
15-24	Various Public Improvements	1/29/16	1/27/17	1/26/18	1.05%					
15-24	Various Public Improvements	5/20/16	5/20/16	5/20/17	2.00%		530,893.00		530,893.00	530,893.00
15-24	Various Public Improvements	5/20/16	5/20/17	5/18/18	2.00%					
15-24	Various Public Improvements	6/30/16	6/30/16	6/30/17	0.85%		1,000,000.00		1,000,000.00	1,000,000.00
15-24	Various Public Improvements	6/30/16	6/30/17	6/29/18	1.10%					
15-24	Various Public Improvements	1/27/17	1/27/17	1/26/18	1.05%					
15-24	Various Public Improvements	5/20/17	5/20/17	5/18/18	2.00%					
09-11	Installation of Turf Field	4/24/10	9/9/16	9/8/17	0.70%		80,000.00		80,000.00	40,000.00
09-11	Installation of Turf Field	4/24/10	9/8/17	9/7/18	0.90%					
15-27	Various Public Improvements	1/28/16	1/28/16	6/30/17	2.00%		1,266,000.00		1,266,000.00	1,266,000.00
15-27	Various Public Improvements	1/28/16	6/30/17	6/29/18	1.10%					
15-31	Acq. Of Real Property	1/28/16	1/28/16	6/30/17	0.85%		1,200,000.00		1,200,000.00	1,200,000.00
15-31	Acq. Of Real Property	1/28/16	6/30/17	6/29/18	1.10%					
16-12	Multi-Purpose	1/28/16	1/28/16	6/30/17	2.00%		3,000,000.00		3,000,000.00	3,000,000.00
16-12	Multi-Purpose	1/28/16	6/30/17	6/29/18	1.10%					
16-12	Multi-Purpose	5/20/17	5/20/17	5/18/18	2.00%		201,275.00		201,275.00	201,275.00
16-12	Multi-Purpose	6/30/17	6/30/17	6/29/18	1.10%					
16-13	Turf Field	6/30/17	6/30/17	6/29/18	1.10%		285,700.00		285,700.00	285,700.00
16-28	Birchwood	2/7/17	2/7/17	2/7/18	1.50%		17,615,000.00		17,615,000.00	17,615,000.00
17-05	Multi-Purpose	6/30/17	6/30/17	6/29/18	1.10%					
			<u>\$ 26,659,839.00</u>	<u>\$ 45,430,120.00</u>			<u>\$ 26,659,839.00</u>		<u>\$ 45,430,120.00</u>	
			C	C-2						C-C-6
			</							

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS 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>				
General Improvements	12/15/05	\$ 10,000,000.00	08/15/18	\$ 1,300,000.00	3.750%	\$ 2,600,000.00	\$ 1,300,000.00	\$ 1,300,000.00
General Improvements	08/15/06	5,497,000.00	08/15/18-37	1,300,000.00	Various	5,097,000.00	85,000.00	5,012,000.00
General Improvements	08/15/06	1,603,000.00	08/15/18-37	1,413,000.00	Various	1,443,000.00	30,000.00	1,413,000.00
Refunding Bonds	08/15/13	3,885,000.00	08/15/18	555,000.00	4.000%	2,210,000.00	555,000.00	1,655,000.00
			08/15/19-20	550,000.00	4.500%			
						<u>\$ 11,350,000.00</u>	<u>\$ 1,970,000.00</u>	<u>\$ 9,380,000.00</u>
					<u>REF.</u>	C	C-5	C



"C-11"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Increased by:		
2017 Budget Appropriation	C-2	\$ 200,000.00
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-8	<u>178,500.00</u>
Balance, December 31, 2017	C	<u><u>\$ 21,500.00</u></u>

"C-12"

SCHEDULE OF GREEN TRUST LOANS PAYABLE

Balance, December 31, 2016	C	\$ 131,916.05
Decreased by:		
Loans Paid by Budget	C-5	<u>11,409.66</u>
Balance, December 31, 2017	C	<u><u>\$ 120,506.39</u></u>

"C-13"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF LOCAL HOMEOWNERS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 1,045,503.00
Decreased by:		
Cash Receipts	C-2	<u>864,338.99</u>
Balance, December 31, 2017	C	<u><u>\$ 181,164.01</u></u>

"C-14"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2016	C	\$ 2,444,659.89
Increased by:		
Improvement Authorizations Charged	C-8	<u>21,657,999.48</u>
		24,102,659.37
Decreased by:		
Cash Disbursements	C-2	\$ 21,533,836.98
Canceled	C-8	<u>244,071.40</u>
		<u>21,777,908.38</u>
Balance, December 31, 2017	C	<u><u>\$ 2,324,750.99</u></u>

"C-15"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>
Cash Receipts	C-2 \$	<u>1,886,017.33</u>	<u>\$ 1,886,017.33</u>
Cash Disbursements	C-2 \$	<u><u>1,886,017.33</u></u>	<u><u>1,886,017.33</u></u>

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF NJ INFRASTRUCTURE LOANS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 4,527,893.03
Decreased by:		
Loans Paid by Budget	C-5	<u>439,846.06</u>
Balance, December 31, 2017	C	\$ <u><u>4,088,046.97</u></u>

"C-17"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF INFRASTRUCTURE LOAN RECEIVABLE

REF.

Balance, December 31, 2016 and  
December 31, 2017

C

\$ 538,568.00

"C-18"

SCHEDULE OF RESERVE FOR DEBT SERVICE

Balance, December 31, 2016

C

\$ 6,061.67

Increased by:  
Cash Receipts

C-2

348,798.05

Balance, December 31, 2017

C

\$ 354,859.72

TOWNSHIP OF CRANFORD

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>
91-26	DMC and Hansen Park	\$ 0.62
05-01	Ambulance	0.31
01-38/03-27/05-47/06-28/7-35/11-31	Construction of a Municipal Parking Garage	775,745.59
06-10	Multi-Purpose	0.90
09-37	Various Sewer Projects	37,090.00
12-15	Reconstruction of Lower Level-Municipal Building	4.53
12-37	Various Storm Improvements	370,322.65
15-27	Various Public Improvements	500.00
15-31	Acq. Of Real Property	71,000.00
16-18	Storm Drainage and Flood Management	3,500,000.00
17-05	Multi-Purpose	<u>3,227,425.00</u>
		<u>\$ 7,982,089.60</u>

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2016	D	\$ 194,325.54	\$ 1,401,722.50
Increased by Receipts:			
Bond Anticipation Notes	D-6	\$	\$ 1,359,000.00
Appropriation Refunds	D-3	951.73	
Membership	D-2	1,208,272.00	
Miscellaneous	D-2	437,091.25	
		<u>1,646,314.98</u>	<u>1,359,000.00</u>
		\$ <u>1,840,640.52</u>	\$ <u>2,760,722.50</u>
Decreased by Disbursements:			
2017 Appropriations	D-3	\$ 1,727,727.00	\$
2016 Appropriation Reserves	D-12	22,723.18	
Bond Anticipation Notes	D-6		1,359,000.00
Fund Balance	D-1	35,000.00	
Contracts Payable	D-8		<u>891,130.26</u>
		<u>1,785,450.18</u>	<u>2,250,130.26</u>
Balance, December 31, 2017	D:D-5	\$ <u><u>55,190.34</u></u>	\$ <u><u>510,592.24</u></u>

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY FUND

SCHEDULE OF SWIM POOL UTILITY CAPITAL CASH

	BALANCE DECEMBER <u>31, 2017</u>
Capital Improvement Fund	\$ 6,840.00
Contracts Payable	103,349.80
Grants Receivable	(72,790.00)
Improvement Authorizations 10-15	13,767.23
Improvement Authorizations 15-26	31,373.10
Improvement Authorizations 16-17	<u>428,052.11</u>
	\$ <u><u>510,592.24</u></u>

REF.

D-4



TOWNSHIP OF CRANFORD

SWIM POOL 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>INCREASE</u>	<u>DECREASE</u>	<u>BALANCE DECEMBER 31, 2017</u>
10-15	Various Pool Improvements	04/13/10	1/30/16	1/27/17	2.00%	\$ 76,651.00	\$	76,651.00	\$
15-26	Various Pool Improvements	12/8/16	6/30/17	6/29/18	1.10%	883,000.00	883,000.00	883,000.00	883,000.00
16-17	Various Pool Improvements	12/8/16	6/30/17	6/29/18	1.10%	476,000.00	476,000.00	476,000.00	476,000.00
						<u>\$ 1,435,651.00</u>	<u>\$ 1,359,000.00</u>	<u>\$ 1,435,651.00</u>	<u>\$ 1,359,000.00</u>
					<u>REF.</u>	D	D-4		D
	Cash Disbursements				D-4			\$ 1,359,000.00	
	Notes Paid by Budget				D-18			<u>76,651.00</u>	
								<u>\$ 1,435,651.00</u>	

"D-7"

TOWNSHIP OF CRANFORD  
SWIM POOL UTILITY OPERATING FUND  
SCHEDULE OF CHANGE FUND

REF.

Balance, December 31, 2016 and December 31, 2017	D	\$ <u>150.00</u>
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"D-8"

SWIM POOL UTILITY CAPITAL FUND  
SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2016	D	\$ 323,007.00
Increased by:		
Improvement Authorizations	D-15	<u>671,473.06</u>
		\$ <u>994,480.06</u>
Decreased by:		
Cash Disbursements	D-4	<u>891,130.26</u>
Balance, December 31, 2017	D	\$ <u>103,349.80</u>

TOWNSHIP OF CRANFORD  
SWIM POOL UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE AMOUNT</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE DECEMBER 31, 2016</u>
General Improvements:				
10-15	Various Pool Improvements	\$ 170,000.00	\$ 170,000.00	\$ 170,000.00
15-26	Various Pool Improvements	1,000,000.00	1,000,000.00	1,000,000.00
16-17	Various Pool Improvements	500,000.00	500,000.00	500,000.00
			<u>\$ 1,670,000.00</u>	<u>\$ 1,670,000.00</u>
	<u>REF.</u>		D	D

"D-10"

TOWNSHIP OF CRANFORD  
SWIM POOL UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

BALANCE  
DECEMBER  
31, 2017

Swim Pool Facilities:

Orange Avenue

\$ 1,242,525.00

Centennial Avenue

2,000,449.00

Pool Improvements

1,280,000.00

General Equipment

774,954.34

\$ 5,297,928.34

REF.

D

"D-11"

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

Balance, December 31, 2016 and  
December 31, 2017

D

\$ 72,790.00

"D-12"

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY OPERATING FUND

SCHEDULE OF 2016 APPROPRIATION RESERVES

		BALANCE DECEMBER 31, 2016	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Operating:					
Salaries and Wages		\$ 135.57	\$ 135.57	\$	\$ 135.57
Other Expenses		12,822.62	30,509.56	22,723.18	7,786.38
Statutory Expenditures:					
Social Security		<u>5,014.75</u>	<u>5,014.75</u>		<u>5,014.75</u>
		\$ <u>17,972.94</u>	\$ <u>35,659.88</u>	\$ <u>22,723.18</u>	\$ <u>12,936.70</u>
	<u>REF.</u>	D:D-12		D-4	D-1
Balance, December 31, 2016	D-12		\$ 17,972.94		
Encumbrances Payable	D-13		<u>17,686.94</u>		
			\$ <u>35,659.88</u>		

"D-13"

TOWNSHIP OF CRANFORD  
SWIM POOL UTILITY OPERATING FUND  
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2016	D	\$ 17,686.94
Increased by:		
Charges to 2017 Appropriations	D-3	8,396.60
		\$ <u>26,083.54</u>
Decreased by:		
Transferred to 2016 Appropriation Reserves	D-12	<u>17,686.94</u>
Balance, December 31, 2017	D	\$ <u><u>8,396.60</u></u>

"D-14"

SCHEDULE OF ACCRUED INTEREST ON NOTES

Balance, December 31, 2016 and December 31, 2017	D	\$ <u><u>10,230.37</u></u>
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TOWNSHIP OF CRANFORD  
SWIM POOL UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2016		PAID OR CHARGED	BALANCE DECEMBER 31, 2017	
			FUNDED	UNFUNDED		FUNDED	UNFUNDED
General Improvements:							
10-15	Various Pool Improvements	\$ 170,000.00	\$	13,767.23	\$	13,767.23	\$
15-26	Various Pool Improvements	1,000,000.00		631,775.62	600,402.52		31,373.10
16-17	Various Pool Improvements	500,000.00	23,122.65	476,000.00	71,070.54		428,052.11
		\$ 23,122.65	\$	1,121,542.85	\$ 671,473.06	\$ 13,767.23	\$ 459,425.21
			D	D	D-8	D	D
		REF.					



"D-16"

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

REF.

Balance, December 31, 2016 and  
December 31, 2017

D

\$ 6,840.00

"D-17"

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2016 and  
December 31, 2017

D

\$ 4,973,928.34

"D-18"

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

Balance, December 31, 2016

D

\$ 558,349.00

Increased by:

Notes Paid by Budget

D-6

76,651.00

Balance, December 31, 2017

D

\$ 635,000.00

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PART II

TOWNSHIP OF CRANFORD

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	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 3,000,000.00	2.56%	\$ 1,500,000.00	1.41%
Miscellaneous - From Other Than Local				
Property Tax Levies	11,859,978.99	10.10%	11,763,085.35	11.02%
Collection of Delinquent Taxes and				
Tax Title Liens	839,179.58	0.71%	1,173,429.73	1.10%
Collection of Current Tax Levy	<u>101,676,287.79</u>	<u>86.62%</u>	<u>92,297,441.79</u>	<u>86.47%</u>
<u>TOTAL INCOME</u>	<u>117,375,446.36</u>	<u>100.00%</u>	<u>106,733,956.87</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	36,429,873.49	31.65%	33,377,635.27	32.09%
County Taxes	22,783,759.97	19.80%	19,829,861.74	19.06%
Local School Taxes	55,466,136.00	48.19%	50,411,243.00	48.47%
Other Expenditures	<u>410,820.35</u>	<u>0.36%</u>	<u>396,042.22</u>	<u>0.38%</u>
<u>TOTAL EXPENDITURES</u>	<u>115,090,589.81</u>	<u>100.00%</u>	<u>104,014,782.23</u>	<u>100.00%</u>
Excess in Revenue	2,284,856.55		2,719,174.64	
Adjustments to Income Before Fund Balance:				
Expenditures Included Above Which are Deferred				
Charges to Budget of Succeeding Year			<u>848,073.00</u>	
Statutory Excess to Fund Balance	2,284,856.55		3,567,247.64	
Fund Balance, January 1	<u>6,675,945.33</u>		<u>4,054,401.76</u>	
	1,435,000.00		7,621,649.40	
Less: Utilization as Anticipated Revenue	<u>3,000,000.00</u>		<u>1,500,000.00</u>	
Fund Balance, December 31	<u>\$ 5,960,801.88</u>		<u>\$ 6,121,649.40</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE  
IN FUND BALANCE - SWIM POOL UTILITY FUND

	YEAR 2017		YEAR 2016	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 28,013.00	1.66%	\$ 46,118.00	2.52%
Collection of Membership Fees	1,208,272.00	71.65%	1,272,478.65	69.48%
Miscellaneous	437,091.25	25.92%	451,592.39	24.66%
Miscellaneous-From Other Than Pool Receipts	12,936.70	0.77%	61,311.49	3.35%
<u>TOTAL INCOME</u>	<u>1,686,312.95</u>	<u>100.00%</u>	<u>1,831,500.53</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	1,580,801.00	90.32%	1,574,378.00	90.16%
Capital Outlay			25,000.00	1.43%
Deferred Charges and Statutory Expenditures	92,851.00	5.31%	70,314.39	4.03%
Municipal Debt Service	76,500.00	4.37%	76,500.00	4.38%
Other				0.00%
<u>TOTAL EXPENDITURES</u>	<u>1,750,152.00</u>	<u>100.00%</u>	<u>1,746,192.39</u>	<u>100.00%</u>
Excess in Revenue			85,308.14	
Deficit in Revenue	(63,839.05)			
Operating Deficit to be raised in Budget of Succeeding Year	<u>63,839.05</u>			
Fund Balance, January 1	<u>148,585.29</u>		<u>164,395.15</u>	
	148,585.29		249,703.29	
Less: Utilization as Anticipated Revenue	28,013.00		46,118.00	
Surplus-Anticipated Revenue Current Fund	<u>35,000.00</u>		<u>55,000.00</u>	
Fund Balance, December 31	<u>\$ 85,572.29</u>		<u>\$ 148,585.29</u>	

## COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	<u>\$6.182</u>	<u>\$5.957</u>	<u>\$5.801</u>
Appointment of Tax Rate:			
Municipal	1.374	1.355	1.335
Municipal Library	0.085	0.080	0.078
County	1.371	1.320	1.256
Local School	<u>3.352</u>	<u>3.202</u>	<u>3.132</u>

### Assessed Valuation:

2017	\$ <u>1,655,021,791.00</u>	
2016		\$ <u>1,658,824,467.00</u>
2015		\$ <u>1,642,076,436.00</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	\$ 102,915,763.79	\$ 101,676,287.75	98.80%
2016	\$ 99,460,919.17	\$ 98,158,642.47	98.69%
2015	\$ 96,534,948.13	\$ 95,527,678.97	98.96%

### DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>DECEMBER 31, YEAR</u>		<u>AMOUNT OF TAX TITLE LIENS</u>		<u>AMOUNT OF DELINQUENT TAXES</u>		<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2017	\$	43,317.37	\$	795,472.09	\$	838,789.46	0.82%
2016	\$	5,359.15	\$	845,915.15	\$	851,274.30	0.86%
2015	\$	4,112.33	\$	853,561.95	\$	857,674.28	0.89%

### COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2017	\$ 5,960,801.88	\$ 2,850,000.00
	2016	\$ 6,675,945.33	\$ 3,000,000.00
	2015	\$ 6,370,739.43	\$ 2,277,600.00
	2014	\$ 5,273,596.40	\$ 1,845,000.00
	2013	\$ 4,054,401.76	\$ 1,500,000.00
Swim Pool Utility Operating Fund	2017	\$ 85,572.29	\$ 75,839.05
	2016	\$ 148,585.29	\$ 28,013.00
	2015	\$ 164,395.15	\$ 46,118.00
	2014	\$ 53,321.93	\$ 46,000.00
	2013	\$ 60,085.11	\$ 60,000.00

## 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>
Thomas H. Hannen, Jr.	Mayor	*
Patrick Giblin	Deputy Mayor	I
Ann Dooley	Commissioner	*
Mary O'Connor	Commissioner	*
Andis Kalnins	Commissioner	*
Terence Wall	Township Administrator	*
Lavona Patterson	Chief Financial Officer	*
Catherine Hendrickson	Tax Collector	*
Tara Rowley	Township Clerk	*
Heather Capone	Deputy Township Clerk	*
Paul Kobliska	Electrical Subcode Official	*
Ryan Cooper	Township Attorney	*
Richard Belluscio	Construction Official	*
Ronald Johnson	Zoning Officer	*
Christian Jessen	Plumbing Subcode Official	*
Peter Barnett	Tax Assessor	*
Stephen Robertazzi	Director of Parks/Recreation	*
Mark Cassidy	Magistrate	*
Lorraine Powell	Court Administrator	*
Beth Ann Marotta	Deputy Court Administrator	*
Norman Albert Esq.	Prosecutor	*
James Woziak / Ryan Greco	Police Chief	*
Daniel Czeh	Fire Chief	*
William Masol	Engineer	*

\*-Covered by \$1,000,000.00 under Statewide Insurance Fund



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 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 or up to \$40,000.00 if the entity has a Qualified Purchasing Agent. The Township appointed a Qualified Purchasing Agent and has elected to increase its bid threshold to \$40,000.00.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Committee's opinion should be sought before a commitment is made.

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

- Vehicles
- Road/Sidewalk Improvements
- Pool Renovations
- Animal Control Services

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.

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

- Auditor
- Attorney/Legal
- Architect
- Engineer
- Planning

## GENERAL COMMENTS (CONTINUED)

### 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 and assessments:

"BE IT RESOLVED by the Governing Body of the Township of Cranford that the rate of interest on delinquent taxes and assessments owed to the said Township of Cranford, be and it hereby is set at eight percent (8%) on the first One Thousand Five Hundred Dollars (\$1,500.00) of taxes due and eighteen percent (18%) of any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00). Such interest shall not be charged, however, on payments made within ten (10) days from the due date."

"BE IT FURTHER RESOLVED there will be a six percent (6%) penalty on delinquency of Ten Thousand Dollars (\$10,000.00) or more at the end of the calendar year."

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

### DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on September 19, 2017 and was complete.

Inspection of Tax Sale Certificates on file revealed that all Tax Sale Certificates were available for audit.

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2017	4
2016	3
2015	2

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.

## GENERAL COMMENTS (CONTINUED)

### VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

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

<u>TYPE</u>	
Payments of 2018 Taxes	25
Payments of 2017 Taxes	25
Delinquent Taxes	25

### 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 Township's policy to review and liquidate all interfund balances on a periodic basis.

#### Departments

We noted that the Pool and Board of Health departments did not always turn over receipts to the Treasurer within 48 hours of receipt as required by N.J.S.A. 40A:5-15.

### RECOMMENDATION

That the Pool and Board of Health departments turn over receipts to the Treasurer within 48 hours of receipt as required by N.J.S.A. 40A:5-15.



