

**BOROUGH OF WENONAH  
COUNTY OF GLOUCESTER**

**REPORT OF AUDIT**

**FOR THE YEAR 2018**

**BOROUGH OF WENONAH**  
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**BOROUGH OF WENONAH**

**PART I**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS**

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

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Borough Council  
Borough of Wenonah  
Wenonah, New Jersey 08090

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

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Wenonah, in the County of Gloucester, State of New Jersey, as of December 31, 2018 and 2017, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinions**

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

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

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

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

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” 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 Borough of Wenonah, in the County of Gloucester, State of New Jersey, as of December 31, 2018 and 2017, or the results of its operations and changes in fund balance for the years then ended.

*Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Wenonah, in the County of Gloucester, State of New Jersey, as of December 31, 2018 and 2017, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2018, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

**Emphasis of Matter**

*Adoption of New Accounting Principles*

As discussed in note 1 to the financial statements, during the year ended December 31, 2018, the Borough adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The adoption of this new accounting principle resulted in a material note disclosure (see note 10). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only required financial statement disclosures. Our opinions are not modified with respect to this matter.

**Other Matters**

*Other Information*

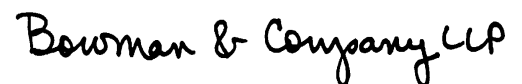
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the basic financial statements.

The supplemental statements and schedules presented for the various funds and the schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 statements and schedules described in the previous paragraph are fairly stated, in all material respects, in relation to the basic 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 August 7, 2019 on our consideration of the Borough of Wenonah, in the County of Gloucester, State of New Jersey, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Wenonah's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Wenonah's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Carol A. McAllister  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
August 7, 2019



**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**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Borough Council  
Borough of Wenonah  
Wenonah, New Jersey 08090

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Borough of Wenonah, in the County of Gloucester, State of New Jersey, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated August 7, 2019. That report indicated that the Borough of Wenonah's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting pronouncement.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough of Wenonah's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and federal awarding agencies and pass-through entities, in considering the Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Carol A. McAllister  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
August 7, 2019

**BOROUGH OF WENONAH**  
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
As of December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>			
Regular Fund:			
Cash--Chief Financial Officer	SA-1	\$ 2,531,951.20	\$ 3,255,291.39
Change Funds	SA-2	100.00	100.00
		<u>2,532,051.20</u>	<u>3,255,391.39</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	92,291.97	77,872.45
Property Acquired for Taxes--Assessed Valuation	A	162,500.00	162,500.00
Due from Trust -- Other Fund	SB-5	414.07	202.20
		<u>255,206.04</u>	<u>240,574.65</u>
		<u>2,787,257.24</u>	<u>3,495,966.04</u>
Federal and State Grant Fund:			
Due from Current Fund	SA-17	12,356.90	7,321.24
State Grants Receivable	SA-14	10,011.10	15,456.03
		<u>22,368.00</u>	<u>22,777.27</u>
		<u>\$ 2,809,625.24</u>	<u>\$ 3,518,743.31</u>

*(Continued)*

**BOROUGH OF WENONAH**  
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
As of December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Regular Fund:			
Appropriation Reserves	A-3;SA-5	\$ 131,873.98	\$ 207,424.97
Reserve for Encumbrances	A-3;SA-5	29,525.38	31,793.58
Prepaid Taxes	SA-6	49,646.35	627,013.32
Tax Overpayments	SA-7	11,907.92	4,226.47
Due to State of New Jersey for Veterans' and Senior Citizens' Deductions	SA-8	1,536.25	2,536.25
Due County for Added and Omitted Taxes	SA-10	3,826.96	4,536.97
Regional High School Tax Payable	SA-11	1,238,558.26	1,262,287.78
Local School Tax Payable	SA-12	0.52	1.02
Due to Federal and State Grant Fund	SA-17	12,356.90	7,321.24
		<hr/>	<hr/>
		1,479,232.52	2,147,141.60
Reserve for Receivables and Other Assets	A	255,206.04	240,574.65
Fund Balance	A-1	1,052,818.68	1,108,249.79
		<hr/>	<hr/>
		2,787,257.24	3,495,966.04
Federal and State Grant Fund:			
Reserve for Federal, State and Local Grants--Unappropriated	SA-15	4,837.42	9,449.91
Reserve for Encumbrances	SA-18	491.73	100.00
Reserve for Federal, State and Local Grants--Appropriated	SA-16	17,038.85	13,227.36
		<hr/>	<hr/>
		22,368.00	22,777.27
		<hr/>	<hr/>
		\$ 2,809,625.24	\$ 3,518,743.31
		<hr/> <hr/>	<hr/> <hr/>

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

**BOROUGH OF WENONAH**  
CURRENT FUND

Statements of Operations and Changes in Fund Balance - Regulatory Basis  
For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 510,000.00	\$ 394,000.00
Miscellaneous Revenue Anticipated	435,315.21	454,721.17
Receipts from Delinquent Taxes	77,872.45	112,489.36
Receipts from Current Taxes	8,928,683.00	8,988,151.83
Non-Budget Revenues	33,013.71	74,095.68
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	173,831.51	139,440.07
	<u>10,158,715.88</u>	<u>10,162,898.11</u>
<u>Expenditures</u>		
Operations Within "CAPS":		
Salaries and Wages	566,006.00	780,455.00
Other Expenses	784,493.00	864,022.00
Deferred Charges and Statutory Expenditures Within "CAPS"	202,292.61	202,253.00
Operations Excluded from "CAPS":		
Salaries and Wages	320,833.33	30,000.00
Other Expenses	299,712.03	295,194.18
Capital Improvements Excluded from "CAPS"	30,000.00	33,000.00
Municipal Debt Service Excluded from "CAPS"	191,832.86	172,288.83
County Taxes	1,477,813.33	1,493,612.68
Due County for Added and Omitted Taxes	3,826.96	4,536.97
Regional High School Tax	2,953,827.00	3,001,286.00
Local District School Taxes	2,873,298.00	2,817,271.00
Reserve for Due from Trust - Other Fund	211.87	134.23
	<u>9,704,146.99</u>	<u>9,694,053.89</u>
Statutory Excess to Fund Balance	454,568.89	468,844.22
Fund Balance January 1	1,108,249.79	1,033,405.57
	1,562,818.68	1,502,249.79
Decreased by:		
Utilized as Revenue	510,000.00	394,000.00
Fund Balance December 31	<u>\$ 1,052,818.68</u>	<u>\$ 1,108,249.79</u>

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

**BOROUGH OF WENONAH**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2018

	Anticipated <u>Budget</u>	N.J.S.A. <u>40A:4-87</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	\$ 510,000.00		\$ 510,000.00	
Miscellaneous Revenue:				
Fines and Costs:				
Municipal Court	15,000.00		14,047.65	\$ (952.35)
Interest and Cost on Taxes	20,000.00		15,019.14	(4,980.86)
Interest on Investments and Deposits	11,000.00		24,257.61	13,257.61
Lake Fees and Rentals	17,000.00		19,127.00	2,127.00
Consolidated Municipal Property Tax Relief Aid	5,815.00		5,815.00	
Energy Receipts Tax	154,137.00		154,137.00	
Uniform Construction Code Fees	35,000.00		27,947.98	(7,052.02)
Public and Private Revenues Offset With Appropriations:				
Clean Communities Program		\$ 5,665.20	5,665.20	
Municipal Alliance on Alcoholism and Drug Abuse	10,011.00		10,011.00	
TRICO JIF Safety Program	1,500.00		1,500.00	
State Recycling Program	4,612.49		4,612.49	
JIF Safety Incentive Program	2,275.00		2,275.00	
Other Special Items:				
Reserve for Payment of Notes	18,096.57		18,096.57	
Lease Agreements	75,000.00		132,803.57	57,803.57
Total Miscellaneous Revenues	369,447.06	5,665.20	435,315.21	60,202.95
Receipts from Delinquent Taxes	70,000.00		77,872.45	7,872.45
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	1,649,766.73		1,827,959.73	178,193.00
Minimum Library Tax	73,145.34		73,145.34	
	1,722,912.07		1,901,105.07	178,193.00
Budget Totals	2,672,359.13	5,665.20	2,924,292.73	246,268.40
Non-Budget Revenues			33,013.71	33,013.71
	\$ 2,672,359.13	\$ 5,665.20	\$ 2,957,306.44	\$ 279,282.11

(Continued)

**BOROUGH OF WENONAH**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2018

**Analysis of Realized Revenues**

Allocations of Current Tax Collections:		
Revenue from Collections		\$ 8,928,683.00
Allocated to:		
County Taxes	\$ 1,477,813.33	
Due County for Added and Omitted Taxes	3,826.96	
Minimum Library Tax	73,145.34	
Regional High School Taxes	2,953,827.00	
Local School District Taxes	<u>2,873,298.00</u>	
		<u>7,381,910.63</u>
Balance for Support of Municipal Budget Appropriations		1,546,772.37
Add: Appropriation "Reserve for Uncollected Taxes"		<u>281,187.36</u>
Amount for Support of Municipal Budget Appropriations		<u><u>\$ 1,827,959.73</u></u>
Receipts from Delinquent Taxes:		
Delinquent Taxes Receivable		<u><u>\$ 77,872.45</u></u>
Interest on Investments:		
Treasurer		\$ 23,867.81
Trust - TTL Redemption		18.64
Trust - Tax Sale Premium		177.93
Trust - Other Fund		<u>193.23</u>
		<u><u>\$ 24,257.61</u></u>

*(Continued)*

**BOROUGH OF WENONAH**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2018

**Analysis of Non-Budget Revenues**

Revenue Accounts Receivable:

Clerk:

Street Opening Permits	\$ 300.00	
NSF Fees	100.00	
Police Department	189.85	
Smoke Detector Certificate Fees	950.00	
Fire Safety Permits	20.00	
Abandoned Property Registration Fees	7,800.00	
Zoning Lists	30.00	
Trash Cans	260.00	
Grading Plans	200.00	
Planning Board Fees	638.00	
Cable Television Franchise Fees	<u>10,832.89</u>	
		\$ 21,320.74

Cash Receipts:

Registrar Fees	247.00	
Use of Facilities	625.00	
Administrative Costs for Senior Citizens and Veterans	405.00	
Donations	1,500.00	
Copies	13.15	
Dog License Fund Statutory Excess	1,028.75	
Sale of Equipment	7,500.00	
Prior Year Outstanding Check Canceled	100.00	
Refunds of Prior Year Expenditures	<u>274.07</u>	
		<u>11,692.97</u>
		<u>\$ 33,013.71</u>

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



**BOROUGH OF WENONAH**  
 CURRENT FUND  
 Statement of Expenditures - Regulatory Basis  
 For the Year Ended December 31, 2018

	Appropriations			Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserve For Encumbrances	Reserved	
<b>OPERATIONS--WITHIN "CAPS"</b>						
General Government						
Administrative and Executive						
Other Expenses:						
Printing and Legal Advertising	\$ 3,500.00	\$ 3,500.00	\$ 2,901.70	\$	\$ 598.30	
Codification of Borough Ordinances	2,500.00	1,000.00			1,000.00	
Miscellaneous Other Expenses	19,950.00	14,950.00	9,501.87	\$ 2,620.00	2,828.13	
Elections						
Other Expenses	2,700.00	2,700.00	2,245.23		454.77	
Financial Administration						
Salaries and Wages	84,500.00	84,500.00	81,607.47		2,892.53	
Other Expenses	26,500.00	26,500.00	21,759.14	1,384.00	3,356.86	
Annual Audit	14,500.00	14,500.00	14,500.00			
Collection of Taxes						
Salaries and Wages	11,673.00	11,673.00	11,672.95		0.05	
Other Expenses	4,800.00	3,800.00	3,272.35		527.65	
Legal Services and Costs						
Other Expenses	35,000.00	49,000.00	48,500.64		499.36	
Engineering Services and Costs						
Other Expenses	26,000.00	36,000.00	29,513.50		6,486.50	
Public Building and Grounds						
Other Expenses	30,830.00	43,830.00	41,908.53	274.58	1,646.89	
Heating Oil/Gas	14,000.00	11,000.00	8,959.26		2,040.74	
Telephone	19,000.00	20,000.00	18,041.67	207.80	1,750.53	
Electricity	32,000.00	24,800.00	22,295.95		2,504.05	
Municipal Land Use Law (N.J.S.40:55D-1)						
Planning Board						
Salaries and Wages	1,530.00	1,530.00	1,530.00			
Other Expenses	6,150.00	6,150.00	4,200.71		1,949.29	
Human Services						
Other Expenses	500.00	500.00	426.13		73.87	

(Continued)

**BOROUGH OF WENONAH**  
CURRENT FUND  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2018

	Appropriations		Paid or Charged	Expended Reserve For Encumbrances	Reserved	Unexpended Balance Canceled
	Budget	Budget After Modification				
<u>OPERATIONS—WITHIN "CAPS" (CONTD)</u>						
<u>General Government (Cont'd)</u>						
Shade Tree						
Other Expenses	\$ 12,400.00	\$ 12,400.00	\$ 12,166.15	\$	233.85	
Environmental Commission (N.J.S.A. 40:56A-1, et seq.)						
Other Expenses	6,500.00	6,500.00	6,456.10		43.90	
Insurance						
Group Insurance Plan for Employees	176,500.00	183,500.00	183,500.00			
Health Benefit Waivers	5,300.00	5,300.00	5,300.00			
Liability Insurance	70,000.00	57,900.00	57,817.00		83.00	
Workers Compensation Insurance	31,263.00	30,263.00	30,000.00		263.00	
Temporary Disability Insurance	700.00	700.00	440.36		259.64	
<u>Public Safety</u>						
Fire						
Other Expenses	25,800.00	25,800.00	24,147.97	\$ 1,631.49	20.54	
Fire Prevention						
Salaries and Wages	2,703.00	2,703.00			2,703.00	
Aid to Volunteer Fire Company	1,500.00	1,500.00	1,500.00			
Police						
Salaries and Wages	320,000.00	306,300.00	296,455.68		9,844.32	
Other Expenses	15,000.00	13,200.00	13,127.63		72.37	
Emergency Management Services						
Other Expenses	700.00	700.00	129.63		570.37	
<u>Streets and Roads</u>						
Road Repairs and Maintenance						
Salaries and Wages	113,000.00	128,000.00	122,808.07		5,191.93	
Other Expenses	41,000.00	31,000.00	23,712.48	288.35	6,999.17	
Gasoline	30,000.00	20,000.00	12,057.83	5,000.00	2,942.17	
Garbage and Trash						
Other Expenses	6,000.00	6,000.00	5,575.84		424.16	
Street Lighting						
Other Expenses	32,000.00	30,000.00	27,431.07		2,568.93	
<u>Health and Welfare</u>						
Sanitary Landfill						
Other Expenses	68,000.00	93,000.00	73,498.19	10,163.16	9,338.65	

(Continued)

**BOROUGH OF WENONAH**  
**CURRENT FUND**  
 Statement of Expenditures - Regulatory Basis  
 For the Year Ended December 31, 2018

	Appropriations		Paid or Charged	Expended Reserve For Encumbrances	Unexpended Balance Canceled
	Budget	Budget After Modification			
<u>OPERATIONS--WITHIN "CAPS" (CONTD)</u>					
<u>Recreation and Education</u>					
Operation of Lake					
Salaries and Wages	\$ 38,000.00	\$ 31,300.00	\$ 31,299.53	\$	0.47
Other Expenses	9,000.00	8,000.00	7,959.80		40.20
Celebration of Public Event, Anniversary or Holiday					
Other Expenses	500.00	500.00			500.00
<b>Total Operations--Within "CAPS"</b>	<b>1,341,499.00</b>	<b>1,350,499.00</b>	<b>1,258,220.43</b>	<b>\$ 21,569.38</b>	<b>\$ 70,709.19</b>
<u>Detail:</u>					
Salaries and Wages	571,406.00	566,006.00	545,373.70		20,632.30
Other Expenses (Including Contingent)	770,093.00	784,493.00	712,846.73	21,569.38	50,076.89
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>					
<u>MUNICIPAL--WITHIN "CAPS"</u>					
Statutory Expenditures:					
Contribution to:					
Social Security System	44,500.00	40,500.00	38,744.49		1,755.51
Unemployment Compensation Insurance	5,000.00				
PERS Contribution	42,701.61	42,701.61	42,701.61		
PFRS Contribution	119,091.00	119,091.00	119,091.00		
<b>Total Deferred Charges and Statutory Expenditures</b>	<b>211,292.61</b>	<b>202,292.61</b>	<b>200,537.10</b>	<b>-</b>	<b>1,755.51</b>
<b>Municipal--Within "CAPS"</b>	<b>1,552,791.61</b>	<b>1,552,791.61</b>	<b>1,458,757.53</b>	<b>21,569.38</b>	<b>72,464.70</b>
<b>Total General Appropriations for Municipal Purposes--Within "CAPS"</b>					
<u>OPERATIONS--EXCLUDED FROM "CAPS"</u>					
Mandated Expenditures per N.J.S. 40A:4-45.3g--Excluded from "CAPS"					
Maintenance of Free Public Library	73,145.34	73,145.34	59,374.10		13,771.24
Length of Service Award Program (LOSAP)	16,000.00	16,000.00			16,000.00
Interlocal Service Agreement for Code Enforcement Services with the Mantua Township	44,000.00	44,000.00	43,054.96		945.04
Interlocal Service Agreement for Municipal Court Services with the Mantua Township	40,000.00	40,000.00	29,835.00		10,165.00
Interlocal Service Agreement for Police Services with the Mantua Township	320,833.33	320,833.33	304,833.33		16,000.00
Interlocal Service Agreement for Garbage & Trash Services with the Logan Township	98,000.00	98,000.00	87,516.00	7,956.00	
Recycling Tax	2,000.00	2,000.00	2,000.00		

(Continued)

**BOROUGH OF WENONAH**  
 CURRENT FUND  
 Statement of Expenditures - Regulatory Basis  
 For the Year Ended December 31, 2018

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserve For Encumbrances	
<u>OPERATIONS--EXCLUDED FROM "CAPS" (CONTD)</u>					
Mandated Expenditures per N.J.S. 40A:4-45. 3g-- Excluded from "CAPS"					
Public and Private Programs Offset by Revenues:					
Clean Communities Act (NJSA 40A:4-87, \$5,665.20)	\$ 12,514.00	\$ 5,665.20	\$ 5,665.20		
Municipal Drug Alliance -- Drug Abuse Program	4,612.49	4,612.49	4,612.49		
State Recycling Program	1,500.00	1,500.00	1,500.00		
TRICO JIF Safety Award	2,275.00	2,275.00	2,275.00		
JIF Safety Incentive Program					
Total Operations-- Excluded from "CAPS"	614,880.16	620,545.36	553,180.08	7,956.00	\$ 59,409.28
Detail:					
Salaries and Wages	320,833.33	320,833.33	304,833.33		16,000.00
Other Expenses (Including Contingent)	294,046.83	299,712.03	248,346.75	7,956.00	43,409.28
<u>CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	30,000.00	30,000.00	30,000.00		
<u>MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"</u>					
Payment of Bond Anticipation Notes and Capital Notes	163,500.00	163,500.00	163,500.00		
Interest on Notes	30,000.00	30,000.00	28,332.86		1,667.14
Total Municipal Debt Service-- Excluded from "CAPS"	193,500.00	193,500.00	191,832.86	-	1,667.14
Total General Appropriations-- Excluded from "CAPS"	838,380.16	844,045.36	775,012.94	7,956.00	1,667.14
Subtotal General Appropriations	2,391,171.77	2,396,836.97	2,233,770.47	29,525.38	131,873.98
Reserve for Uncollected Taxes	281,187.36	281,187.36	281,187.36		
	<u>\$ 2,672,359.13</u>	<u>\$ 2,678,024.33</u>	<u>\$ 2,514,957.83</u>	<u>\$ 29,525.38</u>	<u>\$ 131,873.98</u>
Appropriation by N.J.S.A. 40A:4-87	\$ 5,665.20				
Original Budget	<u>2,672,359.13</u>				
	<u>\$ 2,678,024.33</u>				
Reserve for Federal and State Grants -- Appropriated		\$ 26,566.69			
Reserve for Uncollected Taxes		281,187.36			
Disbursed		<u>2,207,203.78</u>			
		<u>2,514,957.83</u>			

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

**BOROUGH OF WENONAH**  
**TRUST OTHER FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis  
 As of December 31, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Animal Control Fund:			
Cash--Chief Financial Officer	SB-1	\$ 5,554.20	\$ 6,542.40
Other Funds:			
Cash--Chief Financial Officer	SB-1	108,654.14	154,730.98
Investment - Length of Service Awards Program	SB-2	303,364.32	302,396.22
		<u>412,018.46</u>	<u>457,127.20</u>
		<u>\$ 417,572.66</u>	<u>\$ 463,669.60</u>
 <u>LIABILITIES, RESERVES, AND FUND BALANCE</u>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	SB-3	\$ 5,554.20	\$ 6,542.40
Other Funds:			
Due to Current Fund	SB-5	414.07	202.20
Payroll Deductions Payable	SB-6	10,065.99	29,143.05
Due to State - Marriage License Fees	SB-7	25.00	100.00
Reserve for:			
Developers Escrow	SB-8	25,882.99	26,057.59
Unemployment Compensation	SB-9	22,969.71	40,036.26
Parking Offenses Adjudication Act	SB-10	106.00	104.00
Police Outside Detail	SB-11		5,442.50
Municipal Alliance - Program Income	B	122.05	122.05
Reserve for Wenonah's Thumb's Up	SB-12	892.76	1,879.24
Reserve for COAH Trust Fund	SB-13	20,464.74	14,244.09
Reserve for Tax Sale Premium	SB-14	23,400.00	37,400.00
Reserve for Tax Title Lien Redemption	SB-15	4,310.83	
Reserve for Length of Service Awards Program	SB-16	303,364.32	302,396.22
		<u>412,018.46</u>	<u>457,127.20</u>
		<u>\$ 417,572.66</u>	<u>\$ 463,669.60</u>

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

**BOROUGH OF WENONAH**  
**GENERAL CAPITAL FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
 As of December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>			
Cash -- Treasurer	SC-1 & SC-2	\$ 442,828.84	\$ 1,073,991.10
Grants Receivable	SC-3	553,269.94	1,250,000.00
Deferred Charges to Future Taxation:			
Unfunded	SC-4	2,201,000.00	2,465,500.00
 Total Assets		 <u>\$ 3,197,098.78</u>	 <u>\$ 4,789,491.10</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes	SC-9	\$ 1,801,000.00	\$ 1,676,500.00
Improvement Authorizations:			
Funded	SC-5	273,178.23	352,715.65
Unfunded	SC-5	507,990.62	678,888.16
Contracts Payable	SC-6	180,231.52	1,143,424.48
Capital Improvement Fund	SC-7	28,866.24	19,866.24
Reserve for Payment of Notes	SC-8		18,096.57
Reserve for Grants Receivable	SC-4 & SC-9	400,000.00	900,000.00
Fund Balance	C-1	5,832.17	
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 3,197,098.78</u>	 <u>\$ 4,789,491.10</u>

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

**BOROUGH OF WENONAH**  
**GENERAL CAPITAL FUND**  
Statement of Fund Balance - Regulatory Basis  
For the Year Ended December 31, 2018

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Accrued in 2018:

Premium on Sale of Bond Anticipation Notes

\$ 5,832.17

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

**BOROUGH OF WENONAH**  
**WATER AND SEWER UTILITY FUND**  
**Statements of Assets, Liabilities, Reserves**  
**and Fund Balances - Regulatory Basis**  
**As of December 31, 2018 and 2017**

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<b>Operating Fund:</b>			
Cash--Chief Financial Officer	SD-1	\$ 292,701.76	\$ 335,062.10
<b>Receivables with Full Reserves:</b>			
Consumer Accounts Receivable	SD-3	6,080.51	2,957.52
Total Operating Fund		298,782.27	338,019.62
<b>Capital Fund:</b>			
Cash--Chief Financial Officer	SD-1 & SD-2	165,673.53	200,285.82
Fixed Capital	SD-4	5,126,263.25	4,111,499.70
Fixed Capital - Authorized & Uncompleted	SD-5	172,236.45	1,175,000.00
		5,464,173.23	5,486,785.52
		\$ 5,762,955.50	\$ 5,824,805.14
<u>LIABILITIES, RESERVES, AND FUND BALANCE</u>			
<b>Operating Fund:</b>			
Appropriation Reserves	D-4 & SD-6	\$ 32,168.94	\$ 27,251.11
Reserve for Encumbrances	D-4 & SD-6	18,271.95	27,065.17
Prepaid Rents	SD-7	386.24	48.48
Accrued Interest On Notes	SD-8	1,560.00	963.05
		52,387.13	55,327.81
Reserve for Receivables	D	6,080.51	2,957.52
Fund Balance	D-1	240,314.63	279,734.29
Total Operating Fund		298,782.27	338,019.62
<b>Capital Fund:</b>			
Bond Anticipation Notes Payable	SD-11	1,040,000.00	1,206,750.00
<b>Improvement Authorizations:</b>			
Unfunded	SD-9	156,801.45	182,781.57
Capital Improvement Fund	D	17,504.25	17,504.25
Reserve for Amortization	SD-10	4,246,499.70	4,079,749.70
Fund Balance	D-2	3,367.83	
		5,464,173.23	5,486,785.52
		\$ 5,762,955.50	\$ 5,824,805.14

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



**BOROUGH OF WENONAH**  
**WATER AND SEWER UTILITY FUND**  
**Statements of Operations and Changes**  
**In Fund Balance - Regulatory Basis**  
**For the Years Ended December 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 95,000.00	\$ 100,517.00
Rents	698,276.31	715,747.29
Miscellaneous	12,464.64	18,056.48
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	18,580.41	15,519.02
Total Income	824,321.36	849,839.79
 <u>Expenditures</u>		
Budget Appropriations:		
Operations	388,500.00	413,517.00
Services Charge by Gloucester County Utilities Authority	174,500.00	148,000.00
Debt Service	187,741.02	183,268.95
Deferred Charges and Statutory Expenditures	18,000.00	17,000.00
Total Expenditures	768,741.02	761,785.95
Statutory Excess to Fund Balance	55,580.34	88,053.84
 <u>Fund Balance</u>		
Balance, January 1	279,734.29	292,197.45
	335,314.63	380,251.29
Decreased by:		
Utilization by Operating Budget	95,000.00	100,517.00
Balance, December 31	\$ 240,314.63	\$ 279,734.29

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

**BOROUGH OF WENONAH**  
WATER AND SEWER UTILITY FUND  
Water and Sewer Capital Fund  
Statement of Fund Balance - Regulatory Basis  
For the Year Ended December 31, 2018

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Accrued in 2018:

Premium on Sale of Bond Anticipation Notes

\$ 3,367.83

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

**BOROUGH OF WENONAH**  
**WATER AND SEWER UTILITY FUND**  
**Statement of Revenues - Regulatory Basis**  
**For the Year Ended December 31, 2018**

	<u>Anticipated</u> <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Operating Fund Balance Anticipated	\$ 95,000.00	\$ 95,000.00	
Rents	675,000.00	698,276.31	\$ 23,276.31
	<u>\$ 770,000.00</u>	<u>\$ 793,276.31</u>	<u>\$ 23,276.31</u>

Analysis of Non-Budget Revenue

Miscellaneous:

Penalty on Delinquent Accounts	\$ 7,975.41
Interest on Investments	3,858.88
Cancel Old Outstanding Checks	30.35
Turn On and Off	<u>600.00</u>
	<u>\$ 12,464.64</u>

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

**BOROUGH OF WENONAH**  
**WATER AND SEWER UTILITY FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2018

	Appropriations				Unexpended Balance Canceled
	Original Budget	Budget After Modification	Paid or Charged	Encumbered Reserved	
Operating:					
Salaries and Wages	\$ 221,400.00	\$ 223,400.00	\$ 216,003.48	\$ 7,396.52	
Other Expenses	194,600.00	165,100.00	142,402.12	18,271.95	4,425.93
Gloucester County Sewer System-Share of Costs	148,000.00	174,500.00	154,904.87		19,595.13
Total Operating	564,000.00	563,000.00	513,310.47	18,271.95	31,417.58
Debt Service:					
Payment of Note Principal	167,000.00	167,000.00	166,750.00		\$ 250.00
Interest on Notes	22,000.00	22,000.00	20,991.02		1,008.98
Total Debt Service	189,000.00	189,000.00	187,741.02	-	1,258.98
Statutory Expenditures:					
Contribution to: Social Security System (O.A.S.I.)	17,000.00	18,000.00	17,248.64		751.36
Total Deferred Charges and Statutory Expenditures	17,000.00	18,000.00	17,248.64	-	751.36
	\$ 770,000.00	\$ 770,000.00	\$ 718,300.13	\$ 18,271.95	\$ 32,168.94
Interest on Notes Disbursed		\$ 20,991.02	697,309.11		
		\$ 718,300.13			

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

**BOROUGH OF WENONAH**  
**GENERAL FIXED ASSET ACCOUNT GROUP**  
Statement of General Fixed Asset Group of Accounts - Regulatory Basis  
For the Year Ended December 31, 2018

	Balance <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2018</u>
General Fixed Assets:				
Land	\$ 3,487,100.00			\$ 3,487,100.00
Building	2,185,100.00			2,185,100.00
Vehicles	1,421,194.94	\$ 396,537.00	\$ 476,181.00	1,341,550.94
Equipment	355,140.53		23,738.00	331,402.53
Total General Fixed Assets	<u>\$ 7,448,535.47</u>	<u>\$ 396,537.00</u>	<u>\$ 499,919.00</u>	<u>\$ 7,345,153.47</u>
Total Investment in General Fixed Assets	<u>\$ 7,448,535.47</u>	<u>\$ 396,537.00</u>	<u>\$ 499,919.00</u>	<u>\$ 7,345,153.47</u>

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

**BOROUGH OF WENONAH**  
Notes to Financial Statements  
For the Year Ended December 31, 2018

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Financial Reporting Entity** - The Borough of Wenonah (hereafter referred to as the "Borough") is a New Jersey municipal corporation and one of twenty-four municipalities comprising the County of Gloucester. Originally founded in 1870, the Borough has been an organized community since 1883 however; it was not officially separated from Deptford Borough until 1894. The Borough is primarily a residential community 1.66 square miles in size. The present population according to the 2010 census is 2,278.

The Borough of Wenonah operates under a Mayor-Council form of government headed by the Mayor who is elected to serve a four-year term. Members of Council are elected to staggered three-year terms with two seats up each year. Executive and legislative responsibility rests with the Borough Council. The Business Manager, appointed by Mayor and Council, oversees the daily operations of the Borough.

**Component Units** - The financial statements of the component units of the Borough are not presented in accordance with Governmental Accounting Standards Board (GASB) Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. If the provisions of the aforementioned GASB Statements had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the Borough, the primary government:

Wenonah Free Public Library  
101 E. Mantua Avenue  
Wenonah, New Jersey 08090

Annual financial reports may be inspected directly at the offices of these component units during regular business hours.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation** - The financial statements of the Borough contain all funds and account groups in accordance with the *Requirements of Audit* (the "*Requirements*") as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the *Requirements* are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these *Requirements*. In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this note.

In accordance with the *Requirements*, the Borough accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

**Current Fund** - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

**Trust Funds** - The various trust funds account for receipts, custodianship, and disbursement of funds in accordance with the purpose for which each reserve was created.

**General Capital Fund** - The general capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the current fund.

**Water and Sewer Utility Operating and Capital Funds** - The water and sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned water and sewer operations.

**General Fixed Asset Group of Accounts** - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

**Budgets and Budgetary Accounting** - The Borough must adopt an annual budget for its current and water and sewer utility funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements.

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded. Investments recorded in the trust fund for the Borough's length of service awards program, however, are stated at fair value.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Cash, Cash Equivalents and Investments (Cont'd)** - If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

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

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

**Inventories of Supplies** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

**General Fixed Assets** - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Borough's basic financial statements.

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

**Water and Sewer Utility Fixed Assets** - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. 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 and equipment, improvements, and contributed capital.



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Foreclosed Property** - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

**Deferred Charges** - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

**Liens Sold for Other Governmental Units** - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

**Fund Balance** - Fund balances included in the current fund and water and sewer utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

**Revenues** - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

**Property Tax Revenues** - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Gloucester, the Borough of Wenonah School District, and Gateway Regional High School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

**School Taxes** - The Borough is responsible for levying, collecting, and remitting school taxes for the Borough of Wenonah School District and Gateway Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31. For the regional high school district, operations is charged for the Borough's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2017 and decreased by the amount deferred at December 31, 2018.

**County Taxes** - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Gloucester. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

**Reserve for Uncollected Taxes** - The inclusion of the "reserve for uncollected taxes" appropriation in the Borough's annual budget protects the Borough from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Expenditures** - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for 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.

**Appropriation Reserves** - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end 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 year. Lapsed appropriation reserves are recorded as income.

**Long-Term Debt** - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds. Where an improvement is a "local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

**Compensated Absences and Postemployment Benefits** - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

**Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

For the year ended December 31, 2018, the Borough adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of adopting Statement No. 75, the Borough was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their postemployment benefits plan. As a result of the regulatory basis of accounting previously described in note 1, the implementation of this Statement only required financial statement disclosures. There exists no impact on the financial statements of the Borough.

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2018, the Borough's bank balances of \$3,631,534.85 were insured by FDIC and GUDPA.

**Note 3: PROPERTY TAXES**

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

**Comparative Schedule of Tax Rates**

	<u>Year Ended</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate	\$ 4.074	\$ 4.074	\$ 3.987	\$ 3.902	\$ 3.350
Apportionment of Tax Rate:					
Municipal	\$ .744	\$ .766	\$ .766	\$ .767	\$ .680
Municipal Library	.033	.033	.033	.035	.031
County	.628	.629	.637	.635	.544
County Open Space Preservation Trust Fund	.040	.040	.042	.043	.038
Local School	1.297	1.262	1.233	1.210	1.050
Regional High School	1.332	1.344	1.276	1.212	1.007

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2018	\$ 221,623,000.00
2017	223,342,200.00
2016	224,428,800.00
2015	224,639,200.00
2014	253,670,600.00

**Note 3: PROPERTY TAXES (CONT'D)**

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2018	\$ 9,052,259.22	\$ 8,928,683.00	98.63%
2017	9,126,589.42	8,988,151.83	98.48%
2016	8,956,614.90	8,814,022.21	98.41%
2015	8,774,976.34	8,670,301.94	98.81%
2014	8,506,170.92	8,358,498.76	98.26%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2018	-	\$ 92,291.97	\$ 92,291.97	1.02%
2017	-	77,872.45	77,872.45	0.85%
2016	-	112,489.36	112,489.36	1.26%
2015	-	92,830.21	92,830.21	1.06%
2014	-	98,735.36	98,735.36	1.16%

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2018	-
2017	-
2016	-
2015	-
2014	-

**Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

<u>Year</u>	<u>Amount</u>
2018	\$ 162,500.00
2017	162,500.00
2016	162,500.00
2015	162,500.00
2014	162,500.00

**Note 5: WATER AND SEWER UTILITY SERVICE CHARGES**

The following is a five-year comparison of water and sewer utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2018	\$ 2,957.52	\$ -	\$ 701,399.30	\$ 704,356.82	\$ 698,276.31
2017	7,461.37	-	711,243.44	718,704.81	715,747.29
2016	6,562.71	-	676,906.60	683,469.31	676,007.94
2015	15,050.89	-	656,675.09	671,725.98	665,163.27
2014	16,033.02	-	594,643.29	610,676.31	595,625.42

**Note 6: FUND BALANCES APPROPRIATED**

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

**Current Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2018	\$ 1,052,818.68	\$ 465,000.00	44.17%
2017	1,108,249.79	510,000.00	46.02%
2016	1,033,405.57	394,000.00	38.13%
2015	947,989.04	331,000.00	34.92%
2014	719,377.97	275,000.00	38.23%

**Water and Sewer Utility Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2018	\$ 240,314.63	\$ 150,000.00	62.42%
2017	279,734.29	95,000.00	33.96%
2016	292,197.45	100,517.00	34.40%
2015	250,931.25	86,811.00	34.60%
2014	280,652.15	87,000.00	31.00%

**Note 7: INTERFUND RECEIVABLES AND PAYABLES**

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 414.07	\$ 12,356.90
Federal and State Grant	12,356.90	
Trust - Other		414.07
	<u>\$ 12,770.97</u>	<u>\$ 12,770.97</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2019, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 8: PENSION PLANS**

A substantial number of the Borough's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, certain Borough employees may participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plan's fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295

<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

**General Information about the Pension Plans****Plan Descriptions**

**Public Employees' Retirement System** - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Borough, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

**Police and Firemen's Retirement System** - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Borough. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

**Note 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

**Vesting and Benefit Provisions**

**Public Employees' Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

**Tier Definition**

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Note 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

**Police and Firemen's Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

**Tier Definition**

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

**Defined Contribution Retirement Program** - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**Contributions**

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.34% in State fiscal year 2018. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) was 10% in State fiscal year 2018. Employers' contribution are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Borough's contractually required contribution rate for the year ended December 31, 2018 was 12.11% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.



**Note 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** - Based on the most recent PERS measurement date of June 30, 2018, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$45,598.00, and was payable by April 1, 2019. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2017, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$42,332.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$28,259.66.

**Police and Firemen's Retirement System** - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the active member contribution rate was 10% in State fiscal year 2018. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

*Special Funding Situation Component* - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Borough's contractually required contribution rate for the year ended December 31, 2018 was 69.79% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2018, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$133,341.00, and was payable by April 1, 2019. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2017, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$119,091.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$19,105.20.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2018 was 7.77% of the Borough's covered payroll.

**Note 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Police and Firemen's Retirement System (Cont'd)** - Based on the most recent PFRS measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2018 is \$14,847.00, and was payable by April 1, 2019. Based on the PFRS measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2017 was \$11,635.00, which was paid on April 1, 2018.

**Defined Contribution Retirement Program** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Borough contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the year ended December 31, 2018, there were no Borough employees enrolled in DCRP.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees' Retirement System** - At December 31, 2018, the Borough's proportionate share of the PERS net pension liability was \$902,607.00. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2018 measurement date, the Borough's proportion was 0.0045842021%, which was an increase of 0.0000146522% from its proportion measured as of June 30, 2017.

At December 31, 2018, the Borough's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is \$13,056.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the Borough's contribution to PERS was \$42,332.00, and was paid on April 1, 2018.

**Police and Firemen's Retirement System** - At December 31, 2018, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 1,845,577.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	250,691.00
	<u>\$ 2,096,268.00</u>

**Note 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Police and Firemen's Retirement System (Cont'd)** - The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2018 measurement date, the Borough's proportion was 0.0136389673%, which was an increase of 0.0001826378% from its proportion measured as of June 30, 2017. Likewise, at June 30, 2018, the State of New Jersey's proportion, on-behalf of the Borough, was 0.0136389673%, which was an increase of 0.0001826378% from its proportion, on-behalf of the Borough, measured as of June 30, 2017.

At December 31, 2018, the Borough's proportionate share of the PFRS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is \$250,389.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the Borough's contribution to PFRS was \$119,091.00, and was paid on April 1, 2018.

At December 31, 2018, the State's proportionate share of the PFRS pension expense, associated with the Borough, calculated by the Plan as of the June 30, 2018 measurement date is \$29,694.00. This on-behalf expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

**Deferred Outflows of Resources and Deferred Inflows of Resources** - At December 31, 2018, the Borough had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 17,213.00	\$ 18,776.00	\$ 35,989.00	\$ 4,654.00	\$ 7,637.00	\$ 12,291.00
Changes of Assumptions	148,735.00	158,418.00	307,153.00	288,606.00	472,990.00	761,596.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	8,466.00	10,097.00	18,563.00
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	46,780.00	301,208.00	347,988.00	84,121.00	-	84,121.00
Borough Contributions Subsequent to the Measurement Date	22,799.00	66,671.00	89,470.00	-	-	-
	<u>\$ 235,527.00</u>	<u>\$ 545,073.00</u>	<u>\$ 780,600.00</u>	<u>\$ 385,847.00</u>	<u>\$ 490,724.00</u>	<u>\$ 876,571.00</u>

\$22,799.00 and \$66,671.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2019. These amounts were based on an estimated April 1, 2020 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2018 to the Borough's year end of December 31, 2018.

**Note 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - The Borough will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	5.00	-	5.00	-
June 30, 2016	5.00	-	5.00	-
June 30, 2017	-	5.00	-	5.00
June 30, 2018	-	5.00	-	5.00
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73

**Note 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<b>Year Ending Dec 31,</b>	<b><u>PERS</u></b>	<b><u>PFRS</u></b>	<b><u>Total</u></b>
2019	\$ (30,715.00)	\$ 123,114.00	\$ 92,399.00
2020	(25,578.00)	29,325.00	3,747.00
2021	(50,152.00)	(79,951.00)	(130,103.00)
2022	(49,781.00)	(58,352.00)	(108,133.00)
2023	(16,893.00)	(26,458.00)	(43,351.00)
	<u>\$ (173,119.00)</u>	<u>\$ (12,322.00)</u>	<u>\$ (185,441.00)</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<b><u>PERS</u></b>	<b><u>PFRS</u></b>
Inflation Rate	2.25%	2.25%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	2.10% - 8.98% Based on Age
Thereafter	2.65% - 5.15% Based on Age	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013

**Note 8: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

For PERS, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent modified 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

For PFRS, preretirement mortality rates were based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For preretirement accidental mortality, a custom table with representative rates was used and there is no mortality improvements assumed. Post-retirement mortality rates for male service retirements are based the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvements assumed.

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2018 are summarized in the table on the following page.

Note 8: **PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability at June 30, 2018 was 5.66% for PERS and 6.51% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension Plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates 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 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current Plan members through 2046 for PERS and through 2062 for PFRS; therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2046 for PERS and through 2062 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

**Note 8: PENSION PLANS (CONT'D)****Sensitivity of Borough's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Public Employees' Retirement System (PERS)** - The following presents the Borough's proportionate share of the net pension liability at June 30, 2018, the Plan's measurement date, calculated using a discount rate of 5.66%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>PERS</b>		
	<b>1% Decrease (4.66%)</b>	<b>Current Discount Rate (5.66%)</b>	<b>1% Increase (6.66%)</b>
Borough's Proportionate Share of the Net Pension Liability	\$ 1,134,924.00	\$ 902,607.00	\$ 707,707.00

**Police and Firemen's Retirement System (PFRS)** - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Borough's annual required contribution. As such, the net pension liability as of June 30, 2018, the Plan's measurement date, for the Borough and the State of New Jersey, calculated using a discount rate of 6.51%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>PFRS</b>		
	<b>1% Decrease (5.51%)</b>	<b>Current Discount Rate (6.51%)</b>	<b>1% Increase (7.51%)</b>
Borough's Proportionate Share of the Net Pension Liability	\$ 2,470,076.00	\$ 1,845,577.00	\$ 1,330,479.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	335,518.79	250,691.00	180,723.52
	<u>\$ 2,805,594.79</u>	<u>\$ 2,096,268.00</u>	<u>\$ 1,511,202.52</u>

**Pension Plan Fiduciary Net Position**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS and PFRS, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.



**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information**

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS Pension Plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

***Schedule of the Borough's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Six Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Borough's Proportion of the Net Pension Liability	0.0045842021%	0.0045695499%	0.0043840192%
Borough's Proportionate Share of the Net Pension Liability	\$ 902,607.00	\$ 1,063,718.00	\$ 1,298,421.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 321,936.00	\$ 316,576.00	\$ 301,592.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	280.37%	336.01%	430.52%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%
	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0041835140%	0.0051494108%	0.0058095802%
Borough's Proportionate Share of the Net Pension Liability	\$ 939,115.00	\$ 964,111.00	\$ 1,110,326.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 288,584.00	\$ 288,656.00	\$ 389,500.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	325.42%	334.00%	285.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Contributions - Public Employees' Retirement System (PERS) (Last Six Years)***

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Borough's Contractually Required Contribution	\$ 45,598.00	\$ 42,332.00	\$ 38,947.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(45,598.00)</u>	<u>(42,332.00)</u>	<u>(38,947.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 376,410.00	\$ 331,998.00	\$ 314,011.00
Borough's Contributions as a Percentage of Covered Payroll	12.11%	12.75%	12.40%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 35,967.00	\$ 42,451.00	\$ 43,774.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(35,967.00)</u>	<u>(42,451.00)</u>	<u>(43,774.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 311,277.00	\$ 303,827.00	\$ 284,790.00
Borough's Contributions as a Percentage of Covered Payroll	11.55%	13.97%	15.37%

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Six Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Borough's Proportion of the Net Pension Liability	0.0136389673%	0.0134563295%	0.0114230790%
Borough's Proportionate Share of the Net Pension Liability	\$ 1,845,577.00	\$ 2,077,397.00	\$ 2,182,100.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	<u>250,691.00</u>	<u>232,686.00</u>	<u>183,242.00</u>
Total	<u>\$ 2,096,268.00</u>	<u>\$ 2,310,083.00</u>	<u>\$ 2,365,342.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 487,964.00	\$ 469,752.00	\$ 397,260.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	378.22%	442.23%	549.29%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.48%	58.60%	52.01%
	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0107869729%	0.0106551616%	0.0093737782%
Borough's Proportionate Share of the Net Pension Liability	\$ 1,796,734.00	\$ 1,340,321.00	\$ 1,246,159.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	<u>-</u>	<u>144,330.00</u>	<u>116,157.00</u>
Total	<u>\$ 1,796,734.00</u>	<u>\$ 1,484,651.00</u>	<u>\$ 1,362,316.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 373,820.00	\$ 368,864.00	\$ 326,192.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	480.64%	363.36%	382.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Contributions - Police and Firemen's Retirement System (PFRS) (Last Six Years)***

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Borough's Contractually Required Contribution	\$ 133,341.00	\$ 119,091.00	\$ 93,137.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(133,341.00)</u>	<u>(119,091.00)</u>	<u>(93,137.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 191,052.00	\$ 470,322.00	\$ 464,642.00
Borough's Contributions as a Percentage of Covered Payroll	69.79%	25.32%	20.04%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 87,682.00	\$ 81,839.00	\$ 68,389.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(87,682.00)</u>	<u>(81,839.00)</u>	<u>(68,389.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 397,302.00	\$ 375,866.00	\$ 360,858.00
Borough's Contributions as a Percentage of Covered Payroll	22.07%	21.77%	18.95%

**Note 8: PENSION PLANS (CONT'D)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***Changes in Benefit Terms

None

Changes in Assumptions

The Discount Rate changed at June 30th over the following years, 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017 and 5.66% 2018.

The Long-term Expected Rate of Return changed at June 30<sup>th</sup> over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the Plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter.

For 2015, the social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually.

***Police and Firemen's Retirement System (PFRS)***Changes in Benefit Terms

In 2017, Chapter 26, P.L. 2016 increased the accidental death benefit payable to children if there is no surviving spouse to 70% of final compensation.

Changes in Assumptions

The Discount Rate changed at June 30th over the following years, 6.32% 2014, 5.79% 2015, 5.55% 2016, 6.14% 2017 and 6.51% 2018.

The Long-term Expected Rate of Return changed at June 30<sup>th</sup> over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018.

For 2016, the mortality improvement scale incorporated the Plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter.

For 2015, demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study.

**Note 9: LENGTH OF SERVICE AWARDS PROGRAM**

**Plan Description** - The Borough's length of service awards program (the "Plan"), which is a defined contribution plan reported in the Borough's trust fund, was created by a Borough Ordinance adopted on August 22, 2002 pursuant to Section 457(e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The accumulated assets of the Plan are not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*.

**Note 9: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)**

**Plan Description (Cont'd)** – The voters of the Borough approved the adoption of the Plan at the general election held on November 5, 2002, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2003. The Plan provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel, and is administered by Lincoln National Life Insurance Company (“Plan Administrator”), a State of New Jersey approved length of service awards program provider. The Borough’s practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

The tax deferred income benefits for emergency service volunteers of the Wenonah Volunteer Fire Company, consisting of the volunteer fire department and the first aid organization, come from contributions made solely by the governing body of the Borough, on behalf of those volunteers who meet the criteria of the Plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

**Plan Amendments** - The Borough may make minor amendments to the provisions of the Plan at any time, provided, however, that no amendment affects the rights of participants or their beneficiaries regarding vested accumulated deferrals at the time of the amendment. The Plan can only be amended by resolution of the governing body of the Borough, and the following procedures must be followed: (a) any amendment to the Plan shall be submitted for review and approval by the Director of Local Government Services, State of New Jersey (the “Director”) prior to implementation by the Borough’s governing body, provided, however, that any amendment required by the IRS, may be adopted by the Borough’s governing body without the advance approval of the Director (although such amendment shall be filed with the Director); (b) the documentation submitted to the Director shall identify the regulatory authority for the amendment and the specific language of the change; and (c) the Borough shall adopt the amendment by resolution of the governing body, and a certified copy of the resolution shall be forwarded to the Director. The Borough may amend the Plan agreement to accommodate changes in the Internal Revenue Code, Federal statutes, state laws or rules or operational experience. In cases of all amendments to the Plan, the Borough shall notify all participants in writing prior to making any amendment to the Plan.

**Contributions** - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100.00 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually.

The Borough elected to contribute \$1,000.00 for the year ended December 31, 2018 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The Borough has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator.

For the year ended December 31, 2018, the Borough’s total expenditure to the Plan was \$12,000.00.

**Participant Accounts** - Each participant’s account is credited with the Borough’s contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account. The Borough has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the Plan participants and their beneficiaries. The contributions from the Borough to the Plan, and the related earnings, are not irrevocable, and such funds are not legally protected from the creditors of the Borough. These funds, however, are not available for funding the operations of the Borough.

**Note 9: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)**

**Vesting** - The Borough, in accordance with N.J.S.A. 40A:14-188 and N.J.A.C. 5:30-11.63 may make a yearly contribution to the length of service awards program account in the deferred income program for an active volunteer who has satisfied the requirements for receipt of an award, but the volunteer shall not be able to receive a distribution of the funds until the completion of a five year vesting period or be in accordance with changes to vesting conveyed through the issuance of a Local Finance Notice and/or publication of a public notice in the New Jersey Register, with payment of that benefit only being as otherwise permitted by the Plan.

**Payment of Benefits** - Upon separation from volunteer service, retirement or disability, termination of the Plan, participants may select various payout options of vested accumulated deferrals, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate.

In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals.

**Forfeited Accounts** - For the year ended December 31, 2018, no accounts were forfeited.

**Investments** - The investments of the length of service awards program reported in the trust - other funds on the statements of assets, liabilities, reserves, and fund balance - regulatory basis are recorded at fair value.

**Plan Information** - Additional information about the Borough's length of service awards program can be obtained by contacting the Plan Administrator.

**Supplementary Length of Service Award Program Information**

In accordance with GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, the following schedule of Borough contributions to the length of service award program is presented. This schedule is presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

<u>Year Ended December 31,</u>	<u>Borough's Plan Calculated Contribution</u>	<u>Borough's Contribution in Relation to the Plan Calculated Contribution</u>	<u>Borough's Plan Calculated Contribution Deficiency (Excess)</u>
2018	\$ 12,000.00	\$ 12,000.00	-
2017	12,000.00	12,000.00	-
2016	11,000.00	11,000.00	-
2015	16,000.00	16,000.00	-
2014	14,000.00	14,000.00	-
2013	15,650.00	15,650.00	-
2012	19,950.00	19,950.00	-
2011	23,100.00	23,100.00	-
2010	24,250.00	24,250.00	-
2009	25,000.00	25,000.00	-

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS****A. State Health Benefits Local Government Retired Employees Plan****General Information about the OPEB Plan**

**Plan Description and Benefits Provided** - The Borough provides postemployment health care benefits to its retirees through a single employer defined benefit plan. The State of New Jersey (the "State") provides additional benefits to certain Borough retirees and their dependents under a special funding situation as described below.

The State of New Jersey, on-behalf of the Borough, contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which 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* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug benefit 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. 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 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****A. State Health Benefits Local Government Retired Employees Plan (Cont'd)****General Information about the OPEB Plan (Cont'd)**

**Contributions** - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

*Special Funding Situation Component* - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997, as disclosed below. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB plan.

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% 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, the Borough is 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 Borough does not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the Borough is required disclose:

- a) the State's proportion (percentage) of the collective net OPEB liability that is associated with the Borough,
- b) the State's proportionate share of the collective net OPEB liability that is associated with the Borough, and
- c) the State's proportionate share of the OPEB expense that is associated with the Borough.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Borough, is not known, however, under the Special Funding Situation, the State's OPEB expense, on-behalf of the Borough, is \$13,239.00 for the year ended December 31, 2018 representing 6.93% of the Borough's covered payroll.

**OPEB Liability and OPEB Expense**

**OPEB Liability** - At December 31, 2018 the State's proportionate Share of the Net OPEB liability associated with the Borough is \$437,330.00. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****A. State Health Benefits Local Government Retired Employees Plan (Cont'd)****OPEB Liability and OPEB Expense (Cont'd)**

**OPEB Liability (Cont'd)** - The State's proportion of the net OPEB liability, on-behalf of the Borough, was based on the ratio of the plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2017 through June 30, 2018. For the June 30, 2018 measurement date, the State's proportion on-behalf of the Borough was .007038% which was a decrease of .021703% from its proportion measured as of the June 30, 2017 measurement date.

**OPEB Expense** - At December 31, 2018, the State's proportionate share of the OPEB expense, associated with the Borough, calculated by the Plan as of the June 30, 2018 measurement date, is \$13,239.00. This on-behalf expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

**Actuarial Assumptions**

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2018 used the following actuarial assumptions, applied to all periods in the measurement:

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

\* Salary Increases are Based on the Defined Benefit Plan that the Member is Enrolled in and his or her Age.

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

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

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

All of the Plan's investments are in the State of New Jersey Cash Management Fund ("CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. Government and Agency Obligations, Commercial Paper, Corporate Obligations and Certificates of Deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) are the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****A. State Health Benefits Local Government Retired Employees Plan (Cont'd)****Actuarial Assumptions (Cont'd)**

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

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

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

As previously mentioned, the OPEB Plan has a special funding situation where the State of New Jersey pays the Borough's contributions for certain eligible employees. As such, the proportionate share of the net OPEB liability as of June 30, 2018, the Plans measurement date, calculated using a discount rate of 3.87%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	<b>1% Decrease <u>(2.87%)</u></b>	<b>Current Discount Rate <u>(3.87%)</u></b>	<b>1% Increase <u>(4.87%)</u></b>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Borough	\$ 513,103.72	\$ 437,330.00	\$ 376,803.97

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The net OPEB Liability as of June 30, 2018, the Plans measurement date, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Borough	\$ 364,803.32	\$ 437,330.00	\$ 531,190.29

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****A. State Health Benefits Local Government Retired Employees Plan (Cont'd)****OPEB Plan Fiduciary Net Position**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about the Plan, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**Supplementary OPEB Information**

In accordance with GASBS No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

***Schedule of the State's Proportionate Share of the net OPEB Liability Associated with the Borough (Last 2 Years)***

	<u>Measurement Date Ended June 30,</u>	
	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net OPEB Liability	0.000000%	0.000000%
State's Proportion of the Net Pension Liability Associated with the Borough	100.000000%	100.000000%
	<u>100.000000%</u>	<u>100.000000%</u>
Borough's Proportionate Share of the Net OPEB Liability	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Borough	437,330.00	2,499,149.00
Total	<u>\$ 437,330.00</u>	<u>\$ 2,499,149.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 391,598.00	\$ 480,065.00
Borough's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	111.678%	520.586%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.97%	1.03%

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**A. State Health Benefits Local Government Retired Employees Plan (Cont'd)**

**Supplementary OPEB Information (Cont'd)**

***Schedule of the State's Contributions Associated with the Borough (Last 2 Years)***

The amount of actual contributions that the State made on-behalf of the Borough is not known.

**Other Notes to Supplementary OPEB Information**

Changes in Benefit Terms

None

Changes in Assumptions

In 2017, the discount rate changed to 3.58% from 2.85%. In 2018, the discount rate changed to 3.87% from 3.58%, there were changes in the census, claims and premiums experience and a decrease in the assumed health care cost trend and excise tax assumptions.

**B. Borough of Wenonah Postemployment Health Benefits Plan**

**Plan Description and Benefits Provided** - The Borough provides postretirement health care benefits through a health plan for retirees, which includes a medical, dental, and prescription plan. The Borough provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: eligible police officers who retired after the age of 50 and have at least twenty-five (25) years of service with the Borough; and other Borough employees who retire with a disability pension, have at least twenty-five (25) consecutive years or more of service with the Borough, or are 62 years of age with fifteen (15) consecutive years or more with the Borough. These provisions are provided in accordance with the police officer's labor contract and the Borough's Ordinance 2000-6. The Plan is administered by the Borough; therefore, premium payments are made directly to the insurance carriers. Reimbursements by the retirees are paid in monthly installments after the Borough provides the retirees with a detailed accounting of the costs.

**Employees Covered by Benefit Terms** - As of December 31, 2018, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	2
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	9
	11
	11

**Total OPEB Liability**

The Borough's total OPEB liability of \$4,052,243.00 was measured as of December 31, 2018 and was determined by an actuarial valuation as of this same date.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****B. Borough of Wenonah Postemployment Health Benefits Plan (Cont'd)**

**Actuarial Assumptions and Other Inputs** - The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% Annually
Salary Increases	2.50% Annually
Discount Rate	4.10%
Healthcare Cost Trend Rates	Medical: 5.8% in 2018, reducing by 0.1% per annum, leveling at 5% per annum in 2026. Drug: 10.0% in 2018, reducing by 0.5% per annum to 2022 and 1.0% per annum thereafter, leveling at 5% per annum in 2026.
Retirees' Share of Benefit-Related Costs	Current employee contribution as reported by the Borough increased annually by the rate of medical trend.

The discount rate was based on the Bond Buyer 20 Index December 31, 2018.

Mortality rates were based on RP 2000 Combined Healthy Male Mortality Rates Set Forward Three Years.

An experience study was not performed on the actuarial assumptions used in the December 31, 2018 valuation since the Plan had insufficient data to produce a study with credible results. Mortality rates, termination rates and retirement rates were based on standard tables either issued by SOA or developed for the applicable grade of employee. The actuary has used their professional judgement in applying these assumptions to this Plan.

**Changes in Total OPEB Liability**

Balance at December 31, 2017		\$4,027,390.00
Changes for the Year:		
Service Cost	\$ 83,438.00	
Interest Cost	167,434.00	
Benefit Payments	(54,132.00)	
Actuarial Assumption Changes	-	
Actuarial Demographic Gains	<u>(171,887.00)</u>	
Net Changes		<u>24,853.00</u>
Balance at December 31, 2018		<u><u>\$4,052,243.00</u></u>

**Changes in Benefit Terms**

None

**Changes in Assumptions**

None

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****B. Borough of Wenonah Postemployment Health Benefits Plan (Cont'd)**

**Sensitivity of Total OPEB Liability to Changes in Discount Rate** - The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated for using a discount rate that is 1-percentage -point lower or 1-percentage-point higher than the current discount rate:

	<b>1.00% Decrease (3.10%)</b>	<b>Current Discount Rate (4.10%)</b>	<b>1.00% Increase (5.10%)</b>
Total OPEB Liability	<u>\$4,564,340.00</u>	<u>\$4,052,243.00</u>	<u>\$3,583,524.00</u>

**Sensitivity of Total OPEB Liability to Changes in Healthcare Cost Trend Rates** - The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1.00% Decrease (4.80%)</b>	<b>Current Discount Rate (5.80%)</b>	<b>1.00% Increase (6.80%)</b>
Total OPEB Liability	<u>\$ 3,586,074.00</u>	<u>\$ 4,052,243.00</u>	<u>\$ 4,643,989.00</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - For the year ended December 31, 2018, the Borough recognized OPEB expense of \$239,258.00. As of December 31, 2018, the Borough reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of Assumptions or Other Inputs	\$ -	\$ -
Changes of Actuarial Gains	-	<u>160,273.00</u>
	<u>\$ -</u>	<u>\$ 160,273.00</u>

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**B. Borough of Wenonah Postemployment Health Benefits Plan (Cont'd)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)** - Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b><u>Year Ending December 31,</u></b>	
2019	\$ 11,614.00
2020	11,614.00
2021	11,614.00
2022	11,614.00
2023	11,614.00
2024	11,614.00
2025	11,614.00
2026	11,614.00
2027	11,614.00
2028	11,614.00
2029	11,614.00
2030	11,614.00
2031	11,614.00
2032	9,291.00
	\$ 160,273.00
	\$ 160,273.00



**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****B. Borough of Wenonah Postemployment Health Benefits Plan (Cont'd)****Supplementary OPEB Information**

In accordance with GASBS No. 75, the following information is also presented for the Borough's OPEB Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

***Schedule of the State's Proportionate Share of the net OPEB Liability Associated with the Borough***

	<u>Year Ended 2018</u>
<b>Total OPEB Liability</b>	
Service Cost	\$ 83,438.00
Interest Cost	167,434.00
Benefit Payments	(54,132.00)
Actuarial Assumption Changes	-
Actuarial Demographic Gains	<u>(171,887.00)</u>
Net Change in Total OPEB Liability	24,853.00
Total OPEB Liability - Beginning of Year	<u>4,027,390.00</u>
Total OPEB Liability - End of Year	<u><u>\$ 4,052,243.00</u></u>
Covered-Employee Payroll	\$ 771,193.84
Total OPEB Liability as a Percentage of Covered-Employee Payroll	525.45%

## Notes to Schedule:

Changes of Benefit Terms:  
None

Changes of Assumptions:  
None

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**Note 11: COMPENSATED ABSENCES**

The Borough provides to its employees compensated absences benefits for holidays, sick days, vacation, personal, jury duty, military leave, bereavement for immediate family members and for occupational injuries in accordance with labor contracts and Borough policies.

Full-time employees are entitled to nine paid sick leave days each year. Unused sick leave for other employees may be accumulated and carried forward to the subsequent year up to a maximum of thirty days or it may be sold back to the Borough on December 31 of each year at a rate of 25% of the employee's current rate of pay. Other employees are entitled to up to twenty vacation days, based on years of service, with the option, with Borough Council approval, of carrying forward or applying for a buy back. Other employees called up for military duty as a member of the reserve will continue to be paid for thirty days and members of the New Jersey National Guard for up ninety days. Other compensated absences cannot be carried forward and are not compensated for at retirement or termination.

The Borough does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2018, accrued benefits for compensated absences are valued at \$17,227.32.

**Note 12: DEFERRED COMPENSATION SALARY ACCOUNT**

The Borough offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

**Note 13: CAPITAL DEBT**

The following schedule represents the Borough's summary of debt for the current and two previous years:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b><u>Issued</u></b>			
General:			
Bonds and Notes	\$ 1,801,000.00	\$ 1,676,500.00	\$ 590,080.00
Water and Sewer Utility:			
Bonds and Notes	1,040,000.00	1,206,750.00	1,370,375.00
Total Issued	<u>2,841,000.00</u>	<u>2,883,250.00</u>	<u>1,960,455.00</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes	400,000.00	817,500.00	408,500.00
Water and Sewer Utility:			
Bonds and Notes	12,000.00		
Total Authorized but not Issued	<u>412,000.00</u>	<u>817,500.00</u>	<u>408,500.00</u>
Total Issued and Authorized but not Issued	<u>3,253,000.00</u>	<u>3,700,750.00</u>	<u>2,368,955.00</u>
<b><u>Deductions</u></b>			
General:			
Reserve for Payment of Notes		4,096.57	4,339.10
Water and Sewer Utility:			
Self-Liquidating	1,052,000.00	1,206,750.00	1,370,375.00
Total Deductions	<u>1,052,000.00</u>	<u>1,210,846.57</u>	<u>1,374,714.10</u>
<b>Net Debt</b>	<u>\$ 2,201,000.00</u>	<u>\$ 2,489,903.43</u>	<u>\$ 994,240.90</u>

**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 indicated a statutory net debt of .991%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 2,233,252.76	\$ 2,233,252.76	
Self-Liquidating	1,052,000.00	1,052,000.00	
General	2,201,000.00		\$ 2,201,000.00
	<u>\$ 5,486,252.76</u>	<u>\$ 3,285,252.76</u>	<u>\$ 2,201,000.00</u>

Net debt \$2,201,000.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$222,118,759.67, equals .991%.

**Note 13: CAPITAL DEBT (CONT'D)**

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 7,774,156.59
Less: Net Debt	<u>2,201,000.00</u>
Remaining Borrowing Power	<u>\$ 5,573,156.59</u>

**Calculation of "Self-Liquidating Purpose,"  
Water and Sewer Utility Per N.J.S.A. 40:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 805,740.95
Deductions:	
Operating and Maintenance Costs	\$ 581,000.00
Debt Service	<u>187,741.02</u>
Total Deductions	<u>768,741.02</u>
Excess in Revenue	<u>\$ 36,999.93</u>

**Note 14: SCHOOL TAXES**

Gateway Regional High School tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	<b><u>Balance December 31,</u></b>	
	<b><u>2018</u></b>	<b><u>2017</u></b>
Balance of Tax	\$ 1,476,916.34	\$ 1,500,645.86
Deferred	<u>238,358.08</u>	<u>238,358.08</u>
	<u>\$ 1,238,558.26</u>	<u>\$ 1,262,287.78</u>

**Note 15: RISK MANAGEMENT**

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

**New Jersey Unemployment Compensation Insurance** - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State.

The following is a summary of Borough contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and previous two years:

<u>Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	\$ -	\$ 6,000.00	\$ 200.70	\$ 23,267.25	\$ 22,969.71
2017	5,000.00	-	149.41	2,310.67	40,036.26
2016	5,000.00	-	151.69	8,373.61	37,197.52

**Joint Insurance Pool** - The Borough of Wenonah is a member of the Gloucester, Salem and Cumberland Counties Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

- Workers' Compensation and Employer's Liability
- Liability other than Motor Vehicles
- Property Damage other than Motor Vehicles
- Motor Vehicles

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

- Excess Workers' Compensation
- Excess Liability
- Crime including Excess Public Employee and Public Official Coverage

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The Borough's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report which can be obtained from:

Gloucester, Salem and Cumberland Counties Municipal Joint Insurance Fund  
 6000 Sagemore Drive  
 Suite 6203  
 P.O. Box 490  
 Marlton, New Jersey 08053

**Note 15: RISK MANAGEMENT (CONT'D)**

**Employee Benefits Fund** - The Borough of Wenonah is also a member of the Southern New Jersey Regional Employee Benefits Fund established pursuant to N.J.S.A. 40A:10-36 et. seq. and N.J.A.C. 11:15-3. The Fund provides its members with health benefits coverage.

The Fund is a member of the Municipal Reinsurance Health Insurance Fund (the "MRHIF"). The MRHIF is a risk-sharing public entity risk pool that is a self-administered group of joint insurance funds established for the purpose of providing excess health insurance coverage to participating members.

All members' assessments, including a reserve for contingencies, are payable in monthly installments are based on annual actuarial assumptions determined by the Fund's Actuary and on monthly and quarterly adjustments determined by the Fund's Actuary and Program Manager based on actual loss experience.

The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Fund provides the Borough with the following coverage:

Medical  
Dental  
Prescription

The Fund provides coverage on a self-insured basis and secures reinsurance in a form and an amount from an insurance company acceptable to the Commissioner of Insurance.

The Fund publishes its own financial report for the year ended December 31, 2018, which can be obtained from:

Southern New Jersey Regional Employee Benefits Fund  
250 Pehle Avenue  
Suite 701  
Saddle Brook, New Jersey 07663

**Note 16: CONTINGENCIES**

**Grantor Agencies** - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Borough expects such amount, if any, to be immaterial.

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

**Note 17: CONCENTRATIONS**

The Borough depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Borough is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**Note 18: SUBSEQUENT EVENTS**

**Authorization of Debt** - Subsequent to December 31, the Borough authorized additional bonds and notes as follows:

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
<b>Water and Sewer Utility Improvements</b>		
Painting of Water Tank	3/28/2019	\$ 100,000.00
Replacement of Chlorinator at Well No. 1 and Well No. 3	4/25/2019	85,000.00
Water Repairs on Jefferson Avenue and Sewer Replacements on Princeton Avenue and Monroe Avenue	6/6/2019	110,000.00

**SUPPLEMENTAL EXHIBITS**



**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

**BOROUGH OF WENONAH**  
**CURRENT FUND**  
 Schedule of Cash - Chief Financial Officer  
 For the Year Ended December 31, 2018

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2017	\$ 3,255,291.39	
Increased by Receipts:		
Consolidated Municipal Property Tax Relief Aid	\$ 5,815.00	
Energy Receipts Tax	154,137.00	
Lease Agreement	132,803.57	
Due from General Capital Fund:		
Reserve for Payment of Notes	18,096.57	
Miscellaneous Revenue not Anticipated	11,692.97	
Taxes Receivable	8,358,292.13	
Revenue Accounts Receivable	121,330.32	
Prepaid Taxes	49,646.35	
Tax Overpayments	16,077.50	
Due from State of New Jersey - Tax Deductions	20,250.00	
Due to Library - Per Capita Aid	798.00	
Elections (Contra)	4,750.00	
Due from Trust - Other Fund	177.93	
Matching Funds for Grants		\$ 2,503.00
Federal and State Grant Fund -- Current Fund	5,035.66	
Federal and State Grants Receivable		<u>24,896.13</u>
Total Receipts	<u>8,898,903.00</u>	<u>\$ 27,399.13</u>
	12,154,194.39	27,399.13
Decreased by Disbursements:		
2018 Appropriations	2,207,203.78	
2017 Appropriation Reserves	65,387.04	
Refunds of Tax Overpayments	8,396.05	
County Taxes Payable	1,477,813.33	
Due County for Added and Omitted Taxes	4,536.97	
Regional High School Tax	2,977,556.52	
Local District School Taxes	2,873,298.50	
Due to Library	798.00	
Elections (Contra)	4,750.00	
Reserve for Federal and State Grants - Appropriated		22,263.47
Reserve for Federal and State Grants - Encumbrances		100.00
Matching Funds for Grants	2,503.00	
Federal and State Grant Fund -- Current Fund		<u>5,035.66</u>
Total Disbursements	<u>9,622,243.19</u>	<u>27,399.13</u>
Balance December 31, 2018	<u><u>\$ 2,531,951.20</u></u>	<u><u>\$ -</u></u>

**BOROUGH OF WENONAH**  
CURRENT FUND  
Schedule of Change Funds  
For the Year Ended December 31, 2018

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Office

Amount

Tax Collector

\$ 100.00

**BOROUGH OF WENONAH**  
CURRENT FUND

Statement of Taxes Receivable and Analysis of Property Tax Levy  
For the Year Ended December 31, 2018

<u>Year</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Levy/</u> <u>Added Taxes</u>	<u>Collections</u> <u>2017</u>	<u>Collections</u> <u>2018</u>	<u>Due from</u> <u>State of</u> <u>New Jersey</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
2017	\$ 77,872.45			\$ 77,872.45			
2018	\$ 9,052,259.22	\$ 627,013.32	8,280,419.68	\$ 21,250.00	\$ 31,284.25	\$ 92,291.97	
	\$ 77,872.45	\$ 9,052,259.22	\$ 627,013.32	\$ 8,358,292.13	\$ 21,250.00	\$ 31,284.25	\$ 92,291.97

Analysis of 2018 Property Tax Levy:

General Property Tax	\$ 9,028,921.27						
Added Taxes (54:4-63.1 et seq.)	23,337.95						
				\$ 9,052,259.22			
Tax Levy:							
Regional High School Tax	\$ 2,953,827.00						
Local District School Tax	2,873,298.00						
Municipal Library Tax	73,145.34						
County Tax	\$ 1,390,850.35						
Open Space	86,962.98						
Due County for Added Taxes (54:4-63.1 et seq.)	3,826.96						
Total County Taxes	1,481,640.29						
Local Tax for Municipal Purposes Levied	1,649,766.73						
Add: Additional Tax Levied	20,581.86						
Local Tax for Municipal Purposes Levied	1,670,348.59						
				\$ 9,052,259.22			

**BOROUGH OF WENONAH**  
**CURRENT FUND**  
Schedule of Revenue Accounts Receivable  
For the Year Ended December 31, 2018

	<u>Accrued</u> <u>In 2018</u>	<u>Collected</u>
<b>Miscellaneous Revenue Not Anticipated:</b>		
Clerk:		
Street Opening Permits	\$ 300.00	\$ 300.00
NSF Fees	100.00	100.00
Police Department Fees	189.85	189.85
Smoke Detector Certificate Fees	950.00	950.00
Fire Safety Permits	20.00	20.00
Abandoned Property Registration Fees	7,800.00	7,800.00
Zoning Lists	30.00	30.00
Trash Cans	260.00	260.00
Grading Plans	200.00	200.00
Planning Board Fees	638.00	638.00
Cable Television Franchise Fees	10,832.89	10,832.89
<b>Miscellaneous Revenue Anticipated:</b>		
Municipal Court:		
Fines and Costs	14,047.65	14,047.65
Interest and Costs on Taxes	15,019.14	15,019.14
Interest on Investments and Deposits	24,257.61	24,257.61
Lake Fees and Rentals	19,127.00	19,127.00
Uniform Construction Code Fees	27,947.98	27,947.98
	<u>\$ 121,720.12</u>	<u>\$ 121,720.12</u>
Current Fund - Treasurer - MRA	\$	100,009.58
Current Fund - Treasurer - MRNA		21,320.74
Due from Trust -- Other Fund		389.80
		<u>\$ 121,720.12</u>

**BOROUGH OF WENONAH**  
**CURRENT FUND**  
 Schedule of 2017 Appropriation Reserves  
 For the Year Ended December 31, 2018

	<u>Balance Dec. 31, 2017</u>		<u>Balance After</u>	<u>Disbursed</u>	<u>Balance</u>
	<u>Reserved</u>	<u>Encumbered</u>			
Administrative and Executive:					
Other Expenses:					
Printing and Legal Advertising	\$ 1,670.20	\$ 296.65	\$ 1,966.85	\$ 377.95	\$ 1,588.90
Codification of Borough Ordinances	4,089.60		4,089.60	990.00	3,099.60
Miscellaneous Other Expenses	5,772.02	60.00	5,832.02	60.00	5,772.02
Financial Administration:					
Other Expenses	4,135.42	928.50	5,063.92	678.50	4,385.42
Legal Services & Costs:					
Other Expenses	29,670.68	800.00	30,470.68	16,279.13	14,191.55
Public Buildings and Grounds:					
Other Expenses	8,514.13	875.51	9,389.64	0.51	9,389.13
Heating Oil/Gas	2,651.73	1,576.64	4,228.37	2,902.01	1,326.36
Telephone	1,135.38	289.71	1,425.09	255.09	1,170.00
Electricity	6,143.69	2,317.32	8,061.01	2,243.03	5,817.98
Shade Tree:					
Other Expenses		1,249.49	1,249.49	1,249.49	
Environmental Commission:					
Other Expenses		1,566.14	1,566.14	774.89	791.25
Police:					
Other Expenses	5,204.77	2,293.99	7,498.76	880.56	6,618.20
Garbage & Trash:					
Other Expenses	3,277.82	348.77	3,626.59	392.52	3,234.07
Road Repairs and Maintenance:					
Other Expenses	15,804.36	281.00	16,085.36	339.95	15,745.41
Gasoline	13,297.59	4,200.00	17,497.59	4,382.18	13,115.41
Street Lighting:					
Other Expenses	4,280.11	1,946.97	6,227.08	2,400.77	3,826.31
Sanitary Landfill:					
Other Expenses	7,911.58	4,806.89	12,718.47	6,359.11	6,359.36
Maintenance of Free Public Library	4,801.45		4,801.45	4,801.45	
Length of Service Award Program (LOSAP)	15,000.00		15,000.00	12,000.00	3,000.00
Interlocal Service Agreement for Code Enforcement					
Services - Mantua Township	63.90		463.90	63.90	400.00
Interlocal Service Agreement for Garbage & Trash					
Services - Logan Township	1,928.00	7,956.00	9,884.00	7,956.00	1,928.00
Other Accounts -- No Change	72,072.54		72,072.54		72,072.54
	<u>\$ 207,424.97</u>	<u>\$ 31,793.58</u>	<u>\$ 239,218.55</u>	<u>\$ 65,387.04</u>	<u>\$ 173,831.51</u>

**BOROUGH OF WENONAH**  
**CURRENT FUND**  
Statement of Prepaid Taxes  
For the Year Ended December 31, 2018

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Balance Dec. 31, 2017	\$	627,013.32
Increased by:		
Receipts		49,646.35
		676,659.67
Decreased by:		
Applied to 2018 Taxes Receivable		627,013.32
Balance Dec. 31, 2018	\$	49,646.35

Exhibit SA-7

**BOROUGH OF WENONAH**  
**CURRENT FUND**  
Statement of Tax Overpayments  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017	\$	4,226.47
Increased by:		
Overpayments in 2018		16,077.50
		20,303.97
Decreased by:		
Refunded		8,396.05
Balance Dec. 31, 2018	\$	11,907.92

**BOROUGH OF WENONAH**  
**CURRENT FUND**  
Statement of Due to State of New Jersey  
Senior Citizens and Veterans' Deductions  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017		\$ 2,536.25
Increased by:		
Receipts		20,250.00
		22,786.25
Decreased by:		
Accrued in 2018:		
Senior Citizens' and Veterans' Deductions per Tax Billing	\$ 20,750.00	
Senior Citizens'/Veterans' Deductions Allowed by Tax Collector	500.00	
		21,250.00
Balance Dec. 31, 2018		\$ 1,536.25



**BOROUGH OF WENONAH**  
**CURRENT FUND**  
Statement of County Taxes Payable  
For the Year Ended December 31, 2018

---

County Taxes	\$ 1,390,850.35	
County Open Space Preservation	<u>86,962.98</u>	
		\$ 1,477,813.33
Decreased by:		
Disbursements		<u><u>1,477,813.33</u></u>

## Exhibit SA-10

**BOROUGH OF WENONAH**  
**CURRENT FUND**  
Statement of Due County for Added And Omitted Taxes  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017		\$ 4,536.97
Increased by County Share of 2018 Levy:		
Added Taxes (R.S.54:4-63.1 et seq.)		<u>3,826.96</u>
		8,363.93
Decreased by:		
Disbursements		<u>4,536.97</u>
Balance Dec. 31, 2018		<u><u>\$ 3,826.96</u></u>

**BOROUGH OF WENONAH**  
**CURRENT FUND**  
Statement of Regional High School Tax Payable  
For the Year Ended December 31, 2018

<hr/>		
Balance Dec. 31, 2017:		
School Tax Payable	\$ 1,262,287.78	
School Tax Deferred	<u>238,358.08</u>	
		\$ 1,500,645.86
Increased by:		
Levy for School Year--July 1, 2018 to June 30, 2019		<u>2,953,827.00</u>
		4,454,472.86
Decreased by:		
Payments		<u>2,977,556.52</u>
Balance Dec. 31, 2018:		
School Tax Payable	1,238,558.26	
School Tax Deferred	<u>238,358.08</u>	
		<u>\$ 1,476,916.34</u>
 <u>2018 Liability for School Tax</u>		
Taxes Paid		\$ 2,977,556.52
Tax Payable--Dec. 31, 2018		<u>1,238,558.26</u>
		4,216,114.78
Less: Tax Payable--Dec. 31, 2017		<u>1,262,287.78</u>
Amount Charged to 2018 Operations		<u>\$ 2,953,827.00</u>

**BOROUGH OF WENONAH**  
**CURRENT FUND**  
Statement of Local School Tax Payable  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017	\$	1.02
Increased by:		
Levy for 2018 Calendar Year		2,873,298.00
		2,873,299.02
Decreased by:		
Payments		2,873,298.50
Balance Dec. 31, 2018	\$	0.52

## Exhibit SA-13

**BOROUGH OF WENONAH**  
**CURRENT FUND**  
Statement of Due to Library - Per Capita Aid  
For the Year Ended December 31, 2018

---

Accrued in 2018:		
Receipts	\$	798.00
Decreased by:		
Payments	\$	798.00

**BOROUGH OF WENONAH**  
**FEDERAL, STATE AND LOCAL GRANT FUND**  
Statement of Federal, State and Local Grants Receivable  
For the Year Ended December 31, 2018

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
<u>State Grants:</u>				
Clean Communities Grant		\$ 5,665.20	\$ 5,665.20	
Safe and Secure Communities Program	\$ 8,750.00		8,750.00	
Municipal Alliance for Drug and Alcohol Abuse	6,705.93	10,011.00	6,705.93	\$ 10,011.00
New Jersey Forest Service Community Forestry Program	0.10			0.10
	<u>15,456.03</u>	<u>15,676.20</u>	<u>21,121.13</u>	<u>10,011.10</u>
<u>Local Grants:</u>				
TRICO JIF Safety Program		1,500.00	1,500.00	
JIF Safety Incentive Program		2,275.00	2,275.00	
	<u>-</u>	<u>3,775.00</u>	<u>3,775.00</u>	<u>-</u>
	<u>\$ 15,456.03</u>	<u>\$ 19,451.20</u>	<u>\$ 24,896.13</u>	<u>\$ 10,011.10</u>

**BOROUGH OF WENONAH**  
**FEDERAL, STATE AND LOCAL GRANT FUND**  
Statement of Reserve for Federal, State and Local Grants -- Unappropriated  
For the Year Ended December 31, 2018

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Accrued</u>	<u>Miscellaneous</u> <u>Revenue in</u> <u>2018 Budget</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
<u>State Grants:</u>				
Municipal Alliance for Drug and Alcohol Abuse		\$ 10,011.00	\$ 10,011.00	
Body Armor Fund	\$ 1,062.42			\$ 1,062.42
Clean Communities Program		5,665.20	5,665.20	
State Recycling Program	4,612.49		4,612.49	
Total State Grants	5,674.91	15,676.20	20,288.69	1,062.42
<u>Local Grants:</u>				
TRICO JIF Safety Program	1,500.00	1,500.00	1,500.00	1,500.00
JIF Safety Incentive Program	2,275.00	2,275.00	2,275.00	2,275.00
Total Local Grants	3,775.00	3,775.00	3,775.00	3,775.00
	<u>\$ 9,449.91</u>	<u>\$ 19,451.20</u>	<u>\$ 24,063.69</u>	<u>\$ 4,837.42</u>

**BOROUGH OF WENONAH**  
**FEDERAL, STATE AND LOCAL GRANT FUND**  
 Statement of Reserve for Federal, State and Local Grants -- Appropriated  
 For the Year Ended December 31, 2018

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Budget</u> <u>Appropriation</u>	<u>Disbursed</u>	<u>Encumbered</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
<u>State Grants:</u>					
Municipal Alliance for Drug and Alcohol Abuse	\$ 9,416.38	\$ 12,514.00	\$ 8,706.36	\$ 491.73	\$ 12,732.29
Body Armor Fund	1,804.63				1,804.63
Clean Communities Program		5,665.20	5,665.17		0.03
Drunk Driving Enforcement Fund	454.40				454.40
State Recycling Program		4,612.49	4,612.49		
<b>Total State Grants</b>	<b>11,675.41</b>	<b>22,791.69</b>	<b>18,984.02</b>	<b>491.73</b>	<b>14,991.35</b>
<u>Local Grants:</u>					
TRICO JIF Safety Program	1,500.00	1,500.00	952.50		2,047.50
JIF Safety Incentive Program	51.95	2,275.00	2,326.95		
<b>Total Local Grants</b>	<b>1,551.95</b>	<b>3,775.00</b>	<b>3,279.45</b>	<b>-</b>	<b>2,047.50</b>
	<b>\$ 13,227.36</b>	<b>\$ 26,566.69</b>	<b>\$ 22,263.47</b>	<b>\$ 491.73</b>	<b>\$ 17,038.85</b>

**BOROUGH OF WENONAH**  
FEDERAL, STATE AND LOCAL GRANT FUND  
Statement of Due from Current Fund  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017	\$	7,321.24
Increased by:		
Disbursements		<u>5,035.66</u>
Balance Dec. 31, 2018	\$	<u><u>12,356.90</u></u>

**BOROUGH OF WENONAH**  
FEDERAL, STATE AND LOCAL GRANT FUND  
Statement of Reserve for Encumbrances  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017	\$ 100.00
Increased by:	
2018 Encumbrances	<u>491.73</u>
	591.73
Decreased by:	
Disbursements	<u>100.00</u>
Balance Dec. 31, 2018	<u><u>\$ 491.73</u></u>



**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**

**BOROUGH OF WENONAH**  
**TRUST OTHER FUND**  
Statement of Trust Cash - Chief Financial Officer  
For the Year Ended December 31, 2018

	<u>Animal Control</u>	<u>Other Funds</u>	
Balance Dec. 31, 2017	\$ 6,542.40		\$ 154,730.98
Increased by Receipts:			
Animal Control Licenses Issued:			
Municipal Share	\$ 2,467.20		
State Share	370.80		
Due to Current Fund		\$ 389.80	
Payroll Deductions Payable		1,019,429.86	
Due to State of New Jersey:			
Marriage License Fees		225.00	
Developer's Escrows		3,800.00	
Unemployment Compensation Trust Fund		6,200.70	
Parking Offense Adjudication Act		2.00	
Police Outside Detail		15,713.75	
Reserve for Wenonah Thumb's Up		92.70	
Reserve for COAH Trust Fund		6,220.65	
Reserve for TTL Redemption		37,589.42	
	2,838.00		1,089,663.88
	9,380.40		1,244,394.86
Decreased by Disbursements:			
Payroll Deductions Payable		1,038,506.92	
Animal Control	2,426.65		
Due to Current Fund	1,028.75	177.93	
Due to State of New Jersey:			
Animal Control License Fees	370.80		
Marriage Licenses Fees		300.00	
Developer's Escrows		3,974.60	
Unemployment Compensation Trust Fund		23,267.25	
Police Outside Detail		21,156.25	
Reserve for Wenonah Thumb's Up		1,079.18	
Reserve for Tax Sale Premium		14,000.00	
Reserve for TTL Redemption		33,278.59	
	3,826.20		1,135,740.72
Balance Dec. 31, 2018	\$ 5,554.20		\$ 108,654.14

**BOROUGH OF WENONAH**  
**TRUST OTHER FUND**  
Statement of Investments - Length of Service Awards Program  
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 302,396.22
Increased by:		
Borough Contributions		12,000.00
		314,396.22
Decreased by:		
Unrealized Loss on Investments	\$ 10,356.90	
Administration Expenses	675.00	
		11,031.90
Balance Dec. 31, 2018		\$ 303,364.32

**Schedule of Investments, December 31, 2018**

**Description**

Fixed Annuity Contract		\$ 70,996.92
Mutual Funds		232,367.40
		\$ 303,364.32

**BOROUGH OF WENONAH**  
**TRUST OTHER FUND**  
 Animal Control Fund  
 Statement of Reserve for Animal Control Expenditures  
 For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017		\$ 6,542.40
Increased by:		
License Fees Collected		2,467.20
		9,009.60
Decreased by:		
Expenditures	\$ 2,426.65	
Statutory Excess in Animal Control Fund Reserve	1,028.75	
		3,455.40
Balance Dec. 31, 2018		\$ 5,554.20

**License Fees Collected**

<u>Year</u>	<u>Amount</u>
2016	\$ 2,957.20
2017	2,597.00
	\$ 5,554.20

**BOROUGH OF WENONAH**  
**TRUST OTHER FUND**  
 Animal Control Fund  
 Statement of Due to State Department of Health  
 For the Year Ended December 31, 2018

---

Accrued in 2018:		
Fees Collected		\$ 370.80
Decreased by:		
Disbursements		\$ 370.80

**BOROUGH OF WENONAH**  
**TRUST OTHER FUND**  
Statement of Due to Current Fund  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017	\$	202.20
Increased by:		
Receipts - Interest Earned		389.80
		592.00
Decreased by:		
Disbursed to Current Fund		177.93
Balance Dec. 31, 2018	\$	414.07

**Analysis of Balance as of December 31, 2018**

Tax Title Lien Redemption	\$	63.89
Trust - Other		350.18
	\$	414.07

**BOROUGH OF WENONAH**  
**TRUST OTHER FUND**  
Statement of Payroll Deduction Payable  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017	\$	29,143.05
Increased by:		
Net Payroll and Payroll Deductions Deposited		1,019,429.86
		1,048,572.91
Decreased by:		
Net Payroll and Payroll Deductions Disbursed		1,038,506.92
Balance Dec. 31, 2018	\$	10,065.99

## Exhibit SB-7

**BOROUGH OF WENONAH**  
**TRUST OTHER FUND**  
Statement of Due to State of N.J. - Marriage License Fees  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017	\$	100.00
Increased by:		
Received		225.00
		325.00
Decreased by:		
Disbursements		300.00
Balance Dec. 31, 2018	\$	25.00

**BOROUGH OF WENONAH**  
**TRUST OTHER FUND**  
Statement of Developer's Escrow  
For the Year Ended December 31, 2018

<u>Description</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Developer's Escrow:				
Mattson Escrow	\$ 1,387.50			\$ 1,387.50
McNulty Escrow		\$ 500.00	\$ 440.00	60.00
Irving Escrow		2,000.00	2,000.00	
Latta Escrow	134.60		134.60	
Clearwire Escrow	4,507.31			4,507.31
Anyzek Escrow	85.00			85.00
Abate Escrow	797.47			797.47
Bucci Escrow	5,889.95			5,889.95
Koenig Escrow	4,639.75			4,639.75
McFadden Escrow	285.00			285.00
Moran Escrow	166.00			166.00
Oliver Escrow	5,120.00			5,120.00
Villari Escrow	382.52			382.52
Schuler Escrow	203.74			203.74
T-Mobile Escrow	158.75	600.00	475.00	283.75
Spross Escrow	925.00		925.00	
Meil Escrow		700.00		700.00
Donn/McCloskey Escrow	1,375.00			1,375.00
	<u>\$ 26,057.59</u>	<u>\$ 3,800.00</u>	<u>\$ 3,974.60</u>	<u>\$ 25,882.99</u>

**BOROUGH OF WENONAH**  
**TRUST OTHER FUND**  
 Statement of Reserve for Unemployment Compensation Trust Fund  
 For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017		\$ 40,036.26
Increased by:		
Payroll Deductions Received	\$ 6,000.00	
Interest Received	<u>200.70</u>	
		<u>6,200.70</u>
		46,236.96
Decreased by:		
Disbursements		<u>23,267.25</u>
Balance Dec. 31, 2018		<u><u>\$ 22,969.71</u></u>

**Exhibit SB-10**

**BOROUGH OF WENONAH**  
**TRUST OTHER FUND**  
 Statement of Reserve for Parking Offense Adjudication Act  
 For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017		\$ 104.00
Increased by:		
Received from Municipal Court		<u>2.00</u>
Balance Dec. 31, 2018		<u><u>\$ 106.00</u></u>



**BOROUGH OF WENONAH**  
**TRUST OTHER FUND**  
Statement of Reserve for Police Outside Detail  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017	\$ 5,442.50
Increased by:	
Receipts	<u>15,713.75</u>
	21,156.25
Decreased by:	
Disbursements	<u><u>\$ 21,156.25</u></u>

**BOROUGH OF WENONAH**  
**TRUST OTHER FUND**  
Statement of Reserve for Wenonah's Thumb's Up  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017		\$ 1,879.24
Increased by:		
Receipts		92.70
		1,971.94
Decreased by:		
Disbursements		1,079.18
		892.76
Balance Dec. 31, 2018		\$ 892.76

## Exhibit SB-13

**BOROUGH OF WENONAH**  
**TRUST OTHER FUND**  
Statement of Reserve for COAH Trust Fund  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017		\$ 14,244.09
Increased by:		
Deposits Received	\$ 6,120.00	
Interest Received	100.65	
		6,220.65
Balance Dec. 31, 2018		\$ 20,464.74

**BOROUGH OF WENONAH**  
**TRUST OTHER FUND**  
Statement of Reserve for Tax Sale Premium  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017	\$ 37,400.00
Decreased by:	
Disbursements	14,000.00
Balance Dec. 31, 2018	\$ 23,400.00

## Exhibit SB-15

**BOROUGH OF WENONAH**  
**TRUST OTHER FUND**  
Statement of Reserve for Tax Title Lien Redemption  
For the Year Ended December 31, 2018

---

Accrued in 2018:	
Receipts	\$ 37,589.42
Decreased by:	
Disbursements	33,278.59
Balance Dec. 31, 2018	\$ 4,310.83

**BOROUGH OF WENONAH**  
**TRUST OTHER FUND**  
Statement of Reserve for Length of Service Awards Program  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017		\$ 302,396.22
Increased by:		
Borough Contributions		<u>12,000.00</u>
		314,396.22
Decreased by:		
Unrealized Loss on Investments	\$ 10,356.90	
Administration Expenses	<u>675.00</u>	
		<u>11,031.90</u>
Balance Dec. 31, 2018		<u><u>\$ 303,364.32</u></u>

**SUPPLEMENTAL EXHIBITS**

**GENERAL CAPITAL FUND**

**BOROUGH OF WENONAH**  
**GENERAL CAPITAL FUND**  
 Schedule of Cash - Treasurer  
 For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 1,073,991.10
Increased by Receipts:		
State Grants Receivable	\$ 966,730.06	
Premium on Sale of Bond Anticipation Notes	5,832.17	
Budget Appropriation:		
Capital Improvement Fund	30,000.00	
Bond Anticipation Notes Issued	788,000.00	
		1,790,562.23
		2,864,553.33
Decreased by Disbursements:		
Improvement Authorizations	760,203.44	
Contracts Payable	1,143,424.48	
Bond Anticipation Notes Paid from Grant Funds Received	500,000.00	
Anticipated as Revenue in the 2018 Current Fund Budget:		
Reserve for Payment of Notes	18,096.57	
		2,421,724.49
Balance Dec. 31, 2018		\$ 442,828.84

**BOROUGH OF WENONAH**  
**GENERAL CAPITAL FUND**  
 Analysis of General Capital Cash  
 For the Year Ended December 31, 2018

	Balance December 31, 2017	Received			Disbursed		Balance December 31, 2018
		Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	Transfers From	
Fund Balance			\$ 5,832.17				\$ 5,832.17
Capital Improvement Fund	\$ 19,866.24		30,000.00			\$ 21,000.00	28,866.24
Improvement Authorizations:							
Ordinance							
Number							
3-12 Recreational Trails Program	2,715.65						2,715.65
5-15/8-16 Roadway Improvements to Maple Street and S. Jackson Ave.	286.29						286.29
7-15 Purchase of Trash and Recycle Carts	5,271.14			\$ 2,590.00			2,681.14
10-15/13-17 Purchase of Radio Equipment for the Wenonah Fire Department	10,322.96			9,722.96			600.00
9-16 Improvements to Mantua Avenue	82,465.71			240,928.06		4,623.52	(163,085.87)
5-17 Purchase of Real Property	16,994.06					16,994.06	
8-17 Roadway Improvements to S. Marion Avenue and S. Clinton Ave.	500,085.00			478,347.42		21,275.00	462.58
8-17 Purchase of a Fire Truck	(375,537.00)	\$ 389,000.00					13,463.00
2-18 Purchase of Rear End Loader Trash Truck		152,000.00		600.00		154,333.00	5,067.00
7-18 Roadway Improvements to West Cherry St., South West Ave. and Garfield Ave.		247,000.00		28,015.00		283,000.00	501,985.00
11-18 Repair of Municipal Property for Erosion on Maple Street						16,994.06	16,994.06
Grants Receivable	(1,250,000.00)		966,730.06		270,000.00		(553,269.94)
Contracts Payable	1,143,424.48						180,231.52
Reserve for Payment of Notes	18,096.57						
Reserve for Grants Receivable	900,000.00		500,000.00				400,000.00
	\$ 1,073,991.10	\$ 788,000.00	\$ 1,002,562.23	\$ 760,203.44	\$ 488,225.58	\$ 488,225.58	\$ 442,828.84

**BOROUGH OF WENONAH**  
**GENERAL CAPITAL FUND**  
 Schedule of Grants Receivable  
 For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 1,250,000.00
Increased by:		
Grants Awarded		270,000.00
		1,520,000.00
Decreased by:		
Received		966,730.06
Balance Dec. 31, 2018		\$ 553,269.94

	<b><u>Agency</u></b>	<b><u>Ordinance No.</u></b>	
New Jersey Department of Transportation		9-16	\$ 195,769.94
New Jersey Department of Transportation		8-17	87,500.00
New Jersey Department of Transportation		7-18	270,000.00
			\$ 553,269.94



**BOROUGH OF WENONAH**  
**GENERAL CAPITAL FUND**  
 Schedule of Deferred Charges To Future Taxation - Unfunded  
 For the Year Ended December 31, 2018

Ordinance Number	Date of Ord.	Balance December 31, 2017	2018 Authorizations	Paid by Grant Cash Received	Notes Paid by Budget Appropriation	Balance December 31, 2018	A n n a l y s i s o f B a l a n c e																																																				
							Funded by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations																																																		
6-10	9/23/10	\$ 33,100.00			\$ (33,100.00)																																																						
8-12	8/23/12	9,000.00			(2,000.00)	\$ 7,000.00	\$	7,000.00																																																			
4-13	6/27/13	12,000.00			(6,000.00)	6,000.00		6,000.00																																																			
5-13	7/25/13	86,065.67			(12,065.67)	74,000.00		74,000.00																																																			
3-14	3/27/14	24,605.00			(3,515.00)	21,090.00		21,090.00																																																			
10-14/ 2-15	11/20/14 2/26/15	94,960.00			(11,870.00)	83,090.00		83,090.00																																																			
5-15/8-16	3/26/15	102,514.33			(12,279.33)	90,235.00		90,235.00																																																			
7-15	5/28/15	34,200.00			(4,275.00)	29,925.00		29,925.00																																																			
10-15/13-17	10/22/15	35,055.00			(3,895.00)	31,160.00		31,160.00																																																			
9-16	8/25/16	1,280,000.00		\$ (500,000.00)	(38,000.00)	742,000.00		342,000.00	\$ 105,085.87	\$ 236,914.13																																																	
5-17	7/27/17	204,000.00			(20,400.00)	183,600.00		183,600.00																																																			
8-17	9/28/17	161,000.00			(16,100.00)	144,900.00		144,900.00																																																			
8-17	9/28/17	389,000.00				389,000.00		389,000.00																																																			
2-18	3/22/18		\$ 152,000.00			152,000.00		152,000.00																																																			
7-18	9/27/18		247,000.00			247,000.00		247,000.00																																																			
<table border="0"> <tr> <td>\$ 2,465,500.00</td> <td>\$</td> <td>399,000.00</td> <td>\$</td> <td>(500,000.00)</td> <td>\$</td> <td>(163,500.00)</td> <td>\$</td> <td>2,201,000.00</td> <td>\$</td> <td>1,801,000.00</td> <td>\$</td> <td>105,085.87</td> <td>\$</td> <td>236,914.13</td> </tr> </table>							\$ 2,465,500.00	\$	399,000.00	\$	(500,000.00)	\$	(163,500.00)	\$	2,201,000.00	\$	1,801,000.00	\$	105,085.87	\$	236,914.13	<table border="0"> <tr> <td>Improvement Authorizations - Unfunded</td> <td>\$</td> <td>507,990.62</td> </tr> <tr> <td>Less: Unexpended Proceeds of Bond Anticipation Notes Issued:</td> <td></td> <td></td> </tr> <tr> <td>Ordinance 5-15</td> <td>\$</td> <td>286.29</td> </tr> <tr> <td>Ordinance 7-15</td> <td></td> <td>2,681.14</td> </tr> <tr> <td>Ordinance 10-15/17-13</td> <td></td> <td>600.00</td> </tr> <tr> <td>Ordinance 8-17</td> <td></td> <td>13,463.00</td> </tr> <tr> <td>Ordinance 2-18</td> <td></td> <td>5,067.00</td> </tr> <tr> <td>Ordinance 7-18</td> <td></td> <td>231,985.00</td> </tr> <tr> <td>Ordinance 11-18</td> <td></td> <td>16,994.06</td> </tr> <tr> <td></td> <td></td> <td><u>271,076.49</u></td> </tr> <tr> <td></td> <td>\$</td> <td><u>236,914.13</u></td> </tr> </table>					Improvement Authorizations - Unfunded	\$	507,990.62	Less: Unexpended Proceeds of Bond Anticipation Notes Issued:			Ordinance 5-15	\$	286.29	Ordinance 7-15		2,681.14	Ordinance 10-15/17-13		600.00	Ordinance 8-17		13,463.00	Ordinance 2-18		5,067.00	Ordinance 7-18		231,985.00	Ordinance 11-18		16,994.06			<u>271,076.49</u>		\$	<u>236,914.13</u>
\$ 2,465,500.00	\$	399,000.00	\$	(500,000.00)	\$	(163,500.00)	\$	2,201,000.00	\$	1,801,000.00	\$	105,085.87	\$	236,914.13																																													
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	\$	<u>236,914.13</u>																																																									

**BOROUGH OF WENONAH**  
 GENERAL CAPITAL FUND  
 Schedule of Improvement Authorizations  
 For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance 12/31/2017		Capital Improvement Fund	Grants Receivable	Deferred Charges to Future Taxation - Unfunded	Reappropriated/Cancelled	Paid or Charged	Balance 12/31/2018	
				Funded	Unfunded						Funded	Unfunded
3-12	Recreational Trails Program	2/23/2012	\$ 35,000.00	\$ 2,715.65						\$ 2,715.65		
10-14/		11/20/2014	62,000.00									
2-15	Construction of a Pole Barn	2/26/2015	63,000.00									
5-15/8-16	Roadway Improvements to Maple Street and S. Jackson Ave.	3/26/2015	280,000.00	\$ 286.29						\$ 2,590.00	\$ 286.29	
7-15	Purchase of Trash and Recycle Carts	5/28/2015	45,000.00	5,271.14							2,681.14	
10-15/13-17	Purchase of Radio Equipment for the Wenonah Fire Department	10/22/2015	41,000.00	10,322.96						9,722.96	600.00	
9-16	Improvements to Mantua Avenue	8/25/2016	1,300,000.00	482,465.71						245,551.58	236,914.13	
5-17	Purchase of Real Property	7/27/2017	215,000.00	16,994.06					\$ (16,994.06)			
8-17	Roadway Improvements to S. Marion Avenue and S. Clinton Ave.	9/28/2017	520,000.00	350,000.00						499,622.42	462.58	
8-17	Purchase of a Fire Truck	9/28/2017	410,000.00	13,463.00							13,463.00	
2-18	Purchase of Rear End Loader Trash Truck	3/22/2018	160,000.00			\$ 8,000.00		\$ 152,000.00		154,933.00	5,067.00	
7-18	Roadway Improvements to West Cherry St., South West Ave. and Garfield Ave.	9/27/2018	530,000.00			13,000.00	\$ 270,000.00	247,000.00		28,015.00	270,000.00	231,985.00
11-18	Repair of Municipal Property for Erosion on Maple Street	12/27/2018	16,994.06						16,994.06			16,994.06
<b>Total</b>												
				\$ 352,715.65	\$ 678,888.16	\$ 21,000.00	\$ 270,000.00	\$ 399,000.00	\$ -	\$ 940,434.96	\$ 273,178.23	\$ 507,990.62

Cash Disbursed	\$ 760,203.44
Contracts Payable	180,231.52
	<u>\$ 940,434.96</u>

**BOROUGH OF WENONAH**  
GENERAL CAPITAL FUND  
Schedule of Contracts Payable  
For the Year Ended December 31, 2018

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Balance Dec. 31, 2017	\$ 1,143,424.48
Increased by:	
Charged to Improvement Authorizations	<u>180,231.52</u>
	1,323,656.00
Decreased by:	
Disbursed	<u>1,143,424.48</u>
Balance Dec. 31, 2018	<u><u>\$ 180,231.52</u></u>

**BOROUGH OF WENONAH**  
**GENERAL CAPITAL FUND**  
 Schedule of Capital Improvement Fund  
 For the Year Ended December 31, 2018

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Balance Dec. 31, 2017	\$	19,866.24
Increased by:		
2018 Budget Appropriation		30,000.00
		49,866.24
Decreased by:		
Appropriations to Finance Improvement Authorizations		21,000.00
Balance Dec. 31, 2018	\$	28,866.24

**BOROUGH OF WENONAH**  
**GENERAL CAPITAL FUND**  
 Schedule of Reserve for Payment of Notes  
 For the Year Ended December 31, 2018

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Balance Dec. 31, 2017	\$	18,096.57
Decreased by:		
Anticipated as Revenue in 2018 Current Fund Budget		18,096.57
		18,096.57

**BOROUGH OF WENONAH**  
**GENERAL CAPITAL FUND**  
 Schedule of Bond Anticipation Notes  
 For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
6-10	Various Road Improvements	7/21/10	12/13/17	12/13/18	1.69%	\$ 33,100.00		\$ 33,100.00	
8-12	Reconstruction of Barkbridge Road	7/17/12	12/13/17 12/12/18	12/13/18 12/12/19	1.69% 3.00%	9,000.00	\$ 7,000.00	9,000.00	\$ 7,000.00
4-13	Various Road Improvements	7/21/10	12/13/17 12/12/18	12/13/18 12/12/19	1.69% 3.00%	12,000.00	6,000.00	12,000.00	6,000.00
5-13	Roadway Improvements to N. Synnot Ave., E. Poplar Street, W. Poplar Street and S. Jackson Ave.	7/15/14	12/13/17 12/12/18	12/13/18 12/12/19	1.69% 3.00%	86,065.67	74,000.00	86,065.67	74,000.00
3-14	Purchase of Public Works Pick-Up Truck	7/15/14	12/13/17 12/12/18	12/13/18 12/12/19	1.69% 3.00%	24,605.00	21,090.00	24,605.00	21,090.00
10-14/ 2-15	Construction of a Pole Barn	7/14/15	12/13/17 12/12/18	12/13/18 12/12/19	1.69% 3.00%	94,960.00	83,090.00	94,960.00	83,090.00
5-15 / 8-16	Roadway Improvements to Maple Street and S. Jackson Ave.	7/14/15	12/13/17 12/12/18	12/13/18 12/12/19	1.69% 3.00%	102,514.33	90,235.00	102,514.33	90,235.00
7-15	Purchase of Trash and Recycle Carts	7/14/15	12/13/17 12/12/18	12/13/18 12/12/19	1.69% 3.00%	34,200.00	29,925.00	34,200.00	29,925.00
10-15	Purchase of Radio Equipment for the Wenonah Fire Department	7/13/16	12/13/17 12/12/18	12/13/18 12/12/19	1.69% 3.00%	35,055.00	31,160.00	35,055.00	31,160.00
9-16	Improvements to Mantua Avenue	6/29/17	12/13/17 12/12/18	12/13/18 12/12/19	1.69% 3.00%	880,000.00	342,000.00	880,000.00	342,000.00
5-17	Purchase of Real Property	12/13/17	12/13/17 12/12/18	12/13/18 12/12/19	1.69% 3.00%	204,000.00	183,600.00	204,000.00	183,600.00
8-17	Roadway Improvements to S. Marion Avenue and S. Clinton Ave.	12/13/17	12/13/17 12/12/18	12/13/18 12/12/19	1.69% 3.00%	161,000.00	144,900.00	161,000.00	144,900.00
8-17	Purchase of a Fire Truck	12/12/18	12/12/18	12/12/19	3.00%		389,000.00		389,000.00
2-18	Purchase of Rear End Loader Trash Truck	12/12/18	12/12/18	12/12/19	3.00%		152,000.00		152,000.00
7-18	Roadway Improvements to West Cherry St., South West Ave. and Garfield Ave.	12/12/18	12/12/18	12/12/19	3.00%		247,000.00		247,000.00
Total						<u>\$ 1,676,500.00</u>	<u>\$ 1,801,000.00</u>	<u>\$ 1,676,500.00</u>	<u>\$ 1,801,000.00</u>
							\$ 1,013,000.00	\$ 1,013,000.00	
							788,000.00		
								500,000.00	
								163,500.00	
							<u>\$ 1,801,000.00</u>	<u>\$ 1,676,500.00</u>	

**BOROUGH OF WENONAH**  
**GENERAL CAPITAL FUND**  
 Statement of Bonds And Notes Authorized But Not Issued  
 For the Year Ended December 31, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2017</u>	2018 <u>Authorizations</u>	Bond Anticipation Notes <u>Issued</u>	Balance December 31, <u>2018</u>
9-16	Improvements to Mantua Avenue	\$ 400,000.00			\$ 400,000.00
8-17	Purchase of a Fire Truck	389,000.00		\$ 389,000.00	
2-18	Purchase of Rear End Loader Trash Truck		\$ 152,000.00	152,000.00	
7-18	Roadway Improvements to West Cherry St., South West Ave. and Garfield Ave.		247,000.00	247,000.00	
		<u>\$ 789,000.00</u>	<u>\$ 399,000.00</u>	<u>\$ 788,000.00</u>	<u>\$ 400,000.00</u>

**SUPPLEMENTAL EXHIBITS**  
**WATER AND SEWER UTILITY FUND**

**BOROUGH OF WENONAH**  
**WATER AND SEWER UTILITY FUND**  
 Statement of Water and Sewer Utility Cash - Chief Financial Officer  
 For the Year Ended December 31, 2018

	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance Dec. 31, 2017	\$ 335,062.10	\$ 200,285.82
Increased by Receipts:		
Consumer Accounts Receivable	\$ 698,227.83	
Miscellaneous Revenues Not Anticipated	12,464.64	
Prepaid Rents	386.24	
Premium on Sale of Bond Anticipation Notes	<u>3,367.83</u>	
	<u>711,078.71</u>	<u>3,367.83</u>
Decreased by Disbursements:		
2018 Appropriations	1,046,140.81	203,653.65
Appropriation Reserves		
Accrued Interest on Notes		
Improvement Authorizations	<u>37,980.12</u>	<u>37,980.12</u>
Balance Dec. 31, 2018	<u><u>\$ 292,701.76</u></u>	<u><u>\$ 165,673.53</u></u>



**BOROUGH OF WENONAH**  
**WATER AND SEWER UTILITY FUND**  
 Water and Sewer Utility Capital Fund  
 Statement of Water and Sewer Utility Capital Cash  
 For the Year Ended December 31, 2018

	Balance Dec. 31, 2017	Received		Disbursed Improvement Authorizations	Transfers		Balance Dec. 31, 2018
		Miscellaneous			From	To	
Capital Improvement Fund	\$ 17,504.25						\$ 17,504.25
Fund Balance		\$ 3,367.83					3,367.83
Improvement Authorizations:							
Ordinance							
Number							
1-14 Replacement of Well #2	166,648.53		\$ 18,973.31	\$ 147,675.22			
11-14 Purchase of Utility Backup Generator for Wells	16,133.04		3,571.81	12,561.23			
8-18 Sewer/Water Improvements to Jefferson Ave., Princeton Ave. and Monroe Ave.			15,435.00		\$ 160,236.45		144,801.45
	\$ 200,285.82	\$ 3,367.83	\$ 37,980.12	\$ 160,236.45	\$ 160,236.45	\$ 160,236.45	\$ 165,673.53

**BOROUGH OF WENONAH**  
**WATER AND SEWER UTILITY FUND**  
**Water and Sewer Utility Operating Fund**  
**Statement of Consumer Accounts Receivable**  
**For the Year Ended December 31, 2018**

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Balance Dec. 31, 2017		\$ 2,957.52
Increased by:		
Utility Rents and Penalty Fees Levied in 2018:		
Water and Sewer		701,399.30
		704,356.82
Decreased by:		
Collection (Net Refunds)	\$ 698,227.83	
Prepaid Rents Applied	48.48	
		698,276.31
Balance Dec. 31, 2018		\$ 6,080.51

**BOROUGH OF WENONAH**  
**WATER AND SEWER UTILITY FUND**  
Water and Sewer Utility Capital Fund  
Schedule of Fixed Capital  
For the Year Ended December 31, 2018

	Balance December 31, <u>2017</u>	Additions By <u>Ordinance</u>	Balance December 31, <u>2018</u>
<b>Water:</b>			
Reservation Land	\$ 5,000.00		\$ 5,000.00
Pumping System Land	1,000.00		1,000.00
Springs and Wells	74,676.18	\$ 920,324.78	995,000.96
Pumping Station and Structures	190,100.00		190,100.00
Electric Power Pumping Station	3,625.85	94,438.77	98,064.62
Transmission Mains and Accessories	23,249.16		23,249.16
Storage Reservoirs, Tanks, and Standpipes	49,898.50		49,898.50
Distribution Mains and Accessories	801,082.47		801,082.47
Service Pipes and Stops	7,500.00		7,500.00
Meters, Meter Boxes and Values	11,908.46		11,908.46
Flow Meters	2,463.51		2,463.51
Fire Hydrants and Fire Cisterns	44,394.47		44,394.47
Wenonah Meadows Water Pumping Station	230,500.00		230,500.00
Purchase of New Water Meters	357,929.39		357,929.39
	<hr/>		
<i>Total Water</i>	1,803,327.99	1,014,763.55	2,818,091.54
	<hr/>		
<b>Sewer:</b>			
Sewer Service Line and Accessories	1,448,636.90		1,448,636.90
Sewer Treatment Plant	193,833.30		193,833.30
Pumping Station and Structures	494,514.51		494,514.51
Backhoe	40,000.00		40,000.00
General Equipment	6,578.07		6,578.07
Erection and Construction of a Municipal Garage	5,866.55		5,866.55
Wenonah Meadows Sewer Extension	118,742.38		118,742.38
	<hr/>		
<i>Total Sewer</i>	2,308,171.71	-	2,308,171.71
	<hr/>		
<b>Grand Total</b>	\$ 4,111,499.70	\$ 1,014,763.55	\$ 5,126,263.25
	<hr/> <hr/>		

**BOROUGH OF WENONAH**  
**WATER AND SEWER UTILITY CAPITAL FUND**  
 Water and Sewer Utility Capital Fund  
 Statement of Fixed Capital Authorized and Uncompleted  
 For the Year Ended December 31, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance December 31, 2017</u>	<u>2018 Authorizations</u>	<u>2018 Reappropriated</u>	<u>Costs to Fixed Capital</u>	<u>Balance December 31, 2018</u>
1-14	Replacement of Well #2	3/27/14	\$1,100,000.00	\$ 1,068,000.00		\$ (147,675.22)	\$ 920,324.78	
11-14	Purchase of Utility Backup Generator for Wells	11/20/14	75,000.00	107,000.00		(12,561.23)	94,438.77	
8-18	Sewer/Water Improvements to Jefferson Ave., Princeton Ave. and Monroe Ave.	9/27/18	172,236.45		\$ 12,000.00	160,236.45		\$ 172,236.45
				<u>\$ 1,175,000.00</u>	<u>\$ 12,000.00</u>	<u>\$ -</u>	<u>\$ 1,014,763.55</u>	<u>\$ 172,236.45</u>

**BOROUGH OF WENONAH**  
**WATER AND SEWER UTILITY FUND**  
 Water and Sewer Utility Operating Fund  
 Statement of 2017 Appropriation Reserves  
 For the Year Ended December 31, 2018

	Balance			Balance
	Dec. 31, 2017	Encumbered	Disbursed	
	<u>Reserved</u>	<u>Encumbered</u>	<u>Disbursed</u>	<u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 1,598.52		\$	1,598.52
Other Expenses	18,071.37	\$ 15,065.17	\$ 23,955.65	9,180.89
Gloucester County Sewer System - Share of Costs	6,541.68	12,000.00	11,780.22	6,761.46
Statutory Expenditures:				
Social Security System (O.A.S.I.)	1,039.54			1,039.54
	<u>\$ 27,251.11</u>	<u>\$ 27,065.17</u>	<u>\$ 35,735.87</u>	<u>\$ 18,580.41</u>

**BOROUGH OF WENONAH**  
WATER AND SEWER UTILITY FUND  
Water and Sewer Utility Operating Fund  
Statement of Prepaid Rents  
For the Year Ended December 31, 2018

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Balance Dec. 31, 2017	\$ 48.48
Increased by:	
Receipts	<u>386.24</u>
	434.72
Decreased by:	
Applied to 2018 Consumer Accounts Receivable	<u>48.48</u>
Balance Dec. 31, 2018	<u><u>\$ 386.24</u></u>

**BOROUGH OF WENONAH**  
**WATER AND SEWER UTILITY FUND**  
 Water and Sewer Utility Operating Fund  
 Schedule of Accrued Interest on Notes  
 For the Year Ended December 31, 2018

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Balance Dec. 31, 2017	\$ 963.05
Increased by:	
Budget Appropriations for Interest on Notes	20,991.02
	21,954.07
Decreased by:	
Interest Paid	20,394.07
Balance Dec. 31, 2018	\$ 1,560.00

**Analysis of Accrued Interest December 31, 2018**

<u>Principal Outstanding Dec. 31, 2018</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
<i>Bond Anticipation Notes</i> \$ 1,040,000.00	3.00%	12/12/18	12/31/18	18 Days	\$ 1,560.00
					\$ 1,560.00

**BOROUGH OF WENONAH**  
**WATER AND SEWER UTILITY FUND**  
 Water and Sewer Utility Capital Fund  
 Schedule of Improvement Authorizations  
 For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2017 Unfunded	2018 Authorizations			Balance December 31, 2018 Unfunded
					Deferred Charges to Future Taxation - Unfunded	Reappropriated	Paid or Charged	
1-14	Replacement of Well #2	3/27/14	\$ 1,100,000.00	\$ 166,648.53	\$	(147,675.22)	\$ 18,973.31	
11-14	Purchase of Utility Backup Generator for Wells	11/20/14	75,000.00	16,133.04	(12,561.23)		3,571.81	
8-18	Sewer/Water Improvements to Jefferson Ave., Princeton Ave. and Monroe Ave.	9/27/18	172,236.45	\$ 12,000.00	160,236.45		15,435.00	
Total				\$ 182,781.57	\$ 12,000.00	\$ -	\$ 37,980.12	\$ 156,801.45
				Cash Disbursed				\$ 37,980.12



**BOROUGH OF WENONAH**  
WATER AND SEWER UTILITY FUND  
Water and Sewer Utility Capital Fund  
Statement of Reserve for Amortization  
For the Year Ended December 31, 2018

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Balance Dec. 31, 2017	\$ 4,079,749.70
Increased by:	
Notes Paid by Operating Budget	<u>166,750.00</u>
Balance Dec. 31, 2018	<u><u>\$ 4,246,499.70</u></u>

**BOROUGH OF WENONAH**  
**WATER AND SEWER UTILITY FUND**  
 Water and Sewer Utility Capital Fund  
 Schedule of Bond Anticipation Notes  
 For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance		Balance December 31, 2018
						December 31, 2017	December 31, 2018	
						Increased	Decreased	
8-07/20-08	Wenonah Meadows Water & Sewer Extension	2/28/08	12/13/17	12/13/18	1.69%	\$ 36,000.00	\$ 36,000.00	\$ 44,125.00
22-08/3-10	Purchase and Installation of New Water Meters	7/22/09	12/13/17	12/13/18	1.69%	79,250.00	79,250.00	\$ 44,125.00
			12/12/18	12/12/19	3.00%	\$ 44,125.00		\$ 44,125.00
4-11	Reconstruction of Lenape Pump Station	7/20/11	12/13/17	12/13/18	1.69%	77,500.00	77,500.00	59,000.00
			12/12/18	12/12/19	3.00%	59,000.00		4,000.00
13-11	Acquisition and Installation of Pump for Well No. 1	7/17/12	12/13/17	12/13/18	1.69%	5,000.00	5,000.00	705,500.00
			12/12/18	12/12/19	3.00%	4,000.00		917,000.00
1-14	Replacement of Well #2	7/15/14	12/13/17	12/13/18	1.69%	917,000.00	917,000.00	92,000.00
			12/12/18	12/12/19	3.00%	705,500.00		67,138.55
11-14	Purchase of Utility Backup Generator for Wells	7/14/15	12/13/17	12/13/18	1.69%	92,000.00	92,000.00	160,236.45
			12/12/18	12/12/19	3.00%	67,138.55		\$ 1,040,000.00
8-18	Sewer/Water Improvements to Jefferson Ave., Princeton Ave. and Monroe Ave.	12/12/18	12/12/18	12/12/19	3.00%	160,236.45		\$ 1,206,750.00
						<u>\$ 1,040,000.00</u>	<u>\$ 1,206,750.00</u>	<u>\$ 1,040,000.00</u>
						Renewal Paid by Budget Appropriation		
						\$ 1,040,000.00	\$ 1,040,000.00	\$ 166,750.00
						<u>\$ 1,040,000.00</u>	<u>\$ 1,206,750.00</u>	<u>\$ 1,206,750.00</u>

**BOROUGH OF WENONAH**  
**WATER AND SEWER UTILITY FUND**  
 Water and Sewer Utility Capital Fund  
 Statement of Bonds And Notes Authorized But Not Issued  
 For the Year Ended December 31, 2018

Ordinance <u>Number</u>	<u>Improvement Description</u>	2018 <u>Authorizations</u>	Balance December 31, <u>2018</u>
8-18	Sewer/Water Improvements to Jefferson Ave., Princeton Ave. and Monroe Ave.	\$ 12,000.00	\$ 12,000.00

**BOROUGH OF WENONAH**  
**PART II**  
**SINGLE AUDIT**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor  
Members of the Borough Council  
Borough of Wenonah  
Wenonah, New Jersey 08090

**Report on Compliance for the Major Federal Program**

We have audited the Borough of Wenonah's, in the County of Gloucester, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Borough's major federal program for the year ended December 31, 2018. The Borough's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the Borough's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Borough's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Borough of Wenonah's, in the County of Gloucester, State of New Jersey, compliance.

**Opinion on the Major Federal Program**

In our opinion, the Borough of Wenonah, in the County of Gloucester, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2018.

**Report on Internal Control over Compliance**

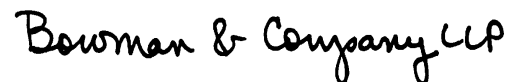
Management of the Borough of Wenonah, in the County of Gloucester, State of New Jersey, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Wenonah's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Carol A. McAllister  
Certified Public Accountant  
Registered Municipal Accountant

**BOROUGH OF WENONAH**  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2018

Federal Grantor/ Pass-through <u>Grantor/Program Title</u>	Federal CFDA <u>Number</u>	Pass Through Entity Identifying <u>Number</u>	Program or Award <u>Amount</u>	Matching Contri- <u>bution</u>	<u>Grant Period</u> <u>From</u> <u>To</u>	
<b><u>U.S. Department of Transportation</u></b>						
<b><u>Passed through New Jersey State Department of Transportation</u></b>						
<b>Highway Planning and Construction Cluster</b>						
Highway Planning and Construction (Federal-Aid Highway Program)						
NJDOT Multi-Modal Transportation						
Improvements to Mantua Ave	20.205	6300-480-348365	\$987,673.32	N/A	09/14/2017	4/30/2020
Total Highway Planning and Construction Cluster						
Total Federal Financial Assistance						

The accompanying Notes to Financial Statements and Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Receipts or</u> <u>Revenues</u> <u>Recognized</u>	<u>Adjustments</u>	<u>Code</u>	<u>Disbursed/</u> <u>Expended</u>	<u>Passed</u> <u>Through to</u> <u>Subrecipients</u>	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Memo Only</u>	
							<u>Cash</u> <u>Collected</u>	<u>Accumulated</u> <u>Expenditures</u>
	\$987,673.32			\$987,673.32			\$704,230.06	\$987,673.32
-	987,673.32	-		987,673.32	-	-	704,230.06	987,673.32
-	\$987,673.32	-		\$987,673.32	-	-	\$704,230.06	\$987,673.32
		Expended in 2017		\$73,360.58				
		Expended in 2018		914,312.74				
				<u>\$987,673.32</u>				



**BOROUGH OF WENONAH**  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2018

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**Note 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "schedule") includes federal award activity of the Borough of Wenonah (hereafter referred to as the "Borough") under programs of the federal government for the year ended December 31, 2018. The Borough is defined in note 1 to the financial statements. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule. Because the schedule presents only a selected portion of the operations of the Borough, it is not intended to and does not present the financial position and changes in operations of the Borough.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the modified accrual basis of accounting as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. This basis of accounting is described in note 1 to the financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**Note 3: INDIRECT COST RATE**

The Borough has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal and state financial reports.

**Note 5: MAJOR PROGRAMS**

The major program is identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

**BOROUGH OF WENONAH**

**PART III**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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

**BOROUGH OF WENONAH**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended December 31, 2018

**Section 1- Summary of Auditor's Results**

**Financial Statements**

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

**Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	_____ yes <u> X </u> no
Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported
Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance)?	_____ yes <u> X </u> no

Identification of major programs:

**CFDA Number(s)**

20.205  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Name of Federal Program or Cluster**

Highway Planning and Construction Cluster  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Dollar threshold used to determine Type A programs	_____ \$ _____ 750,000.00
Auditee qualified as low-risk auditee?	_____ yes <u> X </u> no

**BOROUGH OF WENONAH**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2018

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**Section 1- Summary of Auditor's Results (Cont'd)**

**State Financial Assistance**                      **NOT APPLICABLE**

Internal control over major programs:

Material weakness(es) identified?                      \_\_\_\_\_ yes                      \_\_\_\_\_ no

Significant deficiency(ies) identified?                      \_\_\_\_\_ yes                      \_\_\_\_\_ none reported

Type of auditor's report issued on compliance for major programs                      \_\_\_\_\_

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB?                      \_\_\_\_\_ yes                      \_\_\_\_\_ no

Identification of major programs:

**GMIS Number(s)**

**Name of State Program**

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Dollar threshold used to determine Type A programs                      \_\_\_\_\_ \$

Auditee qualified as low-risk auditee?                      \_\_\_\_\_ yes                      \_\_\_\_\_ no

**BOROUGH OF WENONAH**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2018

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***Section 2 - Schedule of Financial Statement Findings***

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

**None**

**BOROUGH OF WENONAH**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2018

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***Section 3 - Schedule of Federal Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**None**

**BOROUGH OF WENONAH**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2018

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***Section 4 - Schedule of State Financial Assistance Findings and Questioned Costs***

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

**Not Applicable**

16000

**BOROUGH OF WENONAH**  
Summary Schedule of Prior Year Audit Findings  
and Recommendations as Prepared by Management

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This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with *Government Auditing Standards*, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB.

**FINANCIAL STATEMENT FINDINGS**

None.

**FEDERAL AWARDS**

Not Applicable.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

Not Applicable.



**BOROUGH OF WENONAH**  
Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
John R. Dominy	Mayor	
William Norris	Council President	
Jonathan Barbato	Councilperson	
Phillip Kaefeler	Councilperson	
Anthony Fini	Councilperson	
Jack Sheppard	Councilperson	
Daniel Cox	Councilperson	
Kim Jaworski	Tax Collector, Tax Search Officer	(A)
Robert E. Scharlé	Chief Financial Officer	(A)
Karen Sweeney	Municipal Treasurer / Clerk	(A)
Laurie Christinzio	Deputy Municipal Treasurer, Tax/Utility Clerk	(A)
Matthew P. Lyons	Solicitor	
David Kreck, P.E.	Engineer	
Craig Black	Tax Assessor—Gloucester County	
James Gallagher	Construction Code Official	(A)
Joseph Buono	Fire Sub Code Official	(A)

(A) Covered by Gloucester, Salem and Cumberland Counties Municipal Joint Insurance Fund for \$1,000,000.00 with a \$1,000 deductible.

All copies of the bonds and policy were examined and found to be properly executed.

16000

**APPRECIATION**

I express my appreciation for the assistance and courtesies rendered by the Borough officials during the course of the audit.

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Carol A. McAllister*

Carol A. McAllister  
Certified Public Accountant  
Registered Municipal Accountant

