

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, 2019

TOWNSHIP OF CRANFORD

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TOWNSHIP OF CRANFORD

PART I

INDEPENDENT AUDITOR'S REPORT ON
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SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2019 AND 2018



SUPLEE, CLOONEY & COMPANY

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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, 2019 and 2018, 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, 2019, 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.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2019 and 2018, 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, 2019.

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, 2019 and 2018, 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, 2019 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, schedules 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, schedules 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, schedules 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 July 27, 2020 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

July 27, 2020



SUPLEE, CLOONEY & COMPANY

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and Members
of the 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, 2019, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated July 27, 2020. 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.

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

July 27, 2020

CURRENT FUND

TOWNSHIP OF CRANFORD

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>BALANCE DECEMBER 31, 2018</u>
<u>ASSETS</u>			
Cash	A-4	\$ 12,126,136.16	\$ 11,155,417.66
Cash - Change Fund	A-5	930.00	930.00
Due State of New Jersey - Chapter 20, P.L.1971	A-16	44.52	9,063.70
Grants Receivable	A-19	116,443.41	53,963.77
		<u>\$ 12,243,554.09</u>	<u>\$ 11,219,375.13</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	\$ 706,796.77	\$ 559,578.53
Tax Title Liens Receivable	A-8	104,799.16	71,433.85
Delinquent Sewer Taxes Receivable	A-30	104,000.37	39,561.95
Sewer Charge Liens Receivable	A-31	429.44	289.44
Property Acquired for Taxes - Assessed Valuation	A-26	3,765,400.00	3,765,400.00
Revenue Accounts Receivable	A-9	33,150.13	24,240.46
Interfunds Receivable	A-10	25,690.57	25,690.57
	A	<u>\$ 4,740,266.44</u>	<u>\$ 4,486,194.80</u>
Deferred Charges:			
Emergency Appropriations	A-12	\$ _____	\$ 425,000.00
		<u>\$ _____</u>	<u>\$ 425,000.00</u>
		<u>\$ 16,983,820.53</u>	<u>\$ 16,130,569.93</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 DECEMBER 31, 2019</u>	<u>BALANCE DECEMBER 31, 2018</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-13	\$ 1,813,886.62	\$ 1,700,477.17
Prepaid Taxes	A-17	520,481.08	572,987.34
Encumbrances Payable	A-6	784,894.84	749,648.61
Accounts Payable	A-20	489.45	1,873.40
County Taxes Payable	A-14	84,944.20	96,308.06
Tax Overpayments	A-18		8,105.56
Reserve For:			
Grants - Unappropriated	A-23	20,546.98	910.80
Grants - Appropriated	A-24	354,175.77	407,606.97
DCA Fees Due State of New Jersey	A-28	10,183.00	17,529.00
Marriage Licenses Due State of New Jersey	A-29	625.00	3,575.00
Sale of Municipal Assets	A-22	268,000.00	268,000.00
Tax Appeals	A-25	344,044.23	374,346.23
Prepaid Sewer Charges	A-33	49.23	
Outside Liens	A-27		1,545.63
Maintenance of Free Public Library	A-21	16,829.28	11,792.65
Library	A-32	100,569.26	3,092.52
		<u>\$ 4,319,718.94</u>	<u>\$ 4,217,798.94</u>
Reserve for Receivables and Other Assets	A	4,740,266.44	4,486,194.80
Fund Balance	A-1	<u>7,923,835.15</u>	<u>7,426,576.19</u>
		<u>\$ 16,983,820.53</u>	<u>\$ 16,130,569.93</u>

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, 2019</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2018</u>
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-2	\$ 2,950,000.00	\$ 2,850,000.00
Miscellaneous Revenue Anticipated	A-2	10,957,272.50	10,641,478.90
Receipts from Delinquent Taxes	A-2	559,578.53	797,279.59
Receipts from Current Taxes	A-2	108,155,100.51	105,719,118.22
Non-Budget Revenue	A-2	371,562.60	816,614.58
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	1,365,449.52	1,585,462.09
Grants Canceled		918.30	
Animal Control Excess Fees			25,690.57
Accounts Payable Canceled	A-20	1,873.40	2,045.00
<u>Total Income</u>		<u>\$ 124,361,755.36</u>	<u>\$ 122,437,688.95</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Operations Within "CAPS":			
Operating	A-3	\$ 24,513,539.99	\$ 24,474,332.61
Deferred Charges and Statutory Expenditures	A-3	3,969,736.00	3,312,041.41
Operations Excluded From "CAPS":			
Operating	A-3	4,227,328.86	4,169,510.30
Capital Improvements	A-3	300,000.00	200,000.00
Municipal Debt Service	A-3	3,955,135.88	4,660,294.73
Deferred Charges	A-3	220,000.00	6.36
County Taxes	A-14	24,334,302.20	24,072,647.54
County Share of Added Taxes	A-14	84,944.20	96,308.06
Local District School Tax	A-15	59,126,691.00	57,337,589.00
Special District Tax	A-11	175,236.00	175,798.14
Senior Citizens Deduction Adjustment		7,388.36	
Refund of Prior Year's Revenue	A-4	193.91	22,695.92
Interfunds Advanced			25,690.57
<u>Total Expenditures</u>		<u>\$ 120,914,496.40</u>	<u>\$ 118,546,914.64</u>
Excess in Revenue		\$ 3,447,258.96	\$ 3,890,774.31
Adjustments to Income Before Fund Balance:			
Expenditures Included above which are Deferred			
Charges to Budget of Succeeding Year			425,000.00
Regulatory Excess to Fund Balance		\$ 3,447,258.96	\$ 4,315,774.31
<u>Fund Balance</u>			
Balance, January 1	A	7,426,576.19	5,960,801.88
		<u>\$ 10,873,835.15</u>	<u>\$ 10,276,576.19</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	2,950,000.00	2,850,000.00
Fund Balance, December 31	A	<u>\$ 7,923,835.15</u>	<u>\$ 7,426,576.19</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, 2019

	REF.	BUDGET	ANTICIPATED SPECIAL NJS 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	A-1	\$ 2,950,000.00	\$	\$ 2,950,000.00	\$
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-9	\$ 25,000.00	\$	\$ 25,506.00	\$ 506.00
Other	A-2	4,500.00		22,756.75	18,256.75
Fees and Permits:					
Construction Code Official	A-2	1,266,900.00		1,874,210.50	607,310.50
Other	A-2	267,790.00		170,054.52	(97,735.48)
Fines:					
Municipal Court	A-9	355,000.00		432,169.54	77,169.54
Interest and Cost on Taxes	A-9	219,000.00		198,867.41	(20,132.59)
Parking Meters and Permits	A-9	846,804.00		850,976.30	4,172.30
Interest on Investments and Deposits	A-9	275,885.00		265,855.21	(10,029.79)
Cable TV Franchise Tax	A-9	380,600.00		367,077.43	(13,522.57)
Energy Receipts Tax	A-9	2,900,712.00		2,900,712.00	
Clean Communities Program	A-19		46,345.01	46,345.01	
DDEF	A-19		5,301.54	5,301.54	
NJDEP Green Communities	A-19	23,982.10		23,982.10	
Alcohol Education/Rehabilitation Program	A-19		2,170.12	2,170.12	
Municipal Alliance	A-19	18,614.00		18,614.00	
Drive Sober or Get Pulled Over	A-19		5,500.00	5,500.00	
Click it or Ticket	A-19		5,500.00	5,500.00	
State Body Armor Replacement Program	A-19	5,322.93	5,032.46	10,355.39	
U Drive U text u Pay	A-19		5,500.00	5,500.00	
Bulletproof Vest Partnership Grant	A-19		3,680.70	3,680.70	
County of Union - Greening Union County	A-19		4,500.00	4,500.00	
Union County Kids Recreation	A-19	60,000.00	46,000.00	106,000.00	
General Capital Fund Balance	A-9	200,000.00		200,000.00	
Uniform Fire Safety Act	A-9	85,300.00		84,227.78	(1,072.22)
NJ Housing Finance Agency - P.I.L.O.T.	A-9	148,400.00		148,331.00	(69.00)
Cranford Lincoln Associates - P.I.L.O.T.	A-2	50,200.00		51,453.00	1,253.00
Library Cost Allocation	A-9	30,000.00		30,000.00	
Developer Debt	A-9	123,600.00		121,441.50	(2,158.50)
Ambulance Fees	A-2	315,930.00		331,837.85	15,907.85
Hotel Tax	A-9	145,950.00		137,374.86	(8,575.14)
Sewer Flow Use Charge		2,596,200.00		2,271,840.63	(324,359.37)
Conservation Center Fees	A-9	205,255.00		194,830.00	(10,425.00)
Cell Tower Lease	A-9	42,300.00		40,301.36	(1,998.64)
	A-1	\$ 10,593,245.03	\$ 129,529.83	\$ 10,957,272.50	\$ 234,497.64
Receipts from Delinquent Taxes	A-1	\$ 554,000.00		\$ 559,578.53	\$ 5,578.53
Amount to be Raised by Taxation for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-7	\$ 23,415,367.99	\$	\$ 24,323,163.11	\$ 907,795.12
Minimum Library Tax	A-2:A-7	1,550,764.00		1,550,764.00	
		24,966,131.99		25,873,927.11	907,795.12
<u>Budget Totals</u>		\$ 39,063,377.02	\$ 129,529.83	\$ 40,340,778.14	\$ 1,147,871.29
Non-Budget Revenue	A-1:A-2			371,562.60	371,562.60
		\$ 39,063,377.02	\$ 129,529.83	\$ 40,712,340.74	\$ 1,519,433.89
	REF.	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, 2019

REF.

Allocation of Current Tax Collections:		
Revenue From Collections	A-1:A-7	\$ 108,155,100.51
Allocated to:		
School and County Taxes		83,545,937.40
Special District Taxes		175,236.00
		\$ 24,433,927.11
Add: Appropriation - "Reserve for Uncollected Taxes"	A-3	1,440,000.00
Amount for Support of Municipal Budget Appropriations	A-2	\$ 25,873,927.11
Receipts from Delinquent Taxes:		
Licenses - Other:		
Clerk	A-9	\$ 8,000.50
Board of Health	A-9	14,756.25
	A-2	\$ 22,756.75
Fees and Permits - Other:		
Board of Health	A-9	\$ 14,948.75
Engineer	A-9	38,193.75
Police	A-9	28,406.00
Recreation	A-9	14,950.00
Board of Adjustment	A-9	38,673.26
Planning Board	A-9	16,781.76
Fire Department	A-9	17,746.00
Assessor	A-9	580.00
		\$ 170,279.52
Less: Refunds	A-4	225.00
	A-2	\$ 170,054.52
Uniform Construction Code Fees	A-9	\$ 1,878,214.00
Less: Refunds	A-4	4,003.50
	A-2	\$ 1,874,210.50
Ambulance Fees	A-9	\$ 331,922.35
Less: Refunds	A-4	84.50
	A-2	\$ 331,837.85
<u>Analysis of Non-Budget Revenues</u>		
Senior Citizen and Veterans Administration Fee		\$ 2,917.22
Union County Tonnage Rebate		30,849.00
Administrative Fee Police Outside Duty		157,589.25
Insurance Claims		116,402.96
Prior Year Reimbursements		10,472.24
Miscellaneous		53,331.93
	A-2:A-4	\$ 371,562.60

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, 2019

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS"</u>					
<u>GENERAL GOVERNMENT</u>					
Administrative and Executive:					
Salaries and Wages	\$ 310,181.00	\$ 320,181.00	\$ 320,005.75	\$ 175.25	\$
Other Expenses	182,250.00	342,250.00	199,864.35	142,385.65	
Channel 35:					
Salaries and Wages	88,100.00	86,100.00	73,574.22	12,525.78	
Other Expenses	28,000.00	30,000.00	28,457.30	1,542.70	
Elections:					
Other Expenses	20,000.00	20,000.00	20,000.00		
Township Committee:					
Salaries and Wages	15,000.00	15,000.00	13,046.00	1,954.00	
Other Expenses	28,000.00	28,000.00	21,144.94	6,855.06	
Township Clerk:					
Salaries and Wages	230,900.00	230,900.00	224,129.94	6,770.06	
Other Expenses	84,500.00	84,500.00	63,687.70	20,812.30	
Financial Administration:					
Salaries and Wages	371,000.00	371,000.00	361,212.15	9,787.85	
Other Expenses	121,000.00	134,000.00	128,617.78	5,382.22	
Audit	42,975.00	42,975.00	42,975.00		
Assessment of Taxes:					
Salaries and Wages	164,125.26	166,125.26	165,310.37	814.89	
Other Expenses	32,650.00	30,650.00	10,712.59	19,937.41	
Collection of Taxes:					
Salaries and Wages	110,295.00	110,295.00	101,635.34	8,659.66	
Other Expenses	40,482.00	40,482.00	36,866.99	3,615.01	
Legal Services and Costs:					
Other Expenses	500,000.00	465,000.00	439,480.31	25,519.69	
Insurance:					
General Liability	442,693.00	444,993.00	444,803.00	190.00	
Workers' Compensation	348,498.00	348,498.00	348,498.00		
Employee Group Health	3,713,809.69	3,713,809.69	3,466,020.78	247,788.91	
Group Insurance - Health Benefit Waiver	76,220.45	110,220.45	107,722.12	2,498.33	

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, 2019

	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	\$ 182,900.00	\$ 37,900.00	\$ 36,738.38	\$ 1,161.62	\$
Other Expenses	18,700.00	148,700.00	131,556.59	17,143.41	
Public Buildings and Grounds:					
Other Expenses	477,700.00	479,700.00	395,890.47	83,809.53	
Municipal Land Use Law - Planning Board (N.J.S. 40:55D-1):					
Other Expenses	26,950.00	26,950.00	20,313.32	6,636.68	
Zoning Board of Adjustment:					
Other Expenses	18,000.00	18,000.00	17,054.58	945.42	
Zoning/Planning Board of Adjustment:					
Salaries and Wages	125,000.00	131,000.00	127,203.06	3,796.94	
Other Expenses	17,200.00	17,200.00	15,644.32	1,555.68	
<u>PUBLIC SAFETY</u>					
Police:					
Salaries and Wages	6,243,467.00	6,243,467.00	6,109,822.69	133,644.31	
Other Expenses	257,612.00	257,612.00	228,641.39	28,970.61	
Fire:					
Salaries and Wages	3,516,993.26	3,516,993.26	3,262,246.45	254,746.81	
Other Expenses	532,743.52	552,743.52	541,021.76	11,721.76	
Uniform Fire Safety Act:					
Other Expenses	87,284.16	87,284.16	72,763.71	14,530.45	
Emergency Management Services:					
Salaries and Wages	215,000.00	215,000.00	175,697.50	39,302.50	
Other Expenses	45,000.00	45,000.00	41,800.53	3,199.47	
Emergency Management:					
Other Expenses	10,000.00	10,000.00	9,816.35	183.65	

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, 2019

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
STREETS AND ROADS					
Road Repairs and Maintenance:					
Salaries and Wages	1,902,376.47 \$	1,902,376.47 \$	1,808,512.11 \$	93,864.36 \$	
Other Expenses	393,550.00	423,550.00	399,975.09	23,574.91	
Communications:					
Other Expenses	149,250.00	149,250.00	136,209.91	13,040.09	
Conservation Center:					
Salaries and Wages	42,677.00	44,177.00	41,486.38	2,690.62	
Other Expenses	166,000.00	166,000.00	130,527.79	35,472.21	
Recycling:					
Other Expenses	213,080.04	213,080.04	155,600.04	57,480.00	
HEALTH AND WELFARE (BOARD OF HEALTH - LOCAL HEALTH AGENCY)					
Board of Health:					
Salaries and Wages	142,000.00	142,000.00	127,567.86	14,432.14	
Other Expenses	131,900.00	131,900.00	115,902.88	15,997.12	
Environmental Commission:					
Other Expenses	3,500.00	3,500.00	1,286.68	2,213.32	
Animal Control:					
Other Expenses	52,200.00	52,200.00		52,200.00	
RECREATION AND EDUCATION					
Recreation:					
Salaries and Wages	259,313.14	263,313.14	258,553.78	4,759.36	
Salaries and Wages - Youth Services	30,216.00	32,216.00	29,126.83	3,089.17	
Other Expenses	58,000.00	61,000.00	59,244.27	1,755.73	
Celebration of Public Events:					
Other Expenses	8,500.00	8,500.00	8,400.97	99.03	
Senior Citizens' Bus Transportation Program:					
Salaries and Wages	23,400.00	25,400.00	22,342.50	3,057.50	
Other Expenses	2,000.00	2,000.00	1,837.27	162.73	
Municipal Court:					
Salaries and Wages	240,675.00	242,675.00	237,135.71	5,539.29	
Other Expenses	18,520.00	18,520.00	13,919.41	4,600.59	

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, 2019

	<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>
<u>STATE UNIFORM CONSTRUCTION CODE</u> (N.J.S.A. 52:270-120 ET. SEQ.)					
Construction Official:					
Salaries and Wages	\$ 598,553.00	\$ 598,553.00	\$ 564,905.40	\$ 33,647.60	\$
Other Expenses	71,100.00	71,100.00	66,849.91	4,250.09	
<u>UNCLASSIFIED:</u>					
Salary Adjustment	200,000.00				
<u>UTILITIES:</u>					
Motor Oils and Fuels:					
Other Expenses	206,500.00	206,500.00	181,333.65	25,166.35	
Street Lighting:					
Other Expenses	290,000.00	248,200.00	203,592.49	44,607.51	
Utilities - All	585,000.00	585,000.00	517,486.79	67,513.21	
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	24,513,539.99	24,513,539.99	22,885,763.45	1,627,776.54	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES-</u> <u>MUNICIPAL WITHIN "CAPS"</u>					
Emergency Authorization (N.J.S.A. 40A:4-46)	425,000.00	425,000.00	425,000.00		
<u>Statutory Expenditures:</u>					
Contribution to:					
Public Employee's Retirement System	731,053.00	731,053.00	731,053.00		
Social Security System	575,000.00	575,000.00	522,749.10	52,250.90	
Police and Firemen's Retirement System	2,222,683.00	2,222,683.00	2,222,683.00		
Defined Contribution Retirement Program	16,000.00	16,000.00	13,642.30	2,357.70	
<u>TOTAL DEFERRED CHARGES AND STATUTORY</u> <u>EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>	3,969,736.00	3,969,736.00	3,915,127.40	54,608.60	

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, 2019

	<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>DEFERRED CHARGES AND STATUTORY EXPENDITURES- MUNICIPAL WITHIN "CAPS"</u>					
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u>	\$ 28,483,275.99	\$ 28,483,275.99	\$ 26,800,890.85	\$ 1,682,385.14	\$
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Rahway Valley Sewerage Authority:					
Operating Expenses	1,852,138.00	1,852,138.00	1,852,138.00		
Maintenance Free Public Library				91,364.49	
Other Expenses	1,550,764.00	1,550,764.00	1,459,399.51		
Communications - 911:					
Salaries and Wages	382,325.00	382,325.00	342,188.01	40,136.99	
Tax Appeals	200,000.00	200,000.00	200,000.00		
<u>PUBLIC AND PRIVATE PROGRAMS OFF-SET BY REVENUES</u>					
County of Union - Greening Union County:					
Other Expenses (40A:4-87 \$4,500.00)		4,500.00	4,500.00		
Clean Communities Program (40A:4-87 \$46,345.01)		46,345.01	46,345.01		
Recycling Tonnage Grant (40A:4-87 \$7,500.00)		23,982.10	23,982.10		
Federal Bulletproof Partnership (40A:4-87 \$3,680.70))	23,982.10	3,680.70	3,680.70		
Drive Sober or Get Pulled Over (40A:4-87+\$5,500.00)		5,500.00	5,500.00		
Drunk Driving Enforcement Fund (40A:4-87 \$5,301.54)		5,301.54	5,301.54		
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		
Alcohol Education Rehabilitation Fund (40A:4-87 \$2,170.12)		2,170.12	2,170.12		
State Body Armor Replacement Program (40A:4-87+\$5,032.46)	5,322.93	10,355.39	10,355.39		
Distracted Driving(40A:4-87 + \$5,500.00)		5,500.00	5,500.00		
UC Kids Rec Grant/ Memorial Turf Field (40A:4-87 \$46,000.00)	60,000.00	106,000.00	106,000.00		
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	4,097,799.03	4,227,328.86	4,095,827.38	131,501.48	

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, 2019

	<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	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	\$	
<u>TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>	<u>300,000.00</u>	<u>300,000.00</u>	<u>300,000.00</u>		
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	1,660,000.00	1,660,000.00	1,660,000.00		46,863.00
Payment of Bond Anticipation Notes and Capital Notes	781,924.00	781,924.00	735,061.00		0.50
Interest on Bonds	519,317.00	519,317.00	519,316.50		
Interest on Notes	1,015,000.00	1,015,000.00	534,489.62		480,510.38
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	532,069.78	532,069.78	492,277.54		39,792.24
<u>TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>	<u>4,522,302.00</u>	<u>4,522,302.00</u>	<u>3,955,135.88</u>		<u>567,166.12</u>
<u>DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"</u>					
Deferred Charges to Future Taxation Unfunded	220,000.00	220,000.00	220,000.00		
<u>TOTAL DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"</u>	<u>220,000.00</u>	<u>220,000.00</u>	<u>220,000.00</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, 2019

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELED
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ 9,140,101.03	\$ 9,269,630.86	\$ 8,570,963.26	\$ 131,501.48	\$ 567,166.12
SUB-TOTAL GENERAL APPROPRIATIONS	37,623,377.02	37,752,906.85	35,371,854.11	1,813,886.62	567,166.12
RESERVE FOR UNCOLLECTED TAXES	1,440,000.00	1,440,000.00	1,440,000.00		
TOTAL GENERAL APPROPRIATIONS	\$ 39,063,377.02	\$ 39,192,906.85	\$ 36,811,854.11	\$ 1,813,886.62	\$ 567,166.12
REF.	A-2		A-1	A-A-1	
Budget Appropriations		\$ 39,063,377.02			
Appropriation by 40A-4-87		129,529.83			
		\$ 39,192,906.85			
Encumbrances Payable			\$ 733,655.60		
Reserve for Uncollected Taxes			1,440,000.00		
Reserve for Grants-Appropriated			242,101.86		
Tax Appeals			200,000.00		
Deferred Charges			425,000.00		
Cash Disbursements			35,259,639.27		
			\$ 38,300,396.73		
Less: Refunds			1,488,542.62		
			\$ 36,811,854.11		

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, 2019</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash	B-1	\$ 41,051.07	\$ 72,832.47
		\$ 41,051.07	\$ 72,832.47
Other Funds:			
Cash	B-1	\$ 3,012,579.77	\$ 3,096,250.72
Community Development Block Grants Receivable	B-4	16,750.00	23,000.00
		\$ 3,029,329.77	\$ 3,119,250.72
		\$ 3,070,380.84	\$ 3,192,083.19
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Animal Control Fund:			
Reserve for Expenditures	B-3	\$ 14,933.30	\$ 46,681.70
Due State of New Jersey	B-2	427.20	460.20
Interfunds Payable	B-7	25,690.57	25,690.57
		\$ 41,051.07	\$ 72,832.47
Other Funds:			
Reserve for:			
Miscellaneous Reserves	B-10	\$ 1,817,388.45	\$ 1,877,106.86
Payroll Deductions Payable	B-8	141,799.01	127,094.55
Escrow Deposits	B-9	1,038,249.29	1,043,798.35
District Management Corporation	B-6	15,143.02	48,250.96
Community Development Block Grant	B-5	16,750.00	23,000.00
		\$ 3,029,329.77	\$ 3,119,250.72
		\$ 3,070,380.84	\$ 3,192,083.19

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

GENERAL CAPITAL FUND

"C"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018</u>
<u>ASSETS</u>			
Cash	C-2	\$ 5,656,380.10	\$ 19,868,162.39
Deferred Charges to Future Taxation:			
Funded	C-5	17,961,180.08	20,654,010.94
Unfunded	C-6	32,023,285.14	45,349,984.10
Grants Receivable	C-7	1,399,962.24	1,438,016.24
Local Homeowners Receivable	C-13	181,164.01	181,164.01
Due From Cranford Board of Education	C-4	24,153.00	24,153.00
Due From State of NJ - Infrastructure Temporary Note Receivable	C-19	2,578,383.00	
Due From State of NJ - Infrastructure Loan Receivable	C-17		538,568.00
		<u>\$ 59,824,507.57</u>	<u>\$ 88,054,058.68</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-10	\$ 15,248,000.00	\$ 16,908,000.00
Bond Anticipation Notes	C-9	26,112,863.00	35,481,000.00
Green Trust Loans Payable	C-12	96,994.45	108,867.40
NJ Infrastructure Loan Payable	C-16	2,616,185.63	3,637,143.54
NJ Infrastructure Temporary Note Payable	C-20	2,578,383.00	
Improvement Authorizations:			
Funded	C-8	1,087,106.06	1,838,820.83
Unfunded	C-8	7,482,979.96	7,698,944.95
Contracts Payable	C-14	4,255,328.88	4,075,625.92
Capital Improvement Fund	C-11	52,000.00	40,000.00
Reserve for Debt Service	C-18	6,061.67	17,969,859.72
Fund Balance	C-1	<u>288,604.92</u>	<u>295,796.32</u>
		<u>\$ 59,824,507.57</u>	<u>\$ 88,054,058.68</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, 2018	C	\$	295,796.32
Increased by:			
Premium on Sale of Notes	C-2		192,808.60
		\$	<u>488,604.92</u>
Decreased by:			
Payment to Current Fund as Anticipated Revenue	C-2		<u>200,000.00</u>
Balance, December 31, 2019	C	\$	<u><u>288,604.92</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

	REF.	BALANCE DECEMBER 31, 2019	BALANCE DECEMBER 31, 2018
<u>ASSETS</u>			
Operating Fund:			
Cash	D-4	\$ 99,818.68	\$ 89,665.12
Cash - Change Fund	D-7	150.00	150.00
		<u>99,968.68</u>	<u>89,815.12</u>
Deferred Charges:			
Operating Deficit	D-1	948.17	
<u>Total Operating Fund</u>		\$ <u>100,916.85</u>	\$ <u>89,815.12</u>
Capital Fund:			
Cash	D-4	\$ 272,182.88	\$ 300,946.66
Fixed Capital	D-10	5,467,928.34	5,467,928.34
Fixed Capital Authorized and Uncompleted	D-9	<u>1,500,000.00</u>	<u>1,500,000.00</u>
<u>Total Capital Fund</u>		\$ <u>7,240,111.22</u>	\$ <u>7,268,875.00</u>
		\$ <u><u>7,341,028.07</u></u>	\$ <u><u>7,358,690.12</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3:D-12	\$ 37,355.51	\$ 12,326.27
Encumbrances Payable	D-13	47,286.02	19,630.16
Accrued Interest on Notes	D-14	<u>14,758.00</u>	<u>10,230.37</u>
		\$ 99,399.53	\$ 42,186.80
Fund Balance	D-1	<u>1,517.32</u>	<u>47,628.32</u>
<u>Total Operating Fund</u>		\$ <u>100,916.85</u>	\$ <u>89,815.12</u>
Capital Fund:			
Bond Anticipation Notes	D-6	\$ 1,287,137.00	\$ 1,334,000.00
Improvement Authorizations:			
Unfunded	D-15	252,638.68	259,526.26
Capital Improvement Fund	D-11	6,840.00	6,840.00
Contracts Payable	D-8	12,704.20	34,580.40
Reserve for Deferred Amortization	D-17	706,863.00	660,000.00
Reserve for Amortization	D-16	<u>4,973,928.34</u>	<u>4,973,928.34</u>
<u>Total Capital Fund</u>		\$ <u>7,240,111.22</u>	\$ <u>7,268,875.00</u>
		\$ <u><u>7,341,028.07</u></u>	\$ <u><u>7,358,690.12</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>	YEAR ENDED DECEMBER <u>31, 2019</u>	YEAR ENDED DECEMBER <u>31, 2018</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-1:D-2	\$ 46,111.00	\$ 75,839.05
Membership Fees	D-2	1,175,735.35	1,193,691.30
Miscellaneous	D-2	485,661.52	480,138.27
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-12	<u>3,791.95</u>	<u>5,859.51</u>
<u>TOTAL INCOME</u>		<u>\$ 1,711,299.82</u>	<u>\$ 1,755,528.13</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operating	D-3	\$ 1,547,447.00	\$ 1,537,345.00
Municipal Debt Service	D-3	91,300.99	39,949.00
Deferred Charges and Statutory Expenditures	D-3	73,500.00	76,500.00
Deficit in Operations		<u> </u>	<u>63,839.05</u>
<u>TOTAL EXPENDITURES</u>		<u>\$ 1,712,247.99</u>	<u>\$ 1,717,633.05</u>
Excess in Revenue		\$	\$ 37,895.08
Deficit in Revenue		<u>(948.17)</u>	<u> </u>
Operating Deficit to be Raised in Budget of Succeeding Year	D	<u>948.17</u>	<u> </u>
Regulatory Excess to Surplus		\$	\$ 37,895.08
<u>Fund Balance</u>			
Balance, January 1	D	<u>47,628.32</u>	<u>85,572.29</u>
		\$ 47,628.32	\$ 123,467.37
Decreased by:			
Utilization by Swim Pool Operating Budget	D-1:D-2	\$ <u>46,111.00</u>	\$ <u>75,839.05</u>
Balance, December 31	D	<u>\$ 1,517.32</u>	<u>\$ 47,628.32</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, 2019

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS/ (DEFICIT)</u>
Fund Balance Anticipated	D-1	\$ 46,111.00	\$ 46,111.00	\$
Membership Fees	D-1:D-4	1,193,000.00	1,175,735.35	(17,264.65)
Miscellaneous	D-1:D-4	<u>479,000.00</u>	<u>485,661.52</u>	<u>6,661.52</u>
	D-3	<u>\$ 1,718,111.00</u>	<u>\$ 1,707,507.87</u>	<u>\$ (10,603.13)</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, 2019

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
Operating:					
Salaries and Wages	\$ 976,111.00 \$	966,111.00 \$	935,707.05 \$	30,403.95 \$	
Other Expenses	568,336.00	581,336.00	577,168.17	4,167.83	
<u>Total Operating</u>	<u>\$ 1,544,447.00 \$</u>	<u>1,547,447.00 \$</u>	<u>1,512,875.22 \$</u>	<u>34,571.78 \$</u>	
Debt Service:					
Payment of Notes	\$ 47,000.00 \$	47,000.00 \$	46,863.00 \$	\$	137.00
Interest on Notes	50,164.00	50,164.00	44,437.99		5,726.01
	<u>\$ 97,164.00 \$</u>	<u>97,164.00 \$</u>	<u>91,300.99 \$</u>	<u>\$</u>	<u>5,863.01</u>
Statutory Expenditures:					
Contributions to:					
Social Security System	\$ 76,500.00 \$	73,500.00 \$	70,716.27 \$	2,783.73 \$	
<u>Total Statutory Expenditures</u>	<u>\$ 76,500.00 \$</u>	<u>73,500.00 \$</u>	<u>70,716.27 \$</u>	<u>2,783.73 \$</u>	
	<u>\$ 1,718,111.00 \$</u>	<u>1,718,111.00 \$</u>	<u>1,674,892.48 \$</u>	<u>37,355.51 \$</u>	<u>5,863.01</u>
REF.	D-2		D-1	D:D-1	
Cash Disbursements			1,623,086.90		
Encumbrances Payable		\$	47,286.02		
Accrued Interest on Notes			4,527.63		
			1,674,900.55		
Less: Refunds			8.07		
			<u>\$ 1,674,892.48</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, 2019</u>	BALANCE DECEMBER <u>31, 2018</u>
General Fixed Assets:		
Land	\$ 39,814,384.00	\$ 39,814,384.00
Buildings	24,291,200.00	24,291,200.00
Machinery and Equipment	<u>13,504,305.05</u>	<u>11,942,173.88</u>
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 77,609,889.05</u>	<u>\$ 76,047,757.88</u>
Investment in General Fixed Assets:	<u>\$ 77,609,889.05</u>	<u>\$ 76,047,757.88</u>
	<u>\$ 77,609,889.05</u>	<u>\$ 76,047,757.88</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, 2019 AND 2018

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

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

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

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as 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 unchanged 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)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)

The Governmental Accounting Standards Board (GASB) has issued Statement no. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan). The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

Under GAAP, municipalities are required to recognize the OPEB liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 75. The liability required to be displayed by GASB 75 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 OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75.

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, 2019:

<u>Fund Type</u>	<u>Bank Balance</u>	<u>Reconciling Items</u>		<u>Reconciled Balance</u>
		<u>Additions</u>	<u>Deletions</u>	
Current Fund	\$11,418,179.67	\$817,536.33	\$109,579.84	\$12,126,136.16
Animal Control Trust Fund	40,145.67	939.00	33.60	41,051.07
Other Trust Fund	3,531,664.11	\$39,229.15	558,313.49	3,012,579.77
General Capital Fund	5,668,518.74		12,138.64	5,656,380.10
Swim Pool Utility:				
Operating	81,897.84	22,621.84	4,701.00	99,818.68
Capital	272,182.88			272,182.88
	<u>\$21,012,588.91</u>	<u>\$880,326.32</u>	<u>\$684,766.57</u>	<u>\$21,208,148.66</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, 2019, 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, \$381,647.06 was covered by Federal Depository Insurance, \$20,630,941.85 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, 2019, 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 2019</u>	<u>YEAR 2018</u>	<u>YEAR 2017</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 47,574,043.08	\$ 56,135,010.94	\$ 59,018,673.36
Swim Pool Utility:			
Bonds and Notes	<u>1,287,137.00</u>	<u>1,334,000.00</u>	<u>1,359,000.00</u>
Net Debt Issued	<u>48,861,180.08</u>	<u>57,469,010.94</u>	<u>60,377,673.36</u>
Less: Reserve for Debt Service	207,743.64	17,969,859.72	354,859.72
Less: Cash on Hand to Pay Notes	<u>6,061.67</u>	<u>370,000.00</u>	<u>938,600.14</u>
	\$ <u>48,647,374.77</u>	\$ <u>39,129,151.22</u>	\$ <u>59,084,213.50</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	<u>6,118,165.78</u>	<u>10,238,984.10</u>	<u>7,982,089.60</u>
Total Authorized but not Issued	<u>6,118,165.78</u>	<u>10,238,984.10</u>	<u>7,982,089.60</u>
Net Bonds and Notes Issued and and Authorized but not issued	\$ <u><u>54,765,540.55</u></u>	\$ <u><u>49,368,135.32</u></u>	\$ <u><u>67,066,303.10</u></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 1.077%.

NET DEBT \$49,982,653.30 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, AS AMENDED, \$4,641,282,478.33 EQUALS 1.077.

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

Equalized Valuation Basis* - December 31, 2019	\$4,641,282,478.33
3-1/2 of Equalized Valuation Basis	162,444,886.74
Net Debt	<u>49,982,653.30</u>
Remaining Borrowing Power	<u><u>\$112,462,233.44</u></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	\$	1,707,507.87
Deductions:		
Operating and Maintenance Cost	\$	1,620,947.00
Debt Service		<u>91,300.99</u>
Total Deductions		<u>1,712,247.99</u>
Deficit in Revenue	\$	<u><u>(4,740.12)</u></u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT

General Serial Bonds:

OUTSTANDING
BALANCE
DECEMBER
31, 2019

\$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, 2020 and ending August 15, 2037
with interest ranging between 6.25% and 6.30%

\$1,343,000.00

\$3,885,000.00 in Refunding Bonds dated August 15, 2013,
due in a remaining annual installment of \$550,000.00
with interest of 4.50%

\$550,000.00

\$9,700,000.00 in General Improvement Bonds dated January 15, 2018,
due in remaining annual installments of \$970,000.00
beginning August 15, 2020 and ending August 15, 2028
with interest ranging between 2.00% and 3.00%

\$8,730,000.00

\$4,870,000.00 in Refunding Bonds dated May 24, 2018,
due in remaining annual installments ranging between \$105,000.00
and \$415,000.00 beginning August 15, 2020 and ending August 15, 2037
with interest ranging between 3.00% and 4.00%

\$4,625,000.00

\$15,248,000.00

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, 2019

CALENDAR YEAR	GENERAL CAPITAL		TOTAL
	PRINCIPAL	INTEREST	
2020	\$1,675,000.00	\$469,829.00	\$2,144,829.00
2021	1,135,000.00	419,891.50	1,554,891.50
2022	1,160,000.00	392,991.50	1,552,991.50
2023	1,185,000.00	364,979.00	1,549,979.00
2024	1,215,000.00	335,854.00	1,550,854.00
2025-2029	5,350,000.00	1,199,032.50	6,549,032.50
2030-2034	2,005,000.00	625,495.00	2,630,495.00
2035-2037	1,523,000.00	151,727.50	1,674,727.50
	<u>\$15,248,000.00</u>	<u>\$3,959,800.00</u>	<u>\$19,207,800.00</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR GREEN LOAN TRUST PAYABLE DECEMBER 31, 2019

CALENDAR YEAR	PRINCIPAL	INTEREST	TOTAL
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	12,856.68	1,134.53	13,991.21
2024	13,115.11	876.11	13,991.22
2025-2027	33,952.70	1,025.35	34,978.05
	<u>\$96,994.46</u>	<u>\$7,939.67</u>	<u>\$104,934.13</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, 2019

<u>CALENDAR YEAR</u>	<u>TOTAL</u>	<u>TRUST LOAN</u>		<u>FUND LOAN</u>
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
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	530,887.70	257,797.00	47,539.36	225,551.34
2023	537,232.00	273,078.00	36,102.86	228,051.14
2024	526,842.09	278,385.00	24,514.26	223,942.83
2025-2029	621,256.25	272,619.00	23,907.58	324,729.67
2030-2032	166,042.81	49,305.00	3,360.48	113,377.33
	<u>\$3,447,026.02</u>	<u>\$1,616,068.00</u>	<u>\$263,039.88</u>	<u>\$1,567,918.14</u>

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2019, the Township has authorized but not issued bonds and notes as follows:

General Capital Fund \$3,539,782.73

SHORT TERM DEBT

BOND ANTICIPATION NOTES

	<u>Interest Rate</u>	<u>Maturity Dates</u>	<u>Amount</u>
General Capital Fund	2.25%	5/15/2020	\$9,700,000.00
General Capital Fund	2.25%	6/26/2020	8,412,863.00
General Capital Fund	2.25%	10/23/2020	8,000,000.00
Swim Pool Utility Capital Fund	2.25%	6/26/2020	1,267,137.00
			<u>\$27,380,000.00</u>

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TEMPORARY NOTE

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
General Capital Fund	0.00%	6/19/2020	<u>\$2,578,383.00</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2019 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2020 were as follows:

Current Fund	\$2,950,000.00
Swim Pool Utility Fund	\$-0-

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>2019</u>	BALANCE DECEMBER 31, <u>2018</u>
Prepaid Taxes	<u>\$520,481.08</u>	<u>\$572,987.34</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 Firemen'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.

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 Firemen's Retirement System (PFRS) - The Police and Firemen'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

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 vested 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 vested. 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 for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group life insurance benefits is based on actual claims paid. For fiscal year 2018, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. During 2018, PERS provides for employee contributions of 7.50% of employees' base salary.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For the fiscal year 2018, the State contributed an amount less than the actuarially determined amount. During 2018, PFRS provides for employee contributions of 10.00% of employees' base salary.

The Township's share of pension costs, which is based upon the annual billings received from the State, amounted to \$2,638,240.13 for 2018, \$2,443,349.00 for 2017 and \$2,411,562.00.

NOTE 6: PENSION PLANS (CONTINUED)

Certain Township employees are also covered by the Federal Insurance Contribution Act.

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, 2019. 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, 2019.

Public Employees Retirement System (PERS)

At June 30, 2019, the State reported a net pension liability of \$13,539,239.00 for the Township's proportionate share of the total net pension liability. The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. 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, 2019, the Township's proportion was 0.0756140836 percent, which was an increase of 0.0025049136 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the State recognized an actuarially determined pension expense of \$1,067,869.00 for the Township's proportionate share of the total pension expense. The pension expense recognized in the Township's financial statements based on the April 1, 2019 billing was \$727,200.00.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 243,012.00	\$ 59,810.00
Changes of assumptions	1,351,943.00	4,699,427.00
Net difference between projected and actual earnings on pension plan investments		213,722.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>685,935.00</u>	<u>6,598.00</u>
	<u>\$ 2,280,890.00</u>	<u>\$ 4,979,557.00</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:

<u>Year Ended June 30,</u>	<u>Amount</u>
2020	(\$255,083.60)
2021	(1,132,371.60)
2022	(996,596.60)
2023	(395,882.60)
2024	<u>81,267.40</u>
	<u><u>(\$2,698,667.00)</u></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, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. These actuarial valuations used the following assumptions:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Inflation	2.75%	2.25%
Salary Increases		
Through 2026	2.00-6.00%	1.65-4.15%
Thereafter	3.00-7.00%	2.65-5.15%
	Based on	Based on
	Years of Service	Age
Investment Rate of Return	7.00%	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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 both June 30, 2019 and June 30, 2018) 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, 2019 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Market Equity	12.50%	9.00%
Emerging Market Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.28% and 5.66% as of June 30, 2019 and June 30, 2018, respectively. These single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30 2019 and June 30, 2018 and a municipal bond rate of 3.50% and 3.87% for June 30, 2019 and June 30, 2018 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 based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of net pension liability to changes in the discount rate

The following presents the Township's proportionate share of the net pension liability of the participating employers as of June 30, 2019 respectively, calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2019		
	1% Decrease <u>5.28%</u>	At Current Discount Rate <u>6.28%</u>	1% Increase <u>7.28%</u>
Township's proportionate share of the pension liability	\$17,221,234.00	\$13,539,239.00	\$10,610,192.00

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>

Police and Firemen's Retirement System (PFRS)

At June 30, 2019, the State reported a net pension liability of \$27,321,913.00 for the Township's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. 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.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

At June 30, 2019, the Township's proportion was 0.2232580282 percent, which was a decrease of 0.0040921547 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the State recognized an actuarially determined pension expense of \$2,304,159.00. The pension expense recognized in the Township's financial statements based on the April 1, 2019 billing was \$2,255,153.00.

At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 230,632.00	\$ 172,980.00
Changes of assumptions	936,197.00	8,830,191.00
Net difference between projected and actual earnings on pension plan investments		370,203.00
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	<u>1,727,968.00</u>	<u>1,979,099.00</u>
	<u>\$ 2,894,797.00</u>	<u>\$ 11,352,473.00</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>
2020	\$ (1,482,594.20)
2021	(3,056,994.20)
2022	(2,179,648.20)
2023	(1,099,886.20)
2024	<u>(638,553.20)</u>
	<u>\$ (8,457,676.00)</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, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. This actuarial valuation used the following assumptions:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Inflation	2.75%	2.25%
Salary Increases		
Through all future years	3.25-15.25%	2.10-9.98%
	Based on years of Service	Based on Age
Investment Rate of Return	7.00%	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

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, 2019 and June 30, 2018) 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, 2019 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non-U.S. Developed Market Equity	12.50%	9.00%
Emerging Market Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.85% and 6.51% as of June 30, 2019 and June 30, 2018, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30, 2019 and June 30, 2018 and a municipal bond rate of 3.50% and 3.87% as of June 30, 2019 and June 30, 2018 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.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Discount Rate (Continued)

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 70% 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 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the net pension liability to changes in the discount rate

The following presents the Township's proportionate share of the net pension liability of the participating employers as of June 30, 2019 respectively, calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>5.85%</u>	<u>6.85%</u>	<u>7.85%</u>
Township's proportionate share of the PFRS pension liability	\$36,929,270.00	\$27,321,913.00	\$19,370,441.00

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, 2019 and 2018, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$4,314,182.00 and \$4,178,812.00, respectively.

At June 30, 2019, 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	\$27,321,913.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	<u>4,314,182.00</u>
	<u>\$31,636,095.00</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 terms of various contracts, employees are compensated for unused sick and vacation time. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented but is estimated by the Township to be \$931,971.51. The Township appropriates annually the amounts required to be paid in any fiscal year in that year's budget and no liability is accrued at December 31, 2019.

NOTE 8: LITIGATION

The Township is involved in a pending legal proceeding. The impact of this proceeding on the financial statements, in the opinion of the Township's legal counsel could potentially be material should there be an unfavorable outcome for the Township. As this case has not gone to trial no liability has been accrued or recognized in 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 2019. 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 2019 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, 2019, 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>
2019	\$ -0-	\$ 27,312.89	\$ 23.98	\$ 403,481.29
2018	-0-	5,257.11	-0-	376,192.38
2017	-0-	17,611.12	-0-	370,935.27

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 is anticipated to be \$10,000.00 in 2020.

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: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the municipality is not required to recognize any long-term obligations resulting from OPEB on their financial statements.

Plan Description and Benefits Provided

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits.

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

Plan Description and Benefits Provided (Continued)

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations' agreement.

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

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

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

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Contributions

The Township's annual contributions to the Plan for retirees were \$1,240,758.04 for 2019, \$1,897,068.58 for 2018 and \$1,891,207.71 for 2017 which equaled the required contributions for that year.

Total Net OPEB Liability

At June 30, 2019, the Plan reported a liability of \$27,133,051.00 for the Township's proportionate share of the collective Net OPEB liability. The total Net OPEB Liability measured as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

The Township's proportion of the Net OPEB Liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019.

At June 30, 2019, the Township's proportion was 0.200302 percent, which was a decrease of 0.011163 percent from its proportion measured as of June 30, 2018. For the year ended June 30, 2019, the State reported OPEB benefit of \$911,852.00. This OPEB benefit was based on the OPEB plans June 30, 2019 measurement date.

At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience		\$7,934,762
Changes of assumptions		9,615,350
Net difference between projected and actual earnings on OPEB plan investments	\$22,350	
Changes in proportion	<u>1,118,918</u>	<u>4,875,479</u>
	<u>\$1,141,268</u>	<u>\$22,425,591</u>

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

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 OPEB will be recognized in the State's actuarially calculated pension (benefit)/expense as follows:

Year Ended	
<u>June 30,</u>	<u>Amount</u>
2020	(\$3,606,019)
2021	(3,606,019)
2022	(3,607,771)
2023	(3,610,603)
2024	(3,613,191)
Total Thereafter	<u>(3,240,719)</u>
	<u>(\$21,284,323)</u>

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>2019</u>	<u>2018</u>
Inflation rate	2.50%	2.50%
Salary Increases:		
Public Employees Retirement System (PERS):		
Initial fiscal Year Applied		
Rate through 2026	2.00% to 6.00%	
Rate thereafter	3.00% to 7.00%	
Police and Firemen's Retirement System (PFRS):		
Rate for all future years	3.25% to 15.25%	
All Pensions:		
Rate through 2026		1.65% to 8.98%
Rate thereafter		2.65% to 9.98%

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

Mortality:

PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2019
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2019

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

Actuarial assumptions used in the July 1, 2018 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

Discount Rate

The discount rate for June 30, 2019 and 2018 was 3.50% and 3.87%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Sensitivity of the Township's Proportionate Share of the Net OPEB Liability to
Changes in the Discount Rate

The following presents the Net OPEB Liability associated with the Township as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2019		
	<u>1.00%</u> <u>Decrease (2.50%)</u>	<u>At Discount</u> <u>Rate (3.50)</u>	<u>1.00%</u> <u>Increase (4.50%)</u>
Township's proportionate share of the Net OPEB Liability	\$31,372,710	\$27,133,051	\$23,687,769

Sensitivity of the Township's Proportionate Share of the Net OPEB Liability to
Changes in Healthcare Trends

The following presents the total Net OPEB Liability associated with the Township as of June 30, 2019, calculated using the healthcare trend rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2019		
	<u>1.00%</u> <u>Decrease</u>	<u>Healthcare Cost</u> <u>Trend Rate</u>	<u>1.00%</u> <u>Increase</u>
Township's proportionate share of the Net OPEB Liability	\$22,896,952	\$27,133,051	\$32,536,910

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Special Funding Situation

The Township, by resolution of the governing body, has elected to provide postretirement medical coverage to certain employees under the provisions of Chapter 330, P.L. 1997.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge.

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no Net OPEB Liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

At June 30, 2019 and 2018, the State's proportionate share of the net OPEB liability attributable to the Township for the special funding situation is \$14,086,770.00 and \$16,619,238.00 respectively.

At June 30, 2019, the Township's and State of New Jersey's proportionate share of the Net OPEB Liability were as follows:

Township's proportionate share of the Net OPEB Liability	\$27,133,051
State of New Jersey's proportionate share of Net OPEB Liability associated with the Township	<u>14,086,770</u>
	<u><u>\$41,219,821</u></u>

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey State Health Benefits Local Government Retired Employees Plan. 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 15: DEFERRED CHARGES

	BALANCE DECEMBER 31, <u>2019</u>	2020 BUDGET <u>APPROPRIATION</u>
Swim Pool Utility Operating Fund:		
Operating Deficit	<u>948.17</u>	<u>948.17</u>
	\$ <u>948.17</u>	\$ <u>948.17</u>

NOTE 16: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets at December 31, 2019:

<u>Fund</u>	Interfund <u>Receivable</u>	Interfund <u>Payable</u>
Current Fund	\$ 25,690.57	
Animal Control Fund		\$ 25,690.57
	\$ <u>\$25,690.57</u>	\$ <u>\$25,690.57</u>

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

NOTE 17: SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the financial statement date through July 27, 2020 which is the date the financial statements were available to be issued.

Subsequent to the date of these Financial Statements the COVID-19 Corona Virus spread across the State of New Jersey and the Nation as a whole. The impact of this virus on the Township's operations in 2020 cannot reasonably be estimated at this time but could negatively affect revenues.

TOWNSHIP OF CRANFORD
SUPPLEMENTARY SCHEDULES - ALL FUNDS
YEAR ENDED DECEMBER 31, 2019

TOWNSHIP OF CRANFORDCURRENT FUNDSCHEDULE OF CASH-COLLECTOR-TREASURER

	<u>REF.</u>		
Balance, December 31, 2018	A	\$	11,155,417.66
Increased by Receipts:			
Taxes Receivable	A-7	\$	107,994,897.18
Revenue Accounts Receivable	A-9		8,452,296.01
Miscellaneous Revenue Not Anticipated	A-2		371,562.60
Interfunds	A-10		102,320.86
Outside Liens	A-27		331,917.48
DCA Fees Due State of New Jersey	A-28		81,800.00
Marriage Licenses Due State of New Jersey	A-29		2,200.00
Maintenance of Free Public Library	A-21		9,913.00
Library Reserve	A-32		2.00
Senior Citizens Disallowed	A-16		2,564.38
Tax Overpayments	A-18		48,643.80
Prepaid Taxes	A-17		520,481.08
Prepaid Sewer	A-33		49.23
State of New Jersey-Chapter 20,P.L.1971	A-16		145,860.96
Grants - Unappropriated	A-23		20,546.98
Sewer Charges Receivable	A-30		2,271,840.63
Appropriation Refunds	A-3		1,488,542.62
Grants Receivable	A-19		174,918.75
			<u>122,020,357.56</u>
		\$	133,175,775.22
Decreased by Disbursements:			
Appropriations	A-3	\$	35,259,639.27
Appropriation Reserves	A-13		986,712.07
County Taxes	A-14		24,430,610.26
Local District School Tax	A-15		59,126,691.00
Refund of Tax Overpayments	A-18		56,749.36
Interfunds	A-10		102,320.86
DCA Fees Due State of New Jersey	A-28		89,146.00
Marriage Licenses Due State of New Jersey	A-29		5,150.00
Maintenance of Free Public Library	A-21		4,876.37
Refund of Prior Year Revenue	A-1		193.91
Refund of Construction Code Fees	A-2		4,003.50
Refund of Fees and Permits	A-2		225.00
Refund of Ambulance Fees	A-2		84.50
Outside Liens	A-27		333,463.11
DMC Levy Payable	A-11		175,236.00
Grants - Appropriated	A-24		244,235.85
Tax Appeals	A-25		230,302.00
			<u>121,049,639.06</u>
Balance, December 31, 2019	A	\$	<u>12,126,136.16</u>

"A-5"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

REF.

Balance, December 31, 2019 and
December 31, 2018

A

\$ 930.00

"A-6"

SCHEDULE OF ENCUMBRANCES PAYABLE

Balance, December 31, 2018

A

\$ 749,648.61

Increased by:

2019 Appropriations

A-3

\$ 733,655.60

784,894.84

\$ 1,534,543.45

Decreased by:

Transferred to Appropriation Reserves

A-13

\$ 749,648.61

749,648.61

Balance, December 31, 2019

A

\$ 784,894.84

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2018	2019 LEVY	IN 2018	COLLECTED IN 2019	CANCELLED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2019
2018 and Prior	\$ 559,578.53	\$	\$	\$ 559,578.53	\$	\$	\$
2019		109,004,621.79	572,987.34	107,582,113.17	113,115.62	29,608.89	706,796.77
	\$ 559,578.53	\$ 109,004,621.79	\$ 572,987.34	\$ 108,141,691.70	\$ 113,115.62	\$ 29,608.89	\$ 706,796.77
REF.	A		A-2-A-17	A-2		A-8	A
Collector				\$ 107,994,897.18			
State of New Jersey				146,794.52			
				\$ 108,141,691.70			

ANALYSIS OF 2018 PROPERTY TAX LEVY

TAX YIELD	
General Purpose Tax	\$ 108,434,564.08
Added Taxes (54-4-63.1 et seq.)	394,821.71
District Management Corporation	175,236.00
	\$ 109,004,621.79

TAX LEVY	
Local District School Tax (Abstract)	\$ 59,126,691.00
County Taxes:	
County Tax (Abstract)	\$ 24,334,302.20
Due County for Added Taxes	
(54-4-63.1 et seq.)	84,944.20
Total County Taxes	24,419,246.40

District Management Corporation	
Local Tax for Municipal Purposes (Abstract)	\$ 175,236.00
Minimum Library Tax	23,415,367.99
Add: Additional Tax Levied	1,550,764.00
	317,316.40
	25,458,684.39
	\$ 109,004,621.79

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2018	A	\$	71,433.85
Increased by:			
Transfers From Taxes Receivable	A-7	\$	29,608.89
Interest and Costs			<u>3,756.42</u>
			<u>33,365.31</u>
Balance, December 31, 2019	A	\$	<u><u>104,799.16</u></u>

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>ACCRUED IN 2019</u>	<u>COLLECTED BY COLLECTOR- TREASURER</u>	<u>BALANCE DECEMBER 31, 2019</u>
Alcoholic Beverage Licenses	A-2	\$	\$ 25,506.00	\$ 25,506.00	\$
Clerk:					
Licenses-Other	A-2		8,000.50	8,000.50	
Board of Health:					
Licenses-Other	A-2		14,756.25	14,756.25	
Fees and Permits	A-2		14,948.75	14,948.75	
Engineer:					
Fees and Permits	A-2		38,193.75	38,193.75	
Police Department:					
Fees and Permits	A-2		28,406.00	28,406.00	
Recreation Department:					
Fees and Permits	A-2		14,950.00	14,950.00	
Board of Adjustment					
Fees and Permits	A-2		38,673.26	38,673.26	
Planning Board :					
Fees and Permits	A-2		16,781.76	16,781.76	
Assessor					
Fees and Permits	A-2		580.00	580.00	
Fire Department:					
Fees and Permits	A-2		17,746.00	17,746.00	
Municipal Court:					
Fines and Costs	A-2	24,240.46	441,079.21	432,169.54	33,150.13
Construction Code Fees	A-2		1,878,214.00	1,878,214.00	
Interest and Costs on Taxes	A-2		198,867.41	198,867.41	
Parking Meters	A-2		850,976.30	850,976.30	
Interest on Investments and Deposits	A-2		265,855.21	265,855.21	
Energy Receipts Tax	A-2		2,900,712.00	2,900,712.00	
Cable T.V. Franchise Tax	A-2		367,077.43	367,077.43	
Hotel Tax	A-2		137,374.86	137,374.86	
Conservation Center Fees	A-2		194,830.00	194,830.00	
Ambulance Fees	A-2		331,922.35	331,922.35	
Uniform Fire Safety Act	A-2		84,227.78	84,227.78	
NJ Housing Finance Agency - P.I.L.O.T	A-2		148,331.00	148,331.00	
Cranford Lincoln Associates - P.I.L.O.T	A-2		51,453.00	51,453.00	
Developer Debt	A-2		121,441.50	121,441.50	
Library Cost Allocation	A-2		30,000.00	30,000.00	
Cell Tower Lease	A-2		40,301.36	40,301.36	
Capital Fund Balance	A-2		200,000.00	200,000.00	
		<u>\$ 24,240.46</u>	<u>\$ 8,461,205.68</u>	<u>\$ 8,452,296.01</u>	<u>\$ 33,150.13</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, 2018:					
Due From	A	\$ 25,690.57	\$ 25,690.57	\$	
Cash Receipts	A-4	102,320.86	18.00	2,302.86	100,000.00
Cash Disbursements	A-4	<u>102,320.86</u>	<u>18.00</u>	<u>2,302.86</u>	<u>100,000.00</u>
Balance, December 31, 2019:					
Due From	A	<u><u>\$ 25,690.57</u></u>	<u><u>\$ 25,690.57</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF SPECIAL DISTRICT TAXES

REF.

Increased by:

2019 Levy

A-1:A-7

\$ 175,236.00

Decreased by:

Cash Disbursements

A-4

\$ 175,236.00

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

<u>PURPOSE</u>	BALANCE DECEMBER 31, 2018	RAISED IN 2019 BUDGET
Emergency Authorization (N.J.S.A. 40A:4-46)	\$ <u>425,000.00</u>	\$ <u>425,000.00</u>
	\$ <u><u>425,000.00</u></u>	\$ <u><u>425,000.00</u></u>
<u>REF.</u>	A	A:3

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF 2018 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2018	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES</u>				
Administrative and Executive	\$ 26,879.45	\$ 26,879.45	\$	26,879.45
Channel 35	1,394.78	1,394.78		1,394.78
Township Committee	1,954.00	1,954.00		1,954.00
Township Clerk	3,589.81	3,589.81		3,589.81
Financial Administration	166.08	166.08		166.08
Assessment of Taxes	661.62	661.62		661.62
Collection of Taxes	965.15	965.15		965.15
Engineering Services and Costs	54,394.60	54,394.60		54,394.60
Zoning/Planning Board of Adjustment	817.01	817.01		817.01
Police	96,363.94	96,363.94		96,363.94
Fire	44,501.80	44,901.80		44,901.80
Emergency Management Services	21,576.08	21,576.08		21,576.08
Road Repair and Maintenance	60,405.36	60,405.36		60,405.36
Communications - 911	23,714.96	23,714.96		23,714.96
Conservation Center	7,543.75	7,543.75		7,543.75
Board of Health	27,352.34	27,352.34		27,352.34
Recreation	5,637.38	5,637.38		5,637.38
Youth Services	2,147.97	2,147.97		2,147.97
Senior Citizen Bus Transportation	10,269.00	10,269.00		10,269.00
Construction Code Official	30,288.88	30,288.88		30,288.88
Municipal Court	8,879.34	8,879.34		8,879.34
<u>OTHER EXPENSES</u>				
Administrative and Executive	427.20	48,604.46	37,114.87	11,489.59
Channel 35	125.64	6,732.75	6,607.11	125.64
Elections	1,101.61	1,139.53	37.92	1,101.61
Township Committee	10,373.63	13,845.04	1,592.90	12,252.14
Township Clerk	18,055.77	26,088.71	3,810.94	22,277.77
Financial Administration	1,583.52	12,418.08	10,314.56	2,103.52
Audit	39,200.00	39,200.00	39,200.00	
Assessment of Taxes	16,641.42	17,128.61	487.19	16,641.42
Collection of Taxes	1,170.81	2,108.60	1,019.93	1,088.67
Legal Services and Costs	362,633.36	487,006.75	359,892.61	127,114.14
Engineering Services and Costs	4,185.12	7,055.15		7,055.15
Public Buildings and Grounds	78,369.98	140,827.29	63,544.44	77,282.85
Municipal Land Use Law (N.J.S. 40:55d-1):				
Planning Board	1,369.54	10,402.20	10,218.80	183.40
Zoning Board of Adjustment	1,250.35	5,011.10	1,424.50	3,586.60
Zoning/Planning Board of Adjustment	12,744.05	10,355.98	1,111.93	9,244.05
Group Insurance-Health Benefit Waiver	3,655.85	3,655.85		3,655.85
Employee Group Health	219,328.30	223,096.75	29,249.75	193,847.00
General Liability Insurance	77.00	77.00		77.00
Police	7,821.41	38,633.93	31,259.20	7,374.73
Fire	6,012.31	64,396.32	22,831.96	41,564.36
Uniform Fire Safety Act	4,831.43	49,293.31	44,561.88	4,731.43
Emergency Management Services	2,791.44	16,130.90	10,168.30	5,962.60
Emergency Management	2,134.90	2,134.90	1,800.00	334.90
Road Repair and Maintenance	38,540.62	117,298.86	78,994.31	38,304.55

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF 2018 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2018	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>OTHER EXPENSES (CONTINUED)</u>				
Communications	\$ 520.38	\$ 8,370.72	\$ 5,197.64	\$ 3,173.08
Conservation Center	4,004.09	81,733.38	74,653.29	7,080.09
Recycling		12,966.67	12,966.67	
Board of Health	14,049.83	15,770.18	2,028.13	13,742.05
Environmental Commission	2,684.92	2,684.92		2,684.92
Animal Control	2,142.00	2,142.00		2,142.00
Celebration of Public Events: Anniversary or Holiday	26.53	1,583.88	557.35	1,026.53
Recreation	6,372.77	10,566.20	6,104.82	4,461.38
Senior Citizen Bus Transportation		738.07	738.07	
Construction Code Official	3,704.02	11,202.64	6,498.62	4,704.02
Municipal Court	4,922.06	5,912.94	971.23	4,941.71
Motor Oils and Fuels	16,448.21	41,879.02	10,960.32	30,918.70
Street Lighting	42,010.83	79,699.86	37,689.03	42,010.83
Utilities-ALL	41,552.62	89,980.90	58,456.20	31,524.70
Contribution to:				
Public Employee's Retirement System	68,801.28	68,801.28		68,801.28
Social Security System	50,035.96	50,035.96		50,035.96
Maintenance of Free Public Library	98,373.11	112,611.79	112,611.79	
Salary Adjustment	80,900.00	80,900.00		80,900.00
	<u>\$ 1,700,477.17</u>	<u>\$ 2,450,125.78</u>	<u>\$ 1,084,676.26</u>	<u>\$ 1,365,449.52</u>

REF.

A

A-1

Balance, December 31, 2018
Encumbrances Payable

A

\$ 1,700,477.17
749,648.61

A-6

Cash Disbursements
Reserve for Library
Accounts Payable

A-4

A-32

A-20

\$ 2,450,125.78
\$ 986,712.07
97,474.74
489.45
\$ 1,084,676.26

"A-14"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

REF.

Balance, December 31, 2018	A		\$	96,308.06
Increased by:				
2019 Tax Levy:				
County Taxes	A-1:A-7	\$	24,334,302.20	
County Share of Added Taxes	A-1:A-7		<u>84,944.20</u>	
				<u>24,419,246.40</u>
			\$	<u>24,515,554.46</u>
Decreased by:				
Cash Disbursements	A-4			<u>24,430,610.26</u>
Balance, December 31, 2019	A		\$	<u><u>84,944.20</u></u>

"A-15"

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX

Increased by:				
2019 Levy	A-1:A-7		\$	<u>59,126,691.00</u>
Decreased by:				
Cash Disbursements	A-4		\$	<u><u>59,126,691.00</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, 2018 (Due From)	A	\$	9,063.70
Increased by:			
Deductions per Tax Duplicate:			
Senior Citizens		\$	15,500.00
Veterans			131,000.00
Senior Citizens and Veterans Allowed by Collector			<u>1,250.00</u>
			147,750.00
		\$	<u>156,813.70</u>
Decreased by:			
Senior Citizens Disallowed by Collector			
Current Year		\$	955.48
Senior Citizens Disallowed by Collector	A-4		2,564.38
Adjustments	A-1		7,388.36
Received From State of New Jersey	A-4		<u>145,860.96</u>
			<u>156,769.18</u>
Balance, December 31, 2019 (Due From)	A	\$	<u><u>44.52</u></u>

SUMMARY OF 2019 EXEMPTIONS

Senior Citizens and Veterans Exemptions			
Per Tax Billings		\$	146,500.00
Senior Citizens and Veterans Exemptions			
Allowed by Tax Collector			<u>1,250.00</u>
		\$	147,750.00
Senior Citizens and Veterans Exemptions			
Disallowed by Tax Collector			<u>955.48</u>
	A-7	\$	<u><u>146,794.52</u></u>

"A-17"

TOWNSHIP OF CRANFORD
CURRENT FUND
SCHEDULE OF PREPAID TAXES

	<u>REF.</u>	
Balance, December 31, 2018	A	\$ 572,987.34
Increased by:		
Collection of 2020 Taxes	A-4	520,481.08
		<u>\$ 1,093,468.42</u>
Decreased by:		
Application to 2019 Taxes Receivable	A-7	572,987.34
		<u>572,987.34</u>
Balance, December 31, 2019	A	<u><u>\$ 520,481.08</u></u>

"A-18"

SCHEDULE OF TAX OVERPAYMENTS

Balance, December 31, 2018	A	\$ 8,105.56
Increased by:		
Overpayments in 2019	A-4	48,643.80
		<u>\$ 56,749.36</u>
Decreased by:		
Refund of Overpayments	A-4	56,749.36
		<u><u>\$ 56,749.36</u></u>

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>PROGRAM</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>ACCRUED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2019</u>
Clean Communities Program	\$	\$ 46,345.01	\$ 46,345.01	\$
Alcohol Education Rehabilitation Fund		2,170.12	2,170.12	
Federal Bulletproof Vest Program	7,208.85	3,680.70	2,968.35	7,921.20
Drive Sober or Get Pulled Over		5,500.00		5,500.00
Body Armor Replacement Fund		10,355.39	5,322.93	5,032.46
Click It or Ticket		5,500.00	5,500.00	
Drunk Driving Enforcement Fund		5,301.54	5,301.54	
Recycling Tonnage Grant		23,982.10	23,982.10	
Municipal Alliance	21,666.74	18,614.00	17,879.17	22,401.57
NJDEP Green Communities	3,000.00			3,000.00
Union County Kids Recreation		106,000.00	60,000.00	46,000.00
U Text U Drive U Lose		5,500.00	5,500.00	
Green Communities	22,000.00	4,500.00		26,500.00
Union County Senior Focus	88.18			88.18
	<u>\$ 53,963.77</u>	<u>\$ 237,448.86</u>	<u>\$ 174,969.22</u>	<u>\$ 116,443.41</u>
<u>REF.</u>	A	A-2		A
Cash Receipts	A-4		\$ 174,918.75	
Canceled			<u>50.47</u>	
			<u>\$ 174,969.22</u>	

"A-20"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2018	A	\$ 1,873.40
Increased by:		
Appropriation Reserves	A-13	489.45
		\$ <u>2,362.85</u>
Decreased by:		
Canceled	A-1	<u>1,873.40</u>
Balance, December 31, 2019	A	\$ <u><u>489.45</u></u>

"A-21"

SCHEDULE OF RESERVE FOR MAINTENANCE OF
FREE PUBLIC LIBRARY

Balance, December 31, 2018	A	\$ 11,792.65
Increased by:		
Cash Receipts	A-4	9,913.00
		\$ <u>21,705.65</u>
Decreased by:		
Cash Disbursements	A-4	<u>4,876.37</u>
Balance, December 31, 2019	A	\$ <u><u>16,829.28</u></u>

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

REF.

Balance, December 31, 2019 and
December 31, 2018

A

\$ 268,000.00

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF RESERVE FOR GRANTS-UNAPPROPRIATED

	BALANCE DECEMBER 31, 2018	CASH RECEIPTS	CANCELED	BALANCE DECEMBER 31, 2019
Federal Bulletproof Vest Program	\$ 910.80	\$ 20,546.98	910.80	\$ 20,546.98
Recycling Tonnage Grant				
	<u>\$ 910.80</u>	<u>\$ 20,546.98</u>	<u>\$ 910.80</u>	<u>\$ 20,546.98</u>
<u>REF.</u>	A	A-4		A

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

GRANT	BALANCE DECEMBER 31, 2018	BALANCE AFTER TRANSFERS	2019 BUDGET APPROPRIATION	DECREASED	BALANCE DECEMBER 31, 2019
Clean Communities Program	\$ 54,800.60	\$ 54,800.60	\$ 46,345.01	\$ 100,647.59	\$ 498.02
Alcohol Education Rehabilitation Fund	6,558.55	6,558.55	2,170.12	2,267.00	6,461.67
Federal Bulletproof Vest Program	10,635.90	10,635.90	3,680.70	4,392.40	9,924.20
Body Armor Replacement Fund	9,428.48	9,428.48	10,355.39	14,217.28	5,566.59
Drive Sober or Get Pulled Over	7,456.02	7,456.02	5,500.00	7,456.02	5,500.00
Sustainable NJ Grant	10,000.00	10,000.00			10,000.00
Statewide Insurance	20,262.50	20,262.50			20,262.50
Cranford Soccer Club Memorial Field	88,133.88	88,133.88	106,000.00	21,998.80	172,135.08
Union County Kids Trust Grant Program			5,500.00	5,500.00	
U Text U Drive U Lose					
Click it or Ticket					
Drunk Driving Enforcement Fund	4,111.60	4,111.60	5,301.54	6,762.37	2,650.77
Recycling Tonnage Grant	101,829.51	101,829.51	23,982.10	67,106.03	58,705.58
Municipal Alliance	9,882.72	9,882.72	18,614.00	14,511.72	13,985.00
Municipal Alliance-Match	5,283.61	5,283.61	4,653.00	4,658.16	5,278.45
DOT South Union Ave	2,561.82	2,561.82			2,561.82
River Cleaning Project	26,191.20	26,191.20		15,800.44	10,390.76
Union County Senior Focus	224.46	224.46			224.46
Union County Green Communities	13,581.39	13,581.39	4,500.00		18,081.39
NJDEP Green Communities	3,000.00	3,000.00			3,000.00
Middlesex County Fitness	2,500.00	2,500.00		2,500.00	
The Allstate Foundation	0.01	0.01			0.01
Union County Level the Playing Field	25,470.00	25,470.00		22,215.25	3,254.75
PEG Technology	5,694.72	5,694.72			5,694.72
	\$ 407,606.97	\$ 407,606.97	\$ 242,101.86	\$ 295,533.06	\$ 354,175.77

REF.

A

A-6

A-3

A

Cash Disbursements

A-4

Canceled

Encumbrances Payable

A-33

\$	244,235.85
	57.97
	51,239.24
\$	295,533.06

"A-25"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX APPEALS

	<u>REF.</u>	
Balance, December 31, 2018	A	\$ 374,346.23
Increased by:		
Transfer from Appropriations	A-3	200,000.00
		<u>\$ 574,346.23</u>
Decreased by		
Cash Disbursements	A-4	230,302.00
		<u>230,302.00</u>
Balance, December 31, 2019	A	<u><u>\$ 344,044.23</u></u>

"A-26"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
AT ASSESSED VALUATION

Balance, December 31, 2019 and December 31, 2018	A	<u><u>\$ 3,765,400.00</u></u>
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"A-27"

SCHEDULE OF RESERVE FOR OUTSIDE LIENS

Balance, December 31, 2018	A	\$ 1,545.63
Increased by:		
Cash Receipts	A-4	331,917.48
		<u>\$ 333,463.11</u>
Decreased by:		
Cash Disbursements	A-4	333,463.11
		<u><u>\$ 333,463.11</u></u>

"A-28"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF DCA FEES DUE STATE OF NEW JERSEY

	<u>REF.</u>	
Balance, December 31, 2018	A	\$ 17,529.00
Increased by:		
Cash Receipts	A-4	<u>81,800.00</u>
		\$ <u>99,329.00</u>
Decreased by:		
Cash Disbursements	A-4	<u>89,146.00</u>
Balance, December 31, 2019	A	\$ <u><u>10,183.00</u></u>

"A-29"

SCHEDULE OF MARRIAGE LICENSES DUE STATE OF NEW JERSEY

Balance, December 31, 2018	A	\$ 3,575.00
Increased by:		
Cash Receipts	A-4	<u>2,200.00</u>
		\$ <u>5,775.00</u>
Decreased by:		
Cash Disbursements	A-4	<u>5,150.00</u>
Balance, December 31, 2019	A	\$ <u><u>625.00</u></u>

"A-30"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF SEWER CHARGES RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2018	A	\$	39,561.95
Increased by:			
Sewer Billing			2,336,419.05
		\$	<u>2,375,981.00</u>
Decreased by:			
Cash Receipts	A-4	\$	2,271,840.63
Sewer Lien	A-31		<u>140.00</u>
			<u>2,271,980.63</u>
Balance, December 31, 2019	A	\$	<u><u>104,000.37</u></u>

"A-31"

SCHEDULE OF SEWER CHARGE LIENS RECEIVABLE

Balance, December 31, 2018	A	\$	289.44
Increased by:			
Transferred from Sewer Tax Receivable	A-30	\$	<u>140.00</u>
			<u>140.00</u>
Balance, December 31, 2019	A	\$	<u><u>429.44</u></u>

"A-32"

TOWNSHIP OF CRANFORD

CURRENT FUND

SCHEDULE OF RESERVE FOR LIBRARY

REF.

Balance, December 31, 2018	A		\$	3,092.52
Increased by:				
Transferred from Appropriation Reserves	A-13	\$	97,474.74	
Cash Receipts	A-4		<u>2.00</u>	
				<u>97,476.74</u>
Balance, December 31, 2019	A		\$	<u><u>100,569.26</u></u>

"A-33"

SCHEDULE OF RESERVE PREPAID SEWER

Increased by:				
Cash Receipts	A-4		\$	<u>49.23</u>
Balance, December 31, 2019	A		\$	<u><u>49.23</u></u>

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF CASH-TREASURER

	REF.		ANIMAL CONTROL	OTHER
Balance, December 31, 2018	B		\$ 72,832.47	\$ 3,096,250.72
Increased by Receipts:				
License Fees Collected	B-3	\$ 27,047.93		
Due State of New Jersey	B-2	1,855.20		
Interfunds	B-11			23,033.68
Community Development Block Grants	B-4			23,000.00
Payroll Deductions	B-8			10,044,129.11
Miscellaneous Trust Deposits	B-10			1,538,031.18
Escrow Deposits	B-9			180,275.91
District Management Corporation	B-6			175,786.05
			28,903.13	11,984,255.93
			\$ 101,735.60	\$ 15,080,506.65
Decreased by Disbursements:				
Community Development Block Grants	B-5	\$		
Expenditures Under R.S. 4:19-15.11	B-3	58,796.33		
Due State of New Jersey	B-2	1,888.20		23,000.00
District Management Corporation	B-6			208,893.99
Payroll Deductions	B-8			10,029,424.65
Interfunds	B-11			23,033.68
Miscellaneous Trust Deposits	B-10			1,597,749.59
Escrow Deposits	B-9			185,824.97
			60,684.53	12,067,926.88
Balance, December 31, 2019	B		\$ 41,051.07	\$ 3,012,579.77

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
ANIMAL CONTROL FUND

	<u>REF.</u>	
Balance, December 31, 2018	B	\$ 460.20
Increased by:		
Cash Receipts	B-1	<u>1,855.20</u>
		\$ <u>2,315.40</u>
Decreased by:		
Cash Disbursements	B-1	<u>1,888.20</u>
Balance, December 31, 2019	B	\$ <u><u>427.20</u></u>

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2018	B	\$	46,681.70
Increased by:			
Dog/Cat License Fees Collected	B-1	\$ <u>27,047.93</u>	\$ <u>27,047.93</u>
			73,729.63
Decreased by:			
Cash Disbursements	B-1	<u>58,796.33</u>	<u>58,796.33</u>
Balance, December 31, 2019	B	\$	<u><u>14,933.30</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2018	\$ 30,824.53
2017	<u>23,787.60</u>
	\$ <u><u>54,612.13</u></u>

"B-4"

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK
GRANTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2018	B	\$ 23,000.00
Increased by:		
Grants Received	B-5	16,750.00
		<u>\$ 39,750.00</u>
Decreased by:		
Cash Receipts	B-1	<u>23,000.00</u>
Balance, December 31, 2019	B	<u><u>\$ 16,750.00</u></u>

"B-5"

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK
GRANTS RESERVE

Balance, December 31, 2018	B	\$ 23,000.00
Increased by:		
Grants Received	B-4	16,750.00
		<u>\$ 39,750.00</u>
Decreased by:		
Cash Disbursements	B-1	<u>23,000.00</u>
Balance, December 31, 2019	B	<u><u>\$ 16,750.00</u></u>

"B-6"

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF RESERVE FOR DISTRICT MANAGEMENT CORPORATION

	<u>REF.</u>		
Balance, December 31, 2018	B	\$	48,250.96
Increased by:			
Levy	B-1	\$	175,236.00
Miscellaneous Receipts	B-1		<u>550.05</u>
			175,786.05
		\$	<u>224,037.01</u>
Decreased by:			
Cash Disbursements	B-1		<u>208,893.99</u>
Balance, December 31, 2019	B	\$	<u><u>15,143.02</u></u>

"B-7"

SCHEDULE OF DUE CURRENT FUND-ANIMAL CONTROL FUND

Balance, December 31, 2019 (Due To) and December 31, 2018 (Due To)	B	\$	<u><u>25,690.57</u></u>
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"B-8"

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS

	<u>REF.</u>	
Balance, December 31, 2018	B	\$ 127,094.55
Increased by:		
Cash Receipts	B-1	10,044,129.11
		<u>\$ 10,171,223.66</u>
Decreased by:		
Cash Disbursements	B-1	10,029,424.65
		<u>10,029,424.65</u>
Balance, December 31, 2019	B	<u><u>\$ 141,799.01</u></u>

"B-9"

SCHEDULE OF ESCROW DEPOSITS

Balance, December 31, 2018	B	\$ 1,043,798.35
Increased by:		
Cash Receipts	B-1	180,275.91
		<u>\$ 1,224,074.26</u>
Decreased by:		
Cash Disbursements	B-1	185,824.97
		<u>185,824.97</u>
Balance, December 31, 2019	B	<u><u>\$ 1,038,249.29</u></u>

TOWNSHIP OF CRANFORD

TRUST FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS

	BALANCE DECEMBER 31, 2018	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE DECEMBER 31, 2019
Police Outside Overtime	\$	\$ 668,810.98	\$ 643,512.98	\$ 25,298.00
Medical Reimbursement	7,982.87	7,234.73	7,278.87	7,938.73
Developer's Deposits	18,987.69	40.91		19,028.60
State Unemployment Insurance	376,192.38	27,312.89	23.98	403,481.29
Forfeiture Accounts	44,521.82	6,945.62	38,533.85	12,933.59
Public Defender	41,765.22	8,180.00	10,273.31	39,671.91
Sign Fund	436.30			436.30
Tax Sale Premiums	738,900.00	356,900.00	505,900.00	589,900.00
POAA	3,065.45	3,394.00	667.00	5,792.45
Cable TV Donations	5,261.65	2,555.00	3,823.80	3,992.85
Enrichment	263,435.88	250,535.54	240,427.96	273,543.46
Recycling	4,662.93	9,174.29	4,858.13	8,979.09
DMC Donations	1,971.00	5,635.35	4,036.46	3,569.89
Body Armor Donations	5,091.16			5,091.16
Fire Penalties	1,263.51			1,263.51
LOSAP	15,071.45	37,397.71	28,750.00	23,719.16
Post Office Donations	36,906.14		20,000.00	16,906.14
Municipal Alliance Donations	2,432.55	9,760.00	9,450.00	2,742.55
Police Donations	4,275.07	14,606.00	13,248.25	5,632.82
C.O.A.H.	105,966.98	14,548.16	8,787.50	111,727.64
Snow Removal(Storm Recovery)	198,916.81	115,000.00	58,177.50	255,739.31
	<u>\$ 1,877,106.86</u>	<u>\$ 1,538,031.18</u>	<u>\$ 1,597,749.59</u>	<u>\$ 1,817,388.45</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>23,033.68</u>	\$ <u>23,033.68</u>
Cash Disbursements	B-1	\$ <u><u>23,033.68</u></u>	\$ <u><u>23,033.68</u></u>

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2018	C	\$	19,868,162.39
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-11	\$	300,000.00
Grants Receivable	C-7		265,000.00
Bond Anticipation Notes	C-9		26,112,863.00
Refunds	C-8		110,598.43
Interfunds	C-15		1,376,866.48
Deferred Charges to Future Taxation			265,001.40
Premium on Sale of Notes	C-1		<u>192,808.60</u>
			28,623,137.91
		\$	<u>48,491,300.30</u>
Decreased by Disbursements:			
Contracts Payable	C-14	\$	6,142,114.72
Bond Anticipation Notes	C-9		34,745,939.00
Reserve for Debt Service	C-18		370,000.00
Interfunds	C-15		1,376,866.48
Capital Fund Balance Utilized in Current Fund	C-1		<u>200,000.00</u>
			<u>42,834,920.20</u>
Balance, December 31, 2019	C:C-3	\$	<u><u>5,656,380.10</u></u>

"C-3"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

ANALYSIS OF CASH

BALANCE
DECEMBER
31, 2019

Fund Balance	\$ 288,604.92
Improvement Authorizations Funded Set Forth on "C-8"	1,087,106.06
Improvement Authorizations Expended As Set Forth on Exhibit "C-6"	(606,032.66)
Improvement Authorizations Unfunded - Unexpended Proceeds of Notes "C-6"	4,549,229.89
Grants Receivable	(1,399,962.24)
Local Homeowners Receivable	(181,164.01)
State of New Jersey Infrastructure Note Receivable	(2,578,383.00)
Capital Improvement Fund	52,000.00
Contracts Payable	4,255,328.88
Reserve for Debt Service	6,061.67
Cash on Hand to Pay Notes Various Ordinances "C-6"	207,743.59
Due From Cranford Board of Education	<u>(24,153.00)</u>
	<u>\$ 5,656,380.10</u>

REF.

C-2

"C-4"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM CRANFORD BOARD OF EDUCATION

REF.

Balance, December 31, 2019 and December 31, 2018	C	\$ <u>24,153.00</u>
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"C-5"

SCHEDULE OF DEFERRED CHARGES
TO FUTURE TAXATION - FUNDED

Balance, December 31, 2018	C	\$ 20,654,010.94
Decreased by:		
Budget Appropriation to Pay Bonds	C-10	\$ 1,660,000.00
Budget Appropriation to Pay Infrastructure Loans	C-16	482,389.91
Loan Canceled	C-16	538,568.00
Budget Appropriation to Pay Green Trust Loans	C-12	<u>11,872.95</u>
		<u>2,692,830.86</u>
Balance, December 31, 2019	C	\$ <u>17,961,180.08</u>

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ANALYSIS OF BALANCE, DECEMBER 31, 2019			
		BALANCE DECEMBER 31, 2019	BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
01-38/03-27/05-47/01	Construction of a Municipal Parking Garage	\$ 514,833.59	\$	514,833.59	\$
12-15	Reconstruction of Lower Level Muni Bldg	1,628,641.00	1,628,641.00		
12-19	Various Improvements	182,389.00	182,389.00		
12-21	Multi-Purpose	882,046.00	882,046.00		
13-03	Purchase of Computer Equipment	43,996.00	43,996.00		
13-15	Various Improvements & Acq.s	458,107.00	458,107.00		
13-16	Multi-Purpose	1,077,080.00	1,077,080.00		
14-06	Various Public Improvements	650,970.00	650,970.00		
14-14	Various Public Improvements	2,474,403.41	2,474,403.41		
15-24	Various Public Improvements	2,018,712.00	2,018,712.00		
15-27	Various Public Improvements	1,221,765.00	1,221,765.00		
15-31	Acq. Of Real Property	1,227,606.14	1,169,620.00	57,986.14	
16-12	Multi-Purpose	3,114,311.00	3,114,311.00		
16-13	Turf Field	240,700.00	240,700.00		
16-18	Storm Drainage & Flood Mgmt.	3,500,000.00	2,578,383.00	33,212.93	888,404.07
17-05	Multi-Purpose	3,439,725.00	3,439,725.00		
18-09	Multi-Purpose	3,619,000.00	3,619,000.00		
19-05	Multi-Purpose	5,729,000.00	3,683,654.00		2,045,346.00
		<u>\$ 32,023,285.14</u>	<u>\$ 28,483,502.41</u>	<u>\$ 606,032.66</u>	<u>\$ 2,933,750.07</u>
REF.		C	C-9	C-3	
C-9	Bond Anticipation Notes	\$	26,112,863.00		
C-20	Environmental Infrastructure Note Payable		2,578,383.00		
C-3	Less: Cash on Hand to Pay Notes - Various Ordinances		<u>207,743.59</u>		
		\$	<u>28,483,502.41</u>		
C-8	Improvement Authorizations-Unfunded				\$ 7,482,979.96
C-3	Less: Bond Anticipation Note Proceeds				<u>4,549,229.89</u>
	Unexpended Ordinances-Various				<u>\$ 2,933,750.07</u>

TOWNSHIP OF CRANFORD
GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2018	C	\$	1,438,016.24
Increased by:			
Grants Awarded	C-8		<u>570,000.00</u>
		\$	<u>2,008,016.24</u>
Decreased by:			
Cash Receipts	C-2	\$	265,000.00
Canceled	C-8		<u>343,054.00</u>
			<u>608,054.00</u>
Balance, December 31, 2019	C	\$	<u><u>1,399,962.24</u></u>

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2018		2019 AUTHORIZATIONS	NET PAID OR CHARGED	CONTRACTS PAYABLE CANCELED	REFUNDS	IMPROVEMENT AUTHORIZATIONS CANCELED	BALANCE DECEMBER 31, 2019	
			FUNDED	UNFUNDED						FUNDED	UNFUNDED
General Improvements:		\$	2,258,000.00	\$	\$	\$	\$		\$	2,454.43	\$
91-26	DMC and Hansen Park	656,000.00		2,454.43						74,569.28	
97-08	Various Improvements	5,500,000.00		40,658.99						40,658.99	
98-02	Community Center	300,000.00		19,086.00						19,086.00	
00-13	Technology	375,000.00		4,078.06						4,078.06	
01-02	Various Improvements	6,100,000.00		40,912.00					40,912.00		
01-38/03-27/1	Construction of a Municipal Parking Garage	9,250,000.00	255,559.39				559.29	110,598.43	366,717.11	23,107.30	
02-04	Storm Drainage and Flood Management Imps.	2,109,000.00	2,107.30							2,824.00	
02-09/07-25	Various Public Improvements	2,503,944.00	2,824.00							83,297.19	
04-15	Various Capital Improvements	2,132,650.00	83,297.19							97,395.58	
05-12/09-35	Various Capital Improvements	677,700.00	191,021.38			93,625.80				122,379.50	
07-07	Various Public Improvements	600,000.00	122,379.50							28,880.82	
07-16	Reconstruction of High Street Footbridge	878,000.00	28,880.82							16,523.93	
08-18	Various Public Improvements	606,500.00	16,523.93							155,804.07	
09-11	Installation of Turf Field	372,000.00	155,804.07							16,523.93	
09-34	Various Public Improvements	1,038,000.00	171,850.89							155,804.07	
09-37	Various Sewer Projects	40,000.00	37,327.20	37,090.00					208,940.89		
10-42	Hillside Avenue Tunnel	900,000.00	146,099.37			146,099.37				37,327.20	
10-43	Various Improvements	521,000.00	3,765.34							3,765.34	
11-10	Refunding	1,165,000.00	22,161.60			5,727.00				16,434.60	
11-30	Various Public Improvements, Replace Equip.	1,173,000.00	9,067.12							9,067.12	
12-01	Refunding	4,182,017.00	312,811.64							312,811.64	
12-13	Elevation of Homes	3,500,000.00		457,162.53		471.09					456,691.44
12-15	Reconstruction Lower Level-Municipal Building	830,000.00		62,103.29		471.09				61,632.20	
12-19	Various Improvements	1,361,800.00		307,308.96		239,033.23				68,275.73	
12-21	Multi-Purpose	580,000.00		370,322.65					370,322.65		
12-37	Various Storm Improvements	630,000.00	8,949.09			322.09				8,949.09	
13-15	Various Improvements & Acquisitions	1,300,500.00		322.09		0.00				222,766.20	
13-16	Multi-Purpose	775,000.00		188,566.29		219.14					
14-06	Various Public Improvements	5,455,000.00		538,161.54		57,520.10	102,436.90			583,078.34	
14-14	Various Public Improvements	1,003,760.00				94,808.68					
14-16	Various Improvements to Municipal Building	4,435,000.00	106,544.24			18,074.88				11,735.56	
15-24	Various Public Improvements	1,330,000.00		579,431.33		34,067.89			143,054.00		418,302.45
15-27	Various Public Improvements	1,335,000.00		34,067.89		575.78			500.00		32,992.11
15-31	Acquisition of Real Property	3,774,128.00		13,589.64		575.78			13,013.86		
16-12	Multi-Purpose	300,000.00		489,437.78		17,872.69					471,565.09
16-13	Turf Field	3,500,000.00		8,289.17		575.78				7,713.39	
16-18	Storm Drainage & Flood Mgmt.	18,500,000.00		1,120,696.64		232,292.57				886,404.07	
16-28	Acq. Of Real Property	3,988,500.00		52,369.24		36,412.88					
17-05	Multi-Purpose	4,565,500.00		855,912.18		494,294.09				361,618.09	
18-09	Multi-Purpose	6,587,000.00		555,912.18		1,006,363.09			200,000.00	1,336,619.50	
19-05	Multi-Purpose			2,542,982.59		4,013,678.65				2,573,321.35	
		\$	1,838,820.83	\$ 7,698,944.95	\$ 6,587,000.00	\$ 6,459,013.78		110,598.43	\$ 1,343,460.51	\$ 1,087,106.06	\$ 7,482,979.96
			C	C		C-14	C-14	C-2		C-C-3	C-C-6
Bonds Refunded	REF. C-10										
Capital Improvement Fund	C-11			\$ 288,000.00							
Grants Receivable	C-7			570,000.00					343,054.00		
Loan Receivable	C-17								538,568.00		
Deferred Charges to Future Taxation - Unfunded				5,729,000.00					461,839.51		
				\$ 6,587,000.00					\$ 1,343,460.51		

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>BALANCE DECEMBER 31, 2019</u>
					\$	\$	\$	\$
12-15	Reconstruction of Lower Level Municipal Building	5/18/18	5/17/19	3.00%	1,697,607.00	1,628,641.00	1,697,607.00	1,628,641.00
12-15	Reconstruction of Lower Level Municipal Building	5/17/19	5/15/20	2.25%				
12-19	Various Improvements	5/18/18	5/17/19	3.00%	209,653.00	182,389.00	209,653.00	182,389.00
12-19	Various Improvements	5/17/19	5/15/20	2.25%				
12-21	Multi-Purpose	5/18/18	5/17/19	3.00%	916,709.00	882,046.00	916,709.00	882,046.00
12-21	Multi-Purpose	5/17/19	5/15/20	2.25%				
13-03	Purchase of Computer Equipment	5/18/18	5/17/19	3.00%	51,329.00	43,996.00	51,329.00	43,996.00
13-03	Purchase of Computer Equipment	5/17/19	5/15/20	2.25%				
13-15	Various Improvements	5/18/18	5/17/19	3.00%	505,238.00	458,107.00	505,238.00	458,107.00
13-15	Various Improvements	5/17/19	5/15/20	2.25%				
13-16	Multi-Purpose	5/18/18	5/17/19	3.00%	1,130,720.00	1,077,080.00	1,130,720.00	1,077,080.00
13-16	Multi-Purpose	5/17/19	5/15/20	2.25%				
14-06	Various Public Improvements	5/18/18	5/17/19	3.00%	679,980.00	650,970.00	679,980.00	650,970.00
14-06	Various Public Improvements	5/17/19	5/15/20	2.25%				
14-14	Various Public Improvements	5/18/18	5/17/19	3.00%	1,864,640.00	1,742,079.00	1,864,640.00	1,742,079.00
14-14	Various Public Improvements	5/17/19	5/15/20	2.25%				
15-24	Various Public Improvements	5/18/18	5/17/19	3.00%	530,893.00	503,527.00	530,893.00	503,527.00
15-24	Various Public Improvements	5/17/19	5/15/20	2.25%				
15-24	Various Public Improvements	5/18/18	5/17/19	3.00%	566,732.00	566,732.00	566,732.00	566,732.00
15-24	Various Public Improvements	5/17/19	5/15/20	2.25%				
16-12	Multi-Purpose	5/18/18	5/17/19	3.00%	201,275.00	201,275.00	201,275.00	201,275.00
16-12	Multi-Purpose	5/17/19	5/15/20	2.25%				
17-05	Multi-Purpose	5/18/18	5/17/19	3.00%	1,145,224.00	1,130,224.00	1,145,224.00	1,130,224.00
17-05	Multi-Purpose	5/17/19	5/15/20	2.25%				
17-05	Multi-Purpose	5/17/19	5/15/20	2.25%		632,934.00		632,934.00

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

ORDINANCE	IMPROVEMENT DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2018	INCREASE	DECREASE	BALANCE DECEMBER 31, 2019
14-14	Various Public Improvements	6/29/18	6/28/19	3.00%	947,534.00		947,534.00	
14-14	Various Public Improvements	6/28/19	6/26/20	2.25%		895,068.00		895,068.00
15-24	Various Public Improvements	5/18/18	5/17/19	3.00%	1,000,000.00		1,000,000.00	
15-24	Various Public Improvements	6/28/19	6/26/20	2.25%		948,453.00		948,453.00
15-27	Various Public Improvements	6/29/18	6/28/19	3.00%	1,266,000.00		1,266,000.00	
15-27	Various Public Improvements	6/28/19	6/26/20	2.25%		1,221,765.00		1,221,765.00
15-31	Acq. Of Real Property	6/29/18	6/28/19	3.00%	1,184,810.00		1,184,810.00	
15-31	Acq. Of Real Property	6/28/19	6/26/20	2.25%		1,169,620.00		1,169,620.00
16-12	Multi-Purpose	6/29/18	6/28/19	3.00%	3,000,000.00		3,000,000.00	
16-12	Multi-Purpose	6/28/19	6/26/20	2.25%		2,846,311.00		2,846,311.00
16-12	Multi-Purpose	6/28/19	6/26/20	2.25%	66,725.00		66,725.00	
16-12	Multi-Purpose	6/28/19	6/26/20	2.25%		66,725.00		66,725.00
16-13	Turf Field	6/29/18	6/28/19	3.00%	285,700.00		285,700.00	
16-13	Turf Field	6/28/19	6/26/20	2.25%		285,700.00		285,700.00
17-05	Multi-Purpose	6/29/18	6/28/19	3.00%	322,575.00		322,575.00	
17-05	Multi-Purpose	6/28/19	6/26/20	2.25%		322,575.00		322,575.00
17-05	Multi-Purpose	6/29/18	6/28/19	3.00%	292,656.00		292,656.00	
17-05	Multi-Purpose	6/28/19	6/26/20	2.25%		292,656.00		292,656.00
17-05	Multi-Purpose	6/28/19	6/26/20	2.25%	363,990.00		363,990.00	
17-05	Multi-Purpose	6/28/19	6/26/20	2.25%		697,346.00		697,346.00
18-191	Multi-Purpose	10/24/19	10/23/20	2.25%		3,619,000.00		3,619,000.00
19-05	Multi-Purpose	10/24/19	10/23/20	2.25%		3,683,654.00		3,683,654.00
16-28	Birchwood	2/7/18	2/7/19	2.50%	17,615,000.00		17,615,000.00	
					<u>\$ 35,481,000.00</u>	<u>\$ 26,112,863.00</u>	<u>\$ 35,481,000.00</u>	<u>\$ 26,112,863.00</u>
		REF.			C	C-2		C-C-6
	Notes Paid by Budget						\$ 735,061.00	
	Cash Disbursements				C-2		<u>34,745,939.00</u>	
							<u>\$ 35,481,000.00</u>	

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2018	DECREASED	BALANCE DECEMBER 31, 2019
			DATE	AMOUNT				
General Improvements	08/15/06	1,603,000.00	08/15/20-37	\$ 1,343,000.00	Various	\$ 1,378,000.00	\$ 35,000.00	\$ 1,343,000.00
Refunding Bonds	08/15/13	3,885,000.00	08/15/20	550,000.00	4.500%	1,100,000.00	550,000.00	550,000.00
	General Improvements	01/15/18	01/15/20-26	970,000.00	2.000%	9,700,000.00	970,000.00	8,730,000.00
01/15/27			970,000.00	2.250%				
01/15/28			970,000.00	3.000%				
Refunding Bonds	5/24/18	4,870,000.00	8/15/20	120,000.00	3.000%	4,730,000.00	105,000.00	4,625,000.00
			8/15/21	125,000.00	4.000%			
			8/15/22	145,000.00	4.000%			
			8/15/23	165,000.00	4.000%			
			8/15/24	195,000.00	4.000%			
			8/15/25	205,000.00	4.000%			
			8/15/26	215,000.00	4.000%			
			8/15/27	225,000.00	4.000%			
			8/15/28	240,000.00	4.000%			
			8/15/29	260,000.00	4.000%			
			8/15/30	280,000.00	4.000%			
			8/15/31	300,000.00	4.000%			
			8/15/32	305,000.00	4.000%			
			8/15/33	325,000.00	4.000%			
			8/15/34	345,000.00	4.000%			
			8/15/35	370,000.00	4.000%			
			8/15/36	390,000.00	4.000%			
			8/15/37	415,000.00	4.000%			
						<u>4,730,000.00</u>	<u>105,000.00</u>	<u>4,625,000.00</u>
						<u>\$ 16,908,000.00</u>	<u>\$ 1,660,000.00</u>	<u>\$ 15,248,000.00</u>
REF.						C	C-5	C

REF.

C

C-5

C

"C-11"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2018	C	\$ 40,000.00
Increased by:		
Budget Appropriation	C-2	<u>300,000.00</u>
		\$ <u>340,000.00</u>
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-8	<u>288,000.00</u>
Balance, December 31, 2019	C	\$ <u><u>52,000.00</u></u>

"C-12"

SCHEDULE OF GREEN TRUST LOANS PAYABLE

Balance, December 31, 2018	C	\$ 108,867.40
Decreased by:		
Loans Paid by Budget	C-5	<u>11,872.95</u>
Balance, December 31, 2019	C	\$ <u><u>96,994.45</u></u>

"C-13"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF LOCAL HOMEOWNERS RECEIVABLE

REF.

Balance, December 31, 2018 and
December 31, 2019

C

\$ 181,164.01

"C-14"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2018

C

\$ 4,075,625.92

Increased by:

Improvement Authorizations Charged

C-8

6,459,013.78

10,534,639.70

Decreased by:

Cash Disbursements

C-2

\$ 6,142,114.72

Canceled

C-8

137,196.10

6,279,310.82

Balance, December 31, 2019

C

\$ 4,255,328.88

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	SWIM POOL OPERATING <u>FUND</u>	CURRENT <u>FUND</u>
Cash Receipts	C-2 \$	1,376,866.48 \$	86,773.36 \$	1,290,093.12
Cash Disbursements	C-2 \$	1,376,866.48 \$	86,773.36 \$	1,290,093.12

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF NJ INFRASTRUCTURE LOANS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2018	C		\$ 3,637,143.54
Decreased by:			
Loans Paid by Budget	C-5	\$ 482,389.91	
Canceled	C-5	<u>538,568.00</u>	
			<u>1,020,957.91</u>
Balance, December 31, 2019	C		\$ <u>2,616,185.63</u>

"C-17"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF INFRASTRUCTURE LOAN RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2018	C	\$	538,568.00
Decreased by:			
Canceled	C-8	\$	<u>538,568.00</u>
		\$	<u><u>538,568.00</u></u>

"C-18"

SCHEDULE OF RESERVE FOR DEBT SERVICE

Balance, December 31, 2018	C	\$	17,969,859.72
Decreased by:			
Deferred Unfunded		\$	17,593,798.05
Cash Disbursement	C-2		<u>370,000.00</u>
			<u><u>17,963,798.05</u></u>
Balance, December 31, 2019	C	\$	<u><u>6,061.67</u></u>

"C-19"

TOWNSHIP OF CRANFORD

GENERAL CAPITAL FUND

SCHEDULE OF INFRASTRUCTURE TEMPORARY NOTE RECEIVABLE

REF.

Increased by:		
Note Issued	C-20	\$ 2,578,383.00
Balance, December 31, 2019	C	\$ <u>2,578,383.00</u>

"C-20"

SCHEDULE OF INFRASTRUCTURE TEMPORARY NOTE PAYABLE

Increased by:		
Note Issued(Zero Percent Interest)	C-19	\$ 2,578,383.00
Balance, December 31, 2019	C	\$ <u>2,578,383.00</u>

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, 2019</u>
01-38/03-27/05-47/06-28/07-35/11-31	Parking Garage	\$ 514,833.59
15-31	Acq. Of Real Property	57,986.14
16-18	Storm Drainage & Flood Mgmt.	921,617.00
19-05	Multi-Purpose	<u>2,045,346.00</u>
		<u>\$ 3,539,782.73</u>

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2018	D	\$ 89,665.12	\$ 300,946.66
Increased by Receipts:			
Bond Anticipation Notes	D-6	\$	\$ 1,287,137.00
Appropriation Refunds	D-3	8.07	
Membership	D-2	1,175,735.35	
Miscellaneous	D-2	485,661.52	
		<u>1,661,404.94</u>	<u>1,287,137.00</u>
		\$ 1,751,070.06	\$ 1,588,083.66
Decreased by Disbursements:			
2019 Appropriations	D-3	\$ 1,623,086.90	
2018 Appropriation Reserves	D-12	28,164.48	
Bond Anticipation Notes	D-6		1,287,137.00
Contracts Payable	D-8		28,763.78
		<u>1,651,251.38</u>	<u>1,315,900.78</u>
Balance, December 31, 2019	D:D-5	\$ 99,818.68	\$ 272,182.88

"D-5"

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY FUND

SCHEDULE OF SWIM POOL UTILITY CAPITAL CASH

		BALANCE DECEMBER <u>31, 2019</u>
Capital Improvement Fund	\$	6,840.00
Contracts Payable		12,704.20
Improvement Authorizations 15-26		52,156.65
Improvement Authorizations 16-17		<u>200,482.03</u>
	\$	<u><u>272,182.88</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, 2018</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>BALANCE DECEMBER 31, 2019</u>
15-26	Various Pool Improvements	12/8/16	6/28/19	6/26/20	2.25%	\$ 866,756.00	\$ 836,307.00	\$ 866,756.00	\$ 836,307.00
16-17	Various Pool Improvements	12/8/16	6/28/19	6/26/20	2.25%	467,244.00	450,830.00	467,244.00	450,830.00
						<u>\$ 1,334,000.00</u>	<u>\$ 1,287,137.00</u>	<u>\$ 1,334,000.00</u>	<u>\$ 1,287,137.00</u>
			<u>REF.</u>			<u>D</u>	<u>D-4</u>		<u>D</u>
	Cash Disbursements		D-4					\$ 1,287,137.00	
	Notes Paid by Budget		D-17					<u>46,863.00</u>	
								<u>\$ 1,334,000.00</u>	

"D-7"

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

REF.

Balance, December 31, 2019 and December 31, 2018	D	\$ <u>150.00</u>
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"D-8"

SWIM POOL UTILITY CAPITAL FUND
SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2018	D	\$ 34,580.40
Increased by:		
Improvement Authorizations	D-15	<u>6,887.58</u>
		\$ <u>41,467.98</u>
Decreased by:		
Cash Disbursements	D-4	<u>28,763.78</u>
Balance, December 31, 2019	D	\$ <u>12,704.20</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, 2018</u>	<u>BALANCE DECEMBER 31, 2019</u>
General Improvements:				
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>\$ 1,500,000.00</u>	<u>\$ 1,500,000.00</u>
	<u>REF.</u>		D	D

"D-10"

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

	BALANCE DECEMBER 31, 2018	BALANCE DECEMBER 31, 2019
Swim Pool Facilities:		
Orange Avenue	\$ 1,242,525.00	\$ 1,242,525.00
Centennial Avenue	2,000,449.00	2,000,449.00
Pool Improvements	1,450,000.00	1,450,000.00
General Equipment	<u>774,954.34</u>	<u>774,954.34</u>
	<u>\$ 5,467,928.34</u>	<u>\$ 5,467,928.34</u>
<u>REF.</u>	D	D

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

REF.

Balance, December 31, 2019

December 31, 2018

D

\$ 6,840.00

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY OPERATING FUND

SCHEDULE OF 2018 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2018	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Operating:				
Salaries and Wages	\$ 7,840.15	\$ 40.15	\$	40.15
Other Expenses	29.42	31,859.58	28,164.48	3,695.10
Statutory Expenditures:				
Social Security	<u>4,456.70</u>	<u>56.70</u>		<u>56.70</u>
	\$ <u>12,326.27</u>	\$ <u>31,956.43</u>	<u>28,164.48</u>	<u>3,791.95</u>
REF.	D:D-12		D-4	D-1
Balance, December 31, 2018	D-12	\$ 12,326.27		
Encumbrances Payable	D-13	<u>19,630.16</u>		
		\$ <u>31,956.43</u>		

"D-13"

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

	<u>REF.</u>	
Balance, December 31, 2018	D	\$ 19,630.16
Increased by:		
Charges to Appropriations	D-3	<u>47,286.02</u>
		\$ <u>66,916.18</u>
Decreased by:		
Transferred to Appropriation Reserves	D-12	<u>19,630.16</u>
Balance, December 31, 2019	D	\$ <u><u>47,286.02</u></u>

"D-14"

SCHEDULE OF ACCRUED INTEREST ON NOTES

Balance, December 31, 2018	D	\$ 10,230.37
Increased by:		
Budget Appropriation	D-3	<u>4,527.63</u>
Balance, December 31, 2019	D	\$ <u><u>14,758.00</u></u>

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE AMOUNT</u>	<u>BALANCE DECEMBER 31, 2018 UNFUNDED</u>	<u>PAID OR CHARGED</u>	<u>BALANCE DECEMBER 31, 2019 UNFUNDED</u>
<u>General Improvements:</u>					
15-26	Various Pool Improvements	\$ 1,000,000.00	\$ 58,468.44	\$ 6,311.79	\$ 52,156.65
16-17	Various Pool Improvements	500,000.00	201,057.82	575.79	200,482.03
			<u>\$ 259,526.26</u>	<u>\$ 6,887.58</u>	<u>\$ 252,638.68</u>
	<u>REF.</u>		D	D-8	D

"D-16"

TOWNSHIP OF CRANFORD

SWIM POOL UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

REF.

Balance, December 31, 2018 and
December 31, 2019

D

\$ 4,973,928.34

"D-17"

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

Balance, December 31, 2018

D

\$ 660,000.00

Increased by:
Notes Paid by Budget

D-6

46,863.00

Balance, December 31, 2019

D

\$ 706,863.00

PART II

TOWNSHIP OF CRANFORD

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2019

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

	YEAR 2019		YEAR 2018	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 2,950,000.00	2.37%	\$ 2,850,000.00	2.33%
Miscellaneous - From Other Than Local				
Property Tax Levies	12,696,158.02	10.21%	13,071,291.14	10.68%
Collection of Delinquent Taxes and				
Tax Title Liens	559,578.53	0.45%	797,279.59	0.65%
Collection of Current Tax Levy	108,155,100.51	86.97%	105,719,118.22	86.35%
<u>TOTAL INCOME</u>	<u>124,360,837.06</u>	<u>100.00%</u>	<u>122,437,688.95</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	37,185,740.73	30.75%	36,816,185.41	31.06%
County Taxes	24,419,246.40	20.20%	24,168,955.60	20.39%
Local School Taxes	59,126,691.00	48.90%	57,337,589.00	48.37%
Other Expenditures	182,818.27	0.15%	224,184.63	0.19%
<u>TOTAL EXPENDITURES</u>	<u>120,914,496.40</u>	<u>100.00%</u>	<u>118,546,914.64</u>	<u>100.00%</u>
Excess in Revenue	3,446,340.66		3,890,774.31	
Adjustments to Income Before Fund Balance:				
Expenditures Included Above Which are Deferred				
Charges to Budget of Succeeding Year			425,000.00	
Regulatory Excess to Fund Balance	3,446,340.66		4,315,774.31	
Fund Balance, January 1	7,426,576.19		5,960,801.88	
	1,435,000.00		10,276,576.19	
Less: Utilization as Anticipated Revenue	2,950,000.00		2,850,000.00	
Fund Balance, December 31	\$ <u>7,922,916.85</u>		\$ <u>7,426,576.19</u>	

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

	YEAR 2019		YEAR 2018	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 46,111.00	2.69%	\$ 75,839.05	4.32%
Collection of Membership Fees	1,175,735.35	68.70%	1,193,691.30	68.00%
Miscellaneous	485,661.52	28.38%	480,138.27	27.35%
Miscellaneous-From Other Than Pool Receipts	3,791.95	0.22%	5,859.51	0.33%
<u>TOTAL INCOME</u>	<u>1,711,299.82</u>	<u>100.00%</u>	<u>1,755,528.13</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	1,547,447.00	90.38%	1,537,345.00	92.96%
Municipal Debt Service	73,500.00	4.29%	76,500.00	4.63%
Deferred Charges and Statutory Expenditures	91,300.99	5.33%	39,949.00	2.42%
<u>TOTAL EXPENDITURES</u>	<u>1,712,247.99</u>	<u>100.00%</u>	<u>1,653,794.00</u>	<u>100.00%</u>
Excess in Revenue			37,895.08	
Deficit in Revenue	(948.17)			
Operating Deficit to be raised in Budget of Succeeding Year	<u>948.17</u>			
Fund Balance, January 1	<u>47,628.32</u>		<u>85,572.29</u>	
	47,628.32		123,467.37	
Less: Utilization as Anticipated Revenue	<u>46,111.00</u>		<u>75,839.05</u>	
Fund Balance, December 31	\$ <u>1,517.32</u>		\$ <u>47,628.32</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax Rate	<u>\$6.520</u>	<u>\$6.402</u>	<u>\$6.179</u>
Apportionment of Tax Rate:			
Municipal	1.408	1.392	1.371
Library	0.093	0.092	0.085
County	1.463	1.454	1.371
Local School	3.556	3.464	3.352

Assessed Valuation:

2019	<u>\$1,663,106,811.00</u>	
2018	<u>\$1,655,417,405.00</u>	
2017		<u>\$1,655,021,791.00</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</u> <u>COLLECTION</u>	<u>PERCENTAGE OF</u> <u>COLLECTIONS</u>
2019	\$109,004,621.79	\$108,155,100.51	99.22%
2018	106,592,277.03	105,725,606.23	99.18%
2017	102,915,763.79	101,676,287.75	98.79%

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>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>
2019	\$104,799.16	\$706,796.77	\$811,595.93	0.74%
2018	73,294.92	554,201.40	627,496.32	0.59%
2017	43,317.37	795,472.09	838,789.46	0.82%

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31,</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2019	\$7,923,835.15	\$2,950,000.00
	2018	7,148,316.64	2,950,000.00
	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
	<u>YEAR</u>	<u>BALANCE DECEMBER 31,</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Swim Pool Utility Fund	2019	\$1,517.32	-0-
	2018	47,628.32	46,111.00
	2017	85,572.29	75,839.05
	2016	148,585.29	28,013.00
	2015	164,395.15	46,118.00

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>
Patrick Giblin	Mayor	*
Ann Dooley	Deputy Mayor	*
Thomas H. Hannen, Jr.	Commissioner	*
Mary O'Connor	Commissioner	*
Jean-Albert Maisonneuve	Commissioner	*
Jamie Cryan	Township Administrator	*
Lavona Patterson	CFO	*
Karyn Kinane	Tax Collector	*
Patricia Donahue	Township Clerk	*
Heather Capone	Deputy Township Clerk	*
Paul Kobliska	Electrical Subcode Official	*
Ryan Cooper	Township Attorney	*
Richard Belluscio	Construction Official	*
Jason Bottcher	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	*
Ryan Greco	Police Chief	*
Daniel Czeh	Fire Chief	*

*-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 Services
- Animal Control Services
- Radio Communications
- River Desilting/Dam Improvements

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

The minutes indicate that resolutions authorizing contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 were advertised during 2018 for the following professional services:

- Auditor
- Attorney/Legal
- 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 2, 2019 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 18, 2019 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>
2019	3
2018	3
2017	4

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 2020 Taxes	25
Payments of 2019 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.

Purchasing

We noted that several purchase orders were processed as confirming orders. This is where goods have been received or services have been rendered prior to the issuance of a purchase order.

Departments

We noted that the 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 practice of issuing confirming purchase orders be discontinued.

*That the 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.

*Prior Year Recommendation

